

Feature

The John Chisholm Interview:

Entrepreneurship and Customer Satisfaction

John Chisholm is the founder, former CEO and chairman of Decisive Technology, a pioneer in online survey software (now part of Google), and of CustomerSat, a leading provider of enterprise feedback management systems (now part of MarketTools). A 30-year veteran executive of Silicon Valley, he holds bachelor's and master's degrees in electrical engineering and computer science from MIT and an MBA from Harvard Business School. He chairs the MIT Club of Northern California and is a mentor with the MIT Venture Mentoring Service. He is author or co-author of two patents in online polling. We met with Mr. Chisholm in the San Francisco bay area to explore his thoughts on the benefits and challenges of entrepreneurship.

Continuous
Improvement

改善

INSIDE:

Letter from the
Executive Director
CEE News

Student Essay
Prize Winners

Kaizen: You have founded two high-tech companies, Decisive Technology and CustomerSat. Were you technically oriented as a youth?

Chisholm: Yes, I would say so. I liked to take clocks apart and try to figure out how the gears and springs worked together. I grew up

in Jupiter, Florida, a small town about 20 miles north of West Palm Beach. In junior high school, my best friend Al Pion and I each memorized pi to over 100 decimal places—we would recite it alternating the digits, like tossing a ball back and forth. Talk about early onset of geekiness!

I also had two great math teachers. The first was Mr. Rees in the eighth grade, who introduced us to probability theory. It fascinated me then and still does today: at MIT, I was teaching assistant in a course in applied probabilistic systems; and at both Decisive Technology and CustomerSat, real-time statistics and metrics were key competitive advantages.

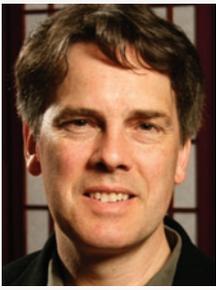
My other memorable high school math teacher was

Mr. Parrish. In trig class, I noticed a commonality between the roots of polynomials and Pascal's Triangle. I kept analyzing it until I could describe the exact relationship, thought I had discovered something, and with Mr. Parrish's encouragement, wrote it up in a paper called, "A relationship between Pascal's Triangle and the roots of equations with altered coefficients." When I got to MIT, I learned a bit more math and realized that this relationship had been well known for centuries. But the experience gave me a taste of how exciting mathematical discovery can be.

Kaizen: When you went off to MIT, did you know you would study electrical engineering and computer science (EE/CS)?

Chisholm: No. I started out in civil, switched to mechanical and then electrical. My dad was a mechanical engineer. The 1970s were a hugely exciting time in electrical engineering and computer science—digital signal processing, data communications, and interactive timesharing were just coming of age. Even then, EE/CS was MIT's largest department,

CONTINUED ON PAGE 2



From the Executive Director

How is this for a striking statistic?

“In the 1960s, 1 out of every 4 persons in the United States worked for a Fortune 500 company. Today, only 1 out of every 14 people work for these companies. Employment at Fortune 500 companies peaked at 16.5 million people in 1979 and has steadily declined every year to approximately 10.5 million people today.”

That is from Northwestern University entrepreneurship professor **Steven Rogers**, commenting on the dramatic shift from a traditional to an entrepreneurial economy over the last generation.

Our feature interview is with **John Chisholm**, whose entrepreneurial career has followed the new economy’s trajectory. We spoke with Mr. Chisholm in California about how new technologies have revolutionized how companies track customer satisfaction, the challenge of transitioning from the start-up phase to mature company, and entrepreneurship as a life calling.

In this issue of *Kaizen* we also report on **Professor William Kline’s** guest lectures and the work of three students in the Introduction to Philosophy course—congratulations to **Bronson Garcia, Erica Price, and Mona Khalifeh**.

At the Center, we also continue to build up our collection of resources on entrepreneurship and business ethics, so please feel welcome to visit us on the second floor of Burpee—or online at www.EthicsandEntrepreneurship.org.

Stephen Hicks, Ph.D.



Dr. William Kline

Guest Speaker

William Kline is Assistant Professor of Liberal Studies at University of Illinois, Springfield. He received his Ph.D. in Philosophy from Bowling Green State University in Ohio. He has published in the *Journal of Value Inquiry* and the *Journal of Business Ethics*. While on campus, he gave a talk on market-based business ethics in the **Business and Economic Ethics** class and a talk on Scottish Enlightenment philosopher David Hume’s ethics in the **Ethical Theory** class. Two brief video interviews with Dr. Kline are available at our website.

