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Defining Moment

AppSense CEO Darron Antill highlights the importance of defining a market, before you dominate it

Darron Antill has never shied from a challenge. As CEO of Vistorm he oversaw its integration into HP, and through the security market tipping point - moving from being an IT concern to a board level concern. Now, as CEO of AppSense he is again faced by an explosive market - the space is the desktop, and the tipping point is the convergence of virtualization technologies, the cloud, and mobile devices.

AppSense's technology independently manages the user in the desktop; enabling desktops and applications to be delivered across multiple platforms, including cloud and mobile device, while providing a personalised, seamless experience. This is called User Virtualization (UV).

UV abstracts the user "personality" (e.g. personalisation, user changes), and policy enforced by the organisation. Separating the user from the applications and operating system, then delivering it back on demand, to any device,

represents a total mobility package, rather than a desktop solution. AppSense estimates that independent user management represents a 60% cost reduction for managing the desktop estate, alongside offering a more flexible, secure and compliant environment through addressing the mobile device marketplace.

This is only the beginning of the UV market potential. Microsoft will end XP support in 2014, necessitating a mass enterprise migration to Windows 7. UV eliminates the needs for users to migrate between operating system platforms by virtualizing the user personality and dynamically applying it, on-demand. The cost implications are very attractive.

Securing UV as its own category is just the start. The implications of a separated corporate "personality" are significant. From Cloud-based personality services to an integrated professional-social personality, the future looks bright for AppSense.

Viewfinder

Against the backdrop of challenging economic times we are pleased to publish the latest edition of GS-insight which focuses on some positive news and perspective from the Technology sector.

In this edition we have discussions with executives from the high growth sectors of virtualisation and software as a service. In addition we consider the cleantech sector from a vendor and investor point of view, while we also gain insight into conducting business in Asia.

We are members of the global Access Search Partnership. In this magazine our partners, www.Accesssearchpartners.com, share their views on executive hiring in the USA and how to hire the right CEO.

Gillamor Stephens is the leading executive search company serving the European technology, online and cleantech sectors. Our work focuses on hiring executives and non-executives for publicly listed and venture capital/private equity backed businesses.

GS-insight can be viewed and downloaded from www.gillamorstephens.com
 Steve Morrison, Partner, Gillamor Stephens

Seeds of success

salesforce.com's European Business Operations Chairman Steve Garnett reveals some of the principles that have led to software's triumphs

There are many vignettes that make up a success story such as Steve Garnett's; a man who came from a poverty of expectation in inner-city Liverpool, yet achieved a PhD in Theoretical Physics. Steve joined a pre-IPO Oracle when there was no more than 100 staff worldwide and after 12 years became VP European Marketing and Alliances - the youngest member of the European management team. From there he was one of the first few to work at Siebel in Europe, becoming a member of the founders circle and VP Europe, contributing to the business growing into the world's 5th largest software company with 8,000 employees and a peak market capitalization of \$60b. In 2004 Steve joined salesforce.com as head of Europe operations. He helped take

salesforce.com public in 2004 and it now stands with a market capitalization of \$18b. In the 2009 Daily Telegraph poll Steve was named as one of the 50 most influential Britons in Technology and again in Computer Weekly in 2010.

There are many factors that contribute to this overarching narrative of success, for example: the importance of revolutionary ideas, talent and charity.

Revolutionary acorns

Oracle - When I first met Larry Ellison in '86, he was talking about being bigger than IBM Software, a bold statement for a 100 person company. However Larry saw the

potential of relational databases - data would come out of the glass house, and move onto client/server architectures, with a portability aspect that departed from hardware lock-ins mandated by a software market dominated by hardware vendors. It was a revolutionary plan, but it came to fruition.

Siebel - When I met Tom at Siebel Systems in '96, he was asking "Why isn't the front office like the back office"? SAP showed how off-the-

“Larry Ellison was smarter about being able to out-sell, out-manipulate, out-market, out-position, and ultimately out-hire the competition”

shelf applications could be built for general ledger, accounts payable, inventory. So why was the front office sales process, customer service and marketing still reliant upon the "gift of the gab"? There were no structured applications to help support the sales process. Tom spotted the flaw and attacked it in a big, ambitious way and ultimately successful way.

salesforce.com - Marc Benioff founded salesforce.com in 1999 defining its mission as "The End of Software" - a revolutionary statement when software companies were booming. His simple idea was - "Why can't business applications be like

Amazon"? The transaction around buying a digital camera bought over the weekend is more complicated than adding an invoice or a customer complaint, or a sales call log. So why is it that you can do that at the weekend on Amazon, and then you come into the office on a Monday morning and everything's hard, expensive, and complicated, with armies of IT support, and millions of dollars going out the door to buy computers and software? Marc's simple idea

was that business applications should be like the consumer web, and it spawned a \$18 billion market valuation company.

In war there is no substitute for talent

I think the people are probably the most important

factor for a company's success. With great people you can figure out the market and products, but even the most brilliant idea will be undermined by average support personnel.

A few years ago in Silicon Valley, the global software industry was essentially being run by ex-Oracle people. Larry Ellison was (and still is) leading Oracle, and then there was Peoplesoft CEO Craig Conway (Oracle, ex-Executive VP), salesforce.com CEO Marc Benioff (Oracle's youngest VP and Rookie of the year), Siebel CEO Tom Siebel (Oracle, ex-VP USA), Informatica CEO Sohaiv Abbasi (SVP Tools and Education, Oracle), and in Europe

“With great people you can figure out the market and products, but even the most brilliant idea will be undermined by average support personnel”

Veritas Vice-Chairman Geoff Squire OBE (President Worldwide Operations, Oracle). Half of the enterprise computing market consisted of ex-Larry Ellison reports. When I joined Oracle competition was very, very close - in fact there were better products on the market - but Larry Ellison was smarter about being able to out-sell, out-manipulate, out-market, out-position, and ultimately out-hire the competition.

Personally, when I recruit I look for people with a sense of urgency, energy, and “gas in the tank” - this industry is tough and it can burn people out so you’re clearly looking for that energy factor. I also ask “Do I like this individual, would I go for a beer with them”? Especially in sales you find bright, energetic people - but it can feel overly pressured. I think that most people like to buy from people - if you come across as a decent guy who creates that energy and urgency around your products people will want to buy from you.

Charity starts in the office

The world of software is filled with tremendous opportunity, which must be maximised fast, or somebody else will. There is a constant aggression in organisations to get it moving, to overachieve, to innovate or sell or market or grow better and quicker. Even the best people are getting burnt out by very hard, long hours - resulting in a drop in productivity, the need for sabbaticals or career moves. salesforce.com has found an altruistic alternative, which also



Steve Garnett
European Business Operations
Chairman of salesforce.com

allows the computer industry to give something back.

Marc Benioff set up a foundation on day one setting 1% of the company’s stock and 1% of its profit, to charity, and giving every employee gets six days’ paid leave to go and work with people who are less fortunate than we are in the computer industry. salesforce.com has 5,000 employees and 85% take their six days a year to work with people who are less fortunate, many bringing their family and friends with them - people come back refreshed, realising “I haven’t really got problems at all”.

Marc’s example has pushed me to do a lot more. And I looked back on my career and thought “Well where did I get my break”?

I grew up in an inner city, in Liverpool, and my father was dead when I was eight through smoking

and my mum didn’t have two ha’pennys to rub together, so she brought four kids up with no money. I went to an average school but there was one great, teacher- my maths teacher. He spotted potential in me and really broke the barriers of expectation - which was for me to get to 16, stay out of trouble with the police, and get a job - that was deemed success, Mum would be happy.

He said “You can do better than that, you could go to university”. Now for me people who went to university were all super-smart and rich kids - I certainly was neither. Because of him, I went to university, I got a maths degree, and I went on and did a PhD in Theoretical Physics which got me my break into the computer industry. And when I look back, if it hadn’t been for this teacher I’d be digging holes in the road in Liverpool. There is just so much wasted potential; shockingly the probability of your academic and future success is a strong correlation of your parental wealth, even today.

So I joined Teach First. This charity has well over 1,000 really smart graduates who go to inner city schools in packs of three or four to not only teach, but also to change the culture of the school. The age gap between the grad and students are only a handful of years, so they become role models - the hope is that students will say “This guy’s cool, he knows the subject, he finds it interesting, and he’s only a few years older than I am. Maybe I can be like him.”

American Advantage

salesforce.com's Steve Garnett considers why there are so few European software giants and outlines the main challenges for software start-ups

A visit to the world's top three software companies would involve a road-trip spanning the states of Washington, New York and California. If you decided to expand this to the top 20, you could visit 12 further companies before needing to find your passport, and a great deal of time would be spent negotiating California's traffic system. In Europe there is SAP, Business Objects and Sage, but the list starts to thin before you've really got to the fingers of your second hand.