More information about CEE and Rockford College



Kaizen is published by the Center for Ethics and Entrepreneurship at Rockford College. Founded in 1847, Rockford College is a four-year, independent, coeducational institution offering undergraduate and graduate degrees in traditional liberal arts and professional fields. One of 81 colleges nationwide designated as a “College with a Conscience” by the

Princeton Review, Rockford College is also among 76 U.S. colleges and universities selected by the Carnegie Foundation for the Advancement of Teaching for inclusion in a “Community Engagement” college classification. Rockford College is one of 11 colleges in Illinois and 280 in the country with a Phi Beta Kappa chapter, the oldest and most prestigious academic honors society, and in 2007 was named a “College of Distinction.” Please visit us online at www.Rockford.edu.

CHISHOLM, CONTINUED

as it remains today, though not by as wide a margin today as it was back then. Like many others, I got caught up in the excitement.

Kaizen: Is that why you stayed on at MIT to get a master’s degree in EE/CS?

Chisholm: As a sophomore, I was accepted into co-op, a work-study internship program, and later into its joint bachelor’s-master’s program. Companies like GE, IBM, and AT&T committed to MIT to providing work assignments relevant to our studies. We alternated semesters between MIT and our co-op companies, got real-life work experience, academic credit, and best of all, got paid. I feel really good about co-op. Among other benefits, it helped pay my way through MIT.

I landed a co-op position with GE. There were four semester-long assignments. The first two were at GE Ordnance Systems in Pittsfield, MA, where I did FORTRAN programming for finite element analyses and conducted Monte Carlo (i.e., driven by random processes) simulations. I learned a lot.

Pittsfield is just north of Tanglewood, the summer home of the Boston Symphony Orchestra. By volunteering as an usher on weekends, I went to all 24 concerts that season. Over the eight weeks, the music progressed from medieval to baroque to classical to romantic to modern, so you could hear the evolution of music over four centuries. Among the great musicians we heard was Leonard Bernstein conducting Tchaikovsky’s Fifth Symphony. It was a priceless introduction to classical music.

Kaizen: What were you thinking your likely career path would be?

Chisholm: At first I followed two routes in parallel: the EE/CS Sc.D. (MIT’s equivalent to a Ph.D.) program and applying to business schools. My b-school applications talked a lot about entrepreneurship—applying engineering know-how to start a new company. That is the path I finally chose.

Kaizen: You went directly from MIT to Harvard Business School (HBS). What was the most valuable business lesson of your MBA program?

Chisholm: At first I rebelled against b-

school. At MIT, substance—content—had been all-important; at HBS, it seemed that packaging was most important. Gradually, I came to appreciate that packaging was important, too. My favorite courses at HBS, and the ones I did best in, were still the most analytic ones—managerial economics (ME) and game theory, in particular.

Kaizen: After Harvard, you went west—to Hewlett-Packard as a product manager in northern California.

Chisholm: I knew that Silicon Valley was the place for me the first time I drove through it, among the hundreds of high-tech companies. HP was then still small enough that new employees were invited to meet with Bill Hewlett or Dave Packard. In 1978, I was one of a small group of engineers who got to spend 90 minutes with Bill at headquarters in Palo Alto. What I most remember about this shining and precious memory was how Bill made us young new-hires feel important, the respect that he showed all of us and, through my brief exchange with him about HP's calculator business strategy, me personally.

Both of the companies that I have started adopted HP's egalitarianism. For example, until we merged with MarketTools, my cubicle at CustomerSat was the same as everyone else's, as were Bill's and Dave's in the early days.

Kaizen: You went from HP to GRiD Systems. What did you learn at GRiD?

Chisholm: The value of focus. GRiD, my first start-up, was hugely ambitious. It offered a proprietary, flat-panel laptop, far ahead of its time; a proprietary operating system; a proprietary suite of management tools along the lines of Lotus 1-2-3 (a precursor to Microsoft Office) that ran only on the GRiD laptop; and even its own proprietary networking. The company became profitable only after it abandoned the proprietary architecture in favor of IBM compatibility, and then largely on the strength of its sales to the military/defense market, for which its ruggedized aluminum case was well-suited. Narrowing the focus to either just the laptop or the management tools software, and not attempting to re-invent the operating system and networking, would have been a path to greater market success, in my view.

Kaizen: Why did you decide to start

John Chisholm Group and consult rather than pursue a marketing career within an established corporation?

Chisholm: Like many entrepreneurs, I was fired—in this case, from GRiD, after a dispute with my boss about product strategy. While I was looking for another job, I landed a marketing consulting assignment. Then another. Then GRiD hired me back as a consultant. Eventually I lost interest in finding a regular job. Over time, I was able to parlay my consulting experience into monthly columns for *Open Systems Today* and *Unix Review*, which helped establish me as an industry expert, especially in the then-hot UNIX market. Today, it would be like writing an industry blog.

Kaizen: What kind of consulting did you do?