People often ask me why this might be the case - it's a difficult question, which I think necessitates a mixture of answers:

One - Employment law

Americans start with a mindset that if you work hard, you'll get paid well and get promoted. If you don't, you'll get fired. There are none of the sort of employment laws which will give you three years' salary. Personally, I think that American employment laws are more conducive to hiring people faster and moving faster, because if you do make a mistake you can downsize quicker too.

Two - A continent of many nations

The European Union recognises 23 official languages - and clearly this will always be an issue. We do have a European Community, but it's still easier to sell with a single language and a single market in the US. So you can move a lot faster.

Three - The Fear Factor

As a generalisation, Americans are

less risk-averse. In Silicon Valley schools don't have "science fairs", they have "innovation conventions", and many Americans come from a background of risk-taking immigrants. This means Americans will take on a little bit more risk to gain an advantage, as I think they're not as afraid to fail.

Four - Learning Live

I've experienced that Americans tend to build version one, ship it out, get some revenue, and build version two. I have seen a propensity in Europe for software engineers here to say "If it isn't broken then it hasn't got enough features", so keep building. and then ship the monster out... often to a market that has already moved on. Obviously make sure the product is good enough to not disappoint your customers, but a "beta" can garner feedback, build appetite and then you can bring out a version two. This sense of urgency can steal the "first mover" advantage, alongside bring revenue through the door.

A key example of this is Google's "launch early and iterate" motto - the beta of Chrome was launched in September 2008 - it was not until May 2010 when Google Chrome 5.0 was announced to be the first stable release to support Windows, Mac OS X and Linux. At which point the browser already had 6.73% of the market.

Five - The uncomfortable subject of sales

If you say in America you're a sales

professional, people say "Oh that's interesting, what do you sell, maybe it's of value to me". Whereas here, if you stand up and say "I'm a sales guy" people say "Oh my God... let me quickly move on to somebody else before this gets awkward". We forget that without selling you can't have engineers or accountants or lawyers. Revenue solves all problems, and a culture which embraces sales is essential.

In my opinion there are three main challenges that the next generation of software successes will have to face, regardless of their origin:

Create a true internet architecture

Google and salesforce.com have shown the necessity to re-architect software to create a multi-tenanted architecture. Effectively create one stack that everybody shares, not multiple copies per customer. This is not out-sourcing - this is true internet architecture.

Keep Wall Street happy

Every 12 weeks companies have to show their margins going up - you have to feed the revenue beast otherwise Wall Street will trash the stock price and probably call up a new CEO.

Shift in culture

You can no longer have an upfront sale and then walk away - SaaS is a service culture. You have to interact with your customer on a daily, monthly and yearly basis.

Green is good

Michael Linse, a Partner at Kleiner Perkins Caulfield and Byers gives his view of the Green technology marketplace

Kleiner Perkins, long regarded as one of Silicon Valley's tier one Venture Capitalists, has extended its focus in recent years to include the Cleantech market (which it labels Greentech). Michael joined its stellar Partner group, alongside luminaries such as John Doerr, Ray Lane, Bill Joy and Al Gore. He has spent most of his career in Europe, moving to California two years ago.

A large part of KPCB's activity now focuses on the Greentech/Cleantech marketplace, with a third of its Partner group now working in this sector. It has two approaches to investing which differentiate the firm from other Venture Capitalists. One is the traditional VC approach focussing on breakthrough technologies with often quite early stage companies. However they also have a \$1 billion Green Growth Fund - which Michael helps manage - focussing on later stage companies such as Enphase Energy. This type of company would already have substantial and rapidly growing revenues and would have removed its technology risk but is still looking for capital, either the last growth capital before a company becomes self-sufficient / goes public, or liquidity for existing investors / management that are looking for partial exits.

Michael sees two key drivers in the market currently. The varying regulatory environment in different parts of the world, and also the fact that most of the traditional Cleantech sectors (such as wind, solar, LED, batteries) are on steeply

declining cost curves. Cost reductions of 30% to 50% over the last few years are the norm, surprisingly abrupt given expectations even two years ago. Drivers of this include scale, the financial crisis, margin contraction

“the Green space is a very exciting space to be in for a Venture Capitalist”

and real technical innovation coming through into the marketplace.

Even more interesting with deep implications, is that those cost reductions look set to continue. Kleiner Perkins have over 50 Greentech portfolio companies across the above sectors as well as others such as biofuels and waste water, so they are exposed to a broad range of Cleantech sectors. Investments range from those with the opportunity to make tremendous technical or cost breakthroughs, to current leaders in their markets.



Michael Linse
Partner, Kleiner Perkins Caulfield & Byers

Kleiner has evolved from the traditional model of investing in Bay Area companies and then scaling internationally, which they historically pursued with digital and life sciences investments. The company now has a significant

number of investments in Europe. Through its Shanghai office the company has also invested heavily in China, though probably the majority of its companies remain California focused. This also

reflects where the fastest growing markets for these technologies are.

Within the next two to five years, Michael believes we will all continue to be surprised about how cost competitive some of these technologies become, to the point where companies and individuals cannot afford not to use them. This will lead to explosive growth and further scale benefits. He worries more about the effect of budget consolidation in the Western world on incentive schemes that Governments have put in place for the Greentech industry.

There is real and substantial revenue growth across a range of the companies in Kleiner's green portfolio which is really exciting. For example, they have seen Enphase Energy experience dramatic growth with their micro-inverter (a key element of any solar panel implementation).

With these market dynamics, and untapped potential, the Green space is a very exciting space to be in for a Venture Capitalist. The only thing that could come close would perhaps being CEO of one of these companies!

Define and Conquer

Darron Antill - CEO of AppSense, the rapidly rising star of the User Virtualisation market discusses the keys to hyper growth

AppSense, under Darron Antill, is defining and now leading a new sector, User Virtualisation; a sector with the potential to be worth between \$1.5 and \$2 billion over the next 2-3 years. In the fiscal year of 2010 AppSense achieved global revenue growth of 60%, increased its workforce by 43% and announced partnerships with a number of major vendors including Microsoft and McAfee.

Darron Antill was a driving strategic force for these achievements as AppSense COO, and now as CEO, provides the direction for what now looks set to be spectacular growth.

Understand your market and have a vision

Antill and his team understand where and why success will happen as the User Virtualisation market gears up for hyper growth. As businesses look to drive ultimate cost efficiencies, more efficient IT delivery models such as virtualisation and cloud become ever more popular. It doesn't matter, however, how good the efficiency drive is. If users won't adopt, success remains out of reach. User adoption is directly linked to the user's ability to customise their working environment - but every customization provides an opportunity for cost increase and user disruption further down the line. The balancing of desktop management with user flexibility is a core concept of User Virtualisation.



Darron Antill
CEO of AppSense

The explosion of new devices entering the workforce has created more demanding employees, and an increasing headache for IT departments. How can businesses provide the flexibility and mobility of these accessing devices, without compromising security, increasing cost and impacting the user's working experience? Enter User Virtualization, and with it, a whole new way of looking at the desktop.

User Virtualization essentially decouples the user from the device and manages the user "personality" independent of the desktop or accessing device. This means that users can utilize any device with a combination of different operating systems and applications, and have this whole environment customized to "their environment" seamlessly. This customization includes personal settings such as wallpaper, language settings, screen format etc, but also user controls such as rights management, security levels etc. The result is a "follow-me" personality, providing a personal,

compliant and secure working environment across multiple devices.

AppSense is the clear leader in this space and with their pioneering technology, extensive customer and partner base and a 12 year history of managing the user experience, the company is poised for explosive growth as User Virtualization is adopted by more and more global enterprises.

Think global, act local

Although founded in the UK, AppSense is in the process of relocating its HQ to New York. With a solid revenue base in Europe, the US is now leading the growth in AppSense's market, and the business plans for US revenues to double in the next year. AppSense also has offices in California, across Europe and in Australia.

Bring on the best people - and keep them

Hyper growth brings the inherent challenge of attracting good talent, and then training new starters as fast as possible. The current plan is to significantly increase technical development, support, professional services, sales and marketing headcount globally. This recruitment is critical for the company's success, and represents a significant investment in money and time. AppSense continue to invest heavily in their existing talent; ensuring new hires are brought up to speed quickly and kept ahead of the game throughout their careers.

Create your Ecosystem

AppSense sells its User Virtualization Platform through a global network of Systems Integrators and Channel Partners. This model has proved essential to the success of the company and consequently AppSense holds its partners in high regard. With generous margins, world class training services and a significant services opportunity, the relationship between the company and their go-to-market partners is stronger than ever. This along with close working relationships with technology alliances such as Citrix, Microsoft, VMware, McAfee, Symantec etc enables the company to create compelling joint value with other trusted technology brands.

The relationships and business opportunities with Systems Integrators seem set to escalate in 2011. Big players such as HP, CSC, Fujitsu, Dell, and IBM who manage significant corporate desktop estates, are now turning to AppSense to further lower the cost of the desktop services and ensure user adoption of large scale desktop refresh projects.