Chisholm: I developed a specialty in strategic marketing: finding optimal combinations of product definition and target market, given the relative strengths of a company and its competitors. The process involves inventorying the assets of the company

and its competitors— e.g., product, brand, technology, distribution channels, and financing— and of estimating the size of market opportunity for each product and target market combination considered. The process requires collecting a lot of data, analyzing it, and prioritizing options. Think of it as searching out, evaluating and sorting values of the expression

$$[\text{Size of Target Market}] * [\text{Your Unique Strengths} - \text{Competitors' Strengths}]$$

for each combination of product and target market to which the unique strengths are applicable. The analysis is both qualitative and quantitative. It seeks the largest market opportunities for which your competitive advantage is strongest. We did this kind of work for clients such as IBM, Microsoft, Xerox, and Sun Microsystems. I also served as part-time director or VP of Marketing and as expert witness in high-tech litigation.

Kaizen: How did you get from there to founding Decisive Technology?

Chisholm: In 1990-91, our consulting included phone surveys—customer interviews. At the same time, we were



Mr. Chisholm at a CustomerSat picnic

engaged by Sun Micro to serve as brokers for divesting Inbox, an e-mail software business that was part of Sitka, a local area networking company that Sun had acquired. We sold Inbox to CE Software, publisher of QuickMail, then the leading email software for Mac, on June 30, 1992.

The combination of phone surveys and email made me think, “What if you could do a survey via email?” For months I couldn't get that idea out of my head. I played with it, developed it, nurtured it, and hired software developers to first prototype it and then develop it for real.

Over 1992-93, John Chisholm Group evolved into Decisive Technology, publisher of the first shrink-wrapped software for conducting surveys via email. Our product, Decisive Survey, let you compose a survey under Windows and upload a distribution list of email addresses of recipients. The software then formatted the survey as a text message and emailed it to each recipient, who would complete the survey by editing and replying to the message. Decisive Survey then retrieved the completed questionnaires from the surveyor's mailbox, parsed (i.e., read) the messages to find the responses to the questions, and generated a simple set of charts and statistics—frequency distributions and cross-tabs. In short, it used the PC and email to automate the entire survey process. After its introduction in late 1995, Decisive Survey quickly became the leading desktop software for conducting surveys online. ...

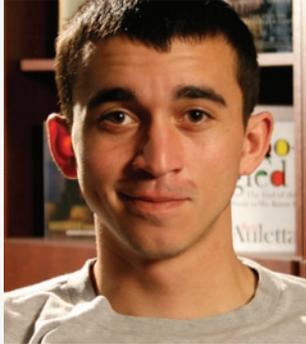
In 1996, as the web was taking off, we came

CONTINUED ON PAGE 4

Student Essay Contest Winners

Oscar Wilde wrote: “Most people are other people. Their thoughts are someone else’s opinions, their lives a mimicry, their passions a quotation.” Using Wilde’s quotation as a starting point, students in the **Introduction to Philosophy** course reflected on the themes of independence and integrity. Cash prizes were awarded for first place and two honorable mentions. The essays were judged on their accuracy and depth of interpretation as well as their independence of thought. Congratulations to our winners!

First Prize



Bronson Garcia

Runner-up



Mona Khalifeh

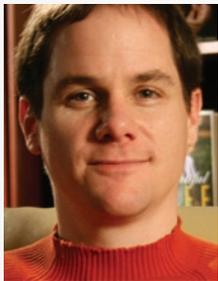
Runner-up



Erica Price

CEE Professor Activities

Professor Shawn Klein received a travel grant from the Association for Private Enterprise Education to give a talk at their annual conference in Las Vegas. The title of Professor Klein’s talk was “Home, Sweet Home? The Paternalism of Expanding Homeownership.”



Professor Flamm

Professor Matt Flamm was an invited speaker at the Third International Congress on the Thought of George Santayana in Valencia, Spain. His presentation, “Pragmatic Moralism and the Politicization of Philosophy” is now printed in three journals.

Professor Stephen Hicks gave two invited talks this semester. In January he spoke at Bowling Green State University on “What Philosophers Need to Know about Economics,” and in February he gave two talks at Loyola University Chicago on “Entrepreneurship and Ethics.”



Professor Klein

CHISHOLM, CONTINUED

out with Decisive Survey 2.0 which created surveys using the web’s Hypertext Markup Language (HTML) instead of plain text, and which eliminated the problem.

Kaizen: As Decisive grew you became CEO of a bigger organization. Did developing the necessary management skills come naturally to you?

Chisholm: It was hard. As a consultant, I hadn’t gained much experience managing relationships with employees and board members. I half-joke that I made every possible mistake as CEO of Decisive so I could start with a clean slate at CustomerSat.

After Decisive raised venture capital, we recruited Doug Stone as CEO, an experienced general executive and a valued friend and colleague.

Kaizen: Decisive Technology is now part of Google. How did that come about?