In conclusion

The user virtualization space is at a tipping point, with major technology companies and analysts now validating the category. AppSense has successfully expanded into new global territories, and grown orders by 80 percent during the first quarter of 2011. This is an incredibly exciting time for AppSense, and this rapid expansion is expected to continue through research and moving into new and emerging markets including the increasing importance of user virtualization on cloud and mobile device platforms.

Our man in the East

Julian Quinn, VP Asia Pacific at Adobe discusses the cultural implications of being an English man conducting business in Asia

Julian Quinn, VP Asia Pacific at Adobe, moved to Singapore from the UK aged five, was educated there and in a Chinese school in Malaysia. As the only English child in a non-English speaking Chinese school he was exposed early to Eastern cultural differences, engendering a life-long love of the vibrancy and cut-and-thrust of Asia. Below Julian outlines some of the more striking differences a businessperson might encounter:

Cultural sensitivity is critical

In leadership be careful to avoid loss of face in performance management and coaching advice; instead adopt a "play the ball rather than the player" management style. Effort should be made to avoid directly saying "No" to anyone - using "I will try" or "It may be difficult" as alternatives and it is always good advice to set clear expectations, which will then be carried out diligently. Anything omitted from the original brief is unlikely to be performed as the assumption will be that if you wanted something, you would have asked.

The importance of a personal touch

Relationship-based selling is incredibly important, with a great deal of business (and relationship building) done outside normal business hours. If entertaining, do it well. Business cards should be presented and accepted with two hands when meeting, and take time to appreciate the card - the exchange of token gifts is also not uncommon.



Julian Quinn
VP Asia Pacific of Adobe

A land of great opportunity

Although there are cultural differences to conquer, the AsiaPac economy more than rewards this effort. China has now overtaken Japan as the second largest global economy, with a huge domestic market and massive exports. The economies in AsiaPac are expected to grow between 7 - 10% this year, so this region is a serious growth engine.

The market is a big producer and consumer of high technology. Global trends around proliferation of cell phones and mobile devices are driving demand for digital content, along with the demographic shifts around social networking and how media is being consumed. Overlay that with the substantial increase in mobile advertising spend, especially in Asia Pacific, the emergence of cloud computing and SaaS models, and companies such as Adobe are well positioned to capitalize on these new opportunities.

Sunshine revolution

Paul Nahi, CEO of solar microinverter systems business Enphase Energy, discusses the phenomenal growth of the solar market

2010 was a year of remarkable growth for the solar industry with worldwide installations in amounting to 15.8 Gigawatts (GW), representing 118.7% growth from 7.2GW in 2009. Germany was the world's largest solar market, driven by excellent investment conditions, and other countries in Europe are ramping up their own plans for PV as ROI rates in Italy and France are very attractive to investors. In particular Italy saw a surge of installations in the second half of 2010, and investment conditions in 2011 and 2012 will remain better than in Germany. Indeed it is predicted that investors and German installers will move activities to Italy during these years, helping to accelerate PV market penetration*.

The US is also expected to experience significant market growth, driven by factors such as an extension of a federal grant program for renewable energy generation projects which provides 30% of the cost of a clean power project. California has directed its three largest utilities companies to ensure enough renewable energy to make up 33% of their supplies by 2020, and NRG Energy (wholesale power generator owning two utilities) committed to invest up to \$1.55 billion for utility-scale projects by SunPower, BrightSource Energy and First Solar.

Forecasts predict that global installations in 2011 will amount to

19.3GW, denoting another period of high growth. California-based Enphase Energy is the leader in solar microinverter systems, providing devices which convert current and provide connection to energy grids and the Internet - which is crucial to any solar power system. Paul Nahi, CEO of Venture Capital backed Enphase believes that the company is ideally placed to capitalise on this exceptionally high growth market:

"We believe we've struck a chord

“My hiring criteria are track record and expertise in their discipline... Most of all, they have to be passionate and love what they do”

with our customer base with our microinverter products and delivered what they've wanted for quite some time. We've executed well in terms of reliability and we've shipped more than 500,000 units.

The Cleantech industry has matured to the point where the value proposition has to be clean, obvious and crisp. It has to be a quantum leap over existing technologies, which is why our offering is so very disruptive. For our larger competitors this technology is alien, thus requiring different engineers and organisational structure. This is revolution not evolution. It's like the shift from mainframes to desktops and laptops. In the

Residential and Commercial marketplace, microinverters will dominate; while the Utility space is different, we are also planning products for that space.”

Given the growth of the solar industry sector, competition in the inverter market is fierce. Paul believes that in order to combat this, Enphase must clearly differentiate themselves:

“Our product is a complete system - with hardware, software and the essential communication

elements, plus the back-end energy management and data analysis services with a Web interface. These service and communication elements really require an intimate knowledge of the

local marketplace. We have excelled at this service element and we expect this to continue as a differentiator from our emerging competition.”

Analysts agree, and Enphase is regularly identified as one of the top 10 Cleantech IPO picks for 2011 as the microinverter company is one start-up in the solar sector that has managed to line up private investment, customers and manufacturing plans quickly. Since Enphase contracts with Flextronics for its production requirement, it doesn't need to raise money to build factories, and can therefore funnel its funding into achieving significant and swift revenue growth. Enphase closed a \$63 million round in June 2010, bringing

“My hiring criteria are track record and expertise in their discipline”

“Most of all, they have to be passionate and love what they do”

the total of announced funding to \$104 million. With its momentum so far, the company is creating a new market for its products.

Paul states that international expansion is a major discussion point for the company internally. However to achieve this successfully the following points must be considered:

Policy

“Ours is a policy driven market, so this shapes our international expansion probably more than any other factor. Asia Pacific is composed of differing markets - Japan is a significant solar marketplace and is getting bigger and there is obviously gigantic potential in China and India, though the policy there, while likely to be favourable, is not yet clear. The growing energy demand, industrialisation and the real sensitivity to clean and renewable energy are drivers.”

Company Growth

“A key limiting factor is the internal growth - we must balance expanding globally with not overly taxing our organisation. In order to set up in a new country, we need to build an entire infrastructure there - customer service, activations group, sales, sales support, operations etc. Gillamor Stephens did a great job in starting us off in Italy and France with leadership positions there, and we will continue growing aggressively into Europe and Asia (through Gillamor Stephen’s Asia partner, BSP.)”

Indeed, Paul believes that ensuring he builds a world-class team at the business drawing from



Paul Nahi
CEO of Enphase Energy

multiple relevant industries is vital:

“My hiring criteria are track record and expertise in their discipline; the right cultural fit and ability to contribute at a corporate/strategic level. Most of all, they have to be passionate and love what they do.

For example Jeff Loebekka, our VP Sales (hired by Gillamor Stephen’s Californian partner firm SPMB) joined us from the storage sector with a similar sales dynamic to our industry - two tier distribution into retail, OEM and direct sales, with a relatively high-volume, low-price product. We actively looked from someone from the disk drive industry for that role,

as we believe our industry is where that business was 10 to 15 years ago, in areas such as the level of sophistication of the supply chain and maturity.

Our new Chief Marketing Officer Bill Rossi (also hired by SPMB) has a background combining storage, semiconductor, networking and most recently a software and services role at Google which made him perfect for us.”

In terms of outlook for 2011, Paul believes that there will be unknown consequences from the political changes in the US. The global financial crisis is causing some governments around the world to cut back on subsidies which will make things more difficult. But these will only be temporary setbacks because of the overarching technical problems that have to be solved for a cleaner and safer planet through clean energy. The clean and renewable industries are going to be huge over the next 10 to 15 years - and we are still at the very early stages of it.

* Source - “iSuppli” Market Intelligence, part of iHS.

For more information on Gillamor Stephens’ Cleantech Practice, contact: Steve Lavelle, Partner slavelle@gillamorstephens.com

About Enphase Energy

Enphase Energy is backed by Kleiner Perkins Caufield & Byers, Third Point Management, RockPort Capital Partners, Madrone Capital Partners, PCG Asset Management, Applied Ventures and Bay Partners.

The Enphase Microinverter System is a fully integrated device that converts the DC output of a single solar module into grid-compliant AC power. This integrated system maximizes energy harvest, increases system reliability, and simplifies design, installation and management.

Virtual Reality

Matt Piercy, VMware VP Northern EMEA discusses the reality behind the company's rise to virtualisation and cloud infrastructure leadership

Matt Piercy joined VMware in 2005 as the company's Channel Director, Northern EMEA, drawing upon a background of channel management at Citrix and general management at F-Secure. During this time he has been a key part one of the most exciting growth stories of the past decade, ultimately becoming VMware's VP Northern EMEA in 2008.

Over your past 6 years with VMware the company has evolved dramatically. How has this affected the culture of the organisation?

During VMware's start up days six years ago the company was having to evangelise a revolutionary concept to customers - we were talking to people about a fundamentally different way of building and managing their data centres and they were reluctant.

VMware would probably have not been an attractive place for somebody with a large corporation background, whereas today I think we do address the needs of those types of individuals. We are now the global leader in virtualisation and cloud infrastructure with over 190,000 customers and more than 8,000 employees globally. We are now a \$2 billion corporation, and are increasingly recruiting people with strong, senior level track records within some of the biggest companies in our industry - a significant change from those start up evangelist days.

How has this evolution affected you?

The toughest part of managing a large organisation is knowing what



Matt Piercy
VP Northern EMEA of VMware

you don't know as well as knowing what you know. Therefore you need to create in your mind a dashboard of dials and measures of things that you must see. So, for example, our marketing - I may not necessarily understand how we execute on our marketing, but I'm very, very clear in my head about what marketing needs to give me.

This means that when I recruit I have to honestly assess the gaps that I see in my group, and the gaps that I think I have personally. This means that we can then recruit the person whose strengths compliment these gaps and thus create a perfect match. To maintain the reputation and growth of VMware I have to recruit people who are better than me in their area of speciality, so that I can focus on where I am strongest.

The company has changed and continues to change. We now have multibillion dollar turnover and a

market cap that makes us very visible in the market, and with that our customers and partners quite rightly expect to receive a certain level of service and to see a certain type of behaviour. Today a lot of my time is spent looking at the way in which we behave in the market, the type of people we have employed, and how they are delivering services and experiences to our customers and making sure that the organisation that I lead is both delivering on its commitments to VMware but also delivering on the commitments we have to our customers and partners, both now and into the future.

Cloud computing appears to become a buzz word of the past couple of years. Working at VMware how have you seen this evolve?

Two years ago when I spoke to CIOs about Cloud Computing, the typical response was "Not you as well... everyone is talking to me about Cloud but nobody can really tell me why I should care". Now that the concept has begun to crystallise, and most CIOs are either developing a Cloud strategy, or have already one which they can deliver to their boards; Cloud computing is now a meaningful conversation to have - and, as analysts agree, has become one of the top pressing issues for CIOs

The cloud has moved from being a buzz word to a way organisations can genuinely transform their IT - offering more than just cost savings but a way of delivering value to the business in order to enhance their agility and drive innovation. Our entire portfolio is designed to

remove the complexity of IT that has often held organisations back and create a more business-centric model of delivering IT as a Service. This is the journey we are taking our customers on so they can benefit from this next generation of IT where they can consume IT when and how they need it, aligned with their business goals.

One of the current Cloud challenges is the fact that their success is application driven, and many applications are not necessarily designed to work well across the internet especially with low bandwidth connections, or to be secure in a cloud environment etc. salesforce.com were pioneers in terms of showing what applications running in cloud environments can do, and most companies will want to develop applications to be optimised for a cloud environment (VMware acquired Spring Source to assist with this).

However a typical top 100 global finance company will have in excess of 30,000 applications within their organisation, and it's not realistic to expect people to rewrite every single one. The solution here is to move workloads into hosted data centres - this takes standard workloads, standard applications and deploys them into a cloud environment, allowing companies to embrace new cloud optimised ways of computing in the future. VMware, along with our ecosystem of technology partners, is helping organisations do exactly this.

The vision we have around cloud computing where IT is delivered as a service is something that VMware has built through conversations with customers; understanding what their IT needs to deliver to meet their business goals. We have built a roadmap that will allow them to go on a journey with us to achieve that; and have built - and are constantly evolving- the technology and solutions platform necessary to support this journey.

Board ultimatum

Executive search firm StoneWood Group considers one of the Board's toughest tasks: hiring the right CEO

“At its most basic level, the board makes only three types of decisions - to invest, to hire the CEO and to fire the CEO”. Russ Siegelman, Kleiner Perkins Caufield & Byers

While governance and fiduciary matters command a bigger share of their time and attention, the hiring of CEOs is among the most important, value-added responsibilities of Boards of Directors. It is also one exercised ever more frequently, with statistics showing that two-thirds of all venture-backed start-up companies replace their founding CEOs and of these replacements, two out of every five fail in the first 18 months.

StoneWood Group has supported many Boards of Directors in their executive recruiting efforts and has observed a range of factors that impact both positively and negatively on the outcomes. None matter more than getting the issues right at the outset, for if a board gets this wrong it will almost always get the search wrong.

When we speak of issues we refer to the people, technology, operational, competitive, market and financial variables which together paint a portrait of the here and now of an organization as well as its opportunity landscape looking forward. Boards must identify, weigh and rank the relative importance of each of these variables in order to understand an organization's current state and to set its short

and long term priorities. Getting these issues right is critical as they drive the requirements for finding someone to lead the firm as well as the ensuing selection process to determine the best suited candidate.

The pursuit of organizational success is a steep, treacherous climb up rugged terrain. Leadership is critical and there is no more important role for a board of directors than the selection and support of those leaders. But different terrains call for different leaders, and boards must know the topography and conditions they are dealing with when appointing leadership. Such knowledge goes beyond where the firm is today or the peak it strives to conquer. Instead, a board must strive for a “god's eye view” of the entire landscape and journey being taken.

There are no shortcuts in gaining such perspective. It takes work looking at the issues, the challenges, patterns, and tradeoffs in a complex system. While the board will never predict the unpredictable or “plan out” the role that serendipity plays, it can develop an understanding of the forces that affect the firm today and shape its future. It can get the issues and themes right and in the process make far better hiring decisions.

StoneWood is Gillamor Stephen's Canadian Partner in the Access Search Partner Alliance. For more information please visit: www.stonewoodgroup.com



Cleantech's crystal ball

Andy Price, Managing Partner of Silicon Valley search firm Schweichler Price Mullarkey & Barry offers insights into the global alternative energy outlook

Alternative energy is Schweichler Price Mullarkey & Barry's largest practice area - it is also the single most successful practice in this industry globally. Below Andy explores three themes, by geography, that will drive this industry near term:

China

China has committed \$750B to alternative energy over the next decade, and is the key to the whole industry as both consumers and producers. So far, Chinese firms have relied heavily on scale and heavy subsidies to compete. But more money is being poured into fundamental R&D, so this will change. Their desire to dominate this space is strong and those who successfully engage China will win big. It's a complex formula.

Europe

Europe has probably overspent on alternative energy, but leads the world to this day. Austerity measures, a volatile policy environment and the meltdown of Spain (a key solar market) threaten momentum. And though the Eurozone kicked off the industry, it seems to be losing its leadership position. Regardless, we believe Europe will continue to lead the way in policy innovation and adoption. Sadly, petroleum, nuclear and natural gas will remain key energy sources for the region for the foreseeable future.

US

Investment from key industry leaders such as Toyota, BP, Total, Exxon is the white knight as other capital sources are drying up. They are investing heavily, partnering with

innovative small companies like Tesla and Amyris, both big IPOs of 2010. Those whose technology is compatible with industry players' existing infrastructure (production and distribution) are succeeding. If industry continues to invest, the category has legs for the US. If not, the category could be dominated by China due to capital advantages and a committed policy framework. Huge natural gas discoveries threaten the economics of alternatives, so "demand side" energy efficiency plays are where most of the capital is going now. We believe "cleantech" isn't an industry, but a subcategory to major industries that will become ubiquitous in the world.

SPMB is Gillamor Stephen's Silicon Valley Partner in the Access Search Partner Alliance email: ap@schweichler.com



All on Board

Charley Polachi, Partner of Boston based Polachi reviews Executive Search on the East Coast

It's the best of times, it's the worst of times" - those words of Dickens ring true as we close out 2010. The 24 months since October 2008 have been a roller coaster for the global economy. Stateside we've elected a new President, established bailout programs, seen the collapse of the housing market and Wall Street, scratched our way back to even and will likely include an election revolt in the near future.

Despite all of this, the innovation economy we live in keeps humming along! The rate and volume of venture investing may be down but the super angels have stepped in. This is a trend we anticipate to grow. A study in October 2010 from Dorsey

and Whitney found that 59% of early stage entrepreneurs who raised capital did so from angel investors. Only 19% raised it from VCs.

The sectors we see with growth potential in 2011 include: anything with "cloud" on the title, mobile, gaming, video and health IT. Clean tech continues to be active in "smart" technology for consumers, solar, anything renewable/sustainable. Alternative fuels seem to have cooled off - it's hard to get the distribution and infrastructure in place easily and cost effectively.

We have seen constant demand for General Managers (CEO, COO, and Managing Director) who have

demonstrable success in raising money, scaling a business and getting to an exit event. Of particular note has been the spike in demand for CFO's and CTO's. Also we have seen a big uptick in demand for independent Board of Director candidate executives with strong operating experience who can commit serious time to be actively involved in the business. Finally the need for global executives continues to be a recurring request as the world shrinks.

Polachi is Gillamor Stephen's East Coast Partner in the Access Search Partner Alliance. For more information please email: charley@polachi.com