Chisholm: Decisive was part of what is known as a “roll-up”—combining multiple smaller companies into a larger company to achieve scale. Decisive was acquired by MessageMedia, which was acquired by DoubleClick, which was acquired by Google.

Kaizen: Your third venture, CustomerSat, was the next big thing. How did it grow out of Decisive Technology?

Chisholm: We learned a great deal at Decisive: that measuring customer satisfaction and loyalty was a critical segment of survey research, that enterprises (large corporations) needed professional services to help design and implement surveys, that they needed to conduct and manage multiple surveys concurrently, and to distribute survey results to large numbers of users.

At the same time, the web had changed the software landscape dramatically over the five years since I founded Decisive. While Decisive was a Windows application, CustomerSat was designed for the web from the outset. Decisive was primarily licensed software, that is, it ran on our clients’ computers. In contrast, CustomerSat was Software as a Service (SaaS—pronounced “sass”): it ran on our computers and was accessed by our clients through the Internet. CustomerSat helped define a new market category that analysts today refer to as Enterprise Feedback Management.

Kaizen: Who were your early clients? How big would they have to be to be attractive to you? And how did you market yourself to those companies?

Chisholm: Early on, most of our clients were technology companies like AMD, HP, Microsoft and AT&T, because they were the ones who consistently had email addresses for their customers. A company or business unit would ideally have revenues of \$250-\$500 million or more to be a good prospect for us. Seminars at industry conferences were particularly effective marketing vehicles for us—they let us show qualified prospects the entire customer feedback solution we offered, from survey design to IT system integration to generation of real-time survey results.

Kaizen: How did you weather the dot-com bust?

Chisholm: The economic downturn of late 2000 through 2002 was by far the hardest time of any in my career. The bust hit CustomerSat in the first quarter of 2001, causing our quarterly revenues, which had been on a healthy growth curve, to drop quarter-over-quarter by almost 20%. Over a 90-day period, we cut management salaries by 10%, laid off 30% of our workforce, then cut non-management salaries by 10% and management salaries to 20%, then everyone’s to 20%, then factored receivables at considerable expense so we had enough cash to make payroll. Quarterly sales declined again slightly in the second quarter.

No one knew when it would end. These were the times I would wake up at 2 a.m. in sweat-soaked sheets wondering whether CustomerSat would make it. Our sales finally stabilized in the third quarter and were slightly up in the fourth quarter. We broke even in the third quarter—the infamous September 11th quarter—and made a small profit in the fourth. The going stayed tough for the next two years, through 2002 and the first half of 2003; we didn't hire a single new employee for 18 months, but we made it through. Few companies of our cohort survived. I feel I earned my executive stripes during the dot-com bust. Among the team members who went through this ordeal with us, there was very little turnover—very strong employee loyalty—for many years.

Contrary to conventional wisdom, I believe that having raised less money actually helped CustomerSat make it through the dot-com bust. First, if a company has millions in reserve, it can be hard to persuade employees of the need for pay cuts and other reductions in benefits. We did not have that problem. Second, with little in reserve, you have to respond to market conditions immediately. Some of our competitors who had deeper pockets postponed the tough actions of cutting costs, thus burning through capital and forever diluting everyone's interest, both financially and otherwise, in their companies. Third, if the company is owned primarily by outside investors rather than by employees, there can be a feeling that the problem is not ours, but the investors', and they should fix it. Not a winning strategy.

Kaizen: By 2007, CustomerSat had been in business and grown profitably for a decade. What then?

Chisholm: Selling CustomerSat was an unnatural act for me. It had been over seven years since we had brought in investors. Ernie Pomerantz, a member of my board and a 22-year former partner at Warburg Pincus, the world-famous private equity/venture capital firm, said, "John, you can't keep your investors waiting indefinitely. You have to give them a return at some point."

I started the M&A [mergers and acquisitions] process somewhat reluctantly. It is hard to both run a company and sell it at the same time so, as we had done at Decisive, we

"These were the times I would wake up at 2 a.m. in sweat-soaked sheets wondering whether CustomerSat would make it."

hired an investment banker to manage the process for us. Brian Mutert at Stratagem brought great financial insight to the process and knew the SaaS space intimately. In March, 2008, after negotiations with several potential acquirers in market research and business analytics, we closed the deal with MarketTools.

Kaizen: Right before the economic downturn?

Chisholm: The deal was well-timed. No one knew the downturn was coming.

Kaizen: How much were Decisive and CustomerSat valued at when they were acquired, if I may ask?

Chisholm: The exact terms are confidential, but between the two companies, the total was in the \$50-\$100 million range.

Kaizen: Was it difficult to decide whether to stay on with the new parent company?

Chisholm: You work out those details as part of the merger agreement. I was expected to stay on to run CustomerSat as a business unit, was incentivized to do so and learned a great deal by doing so. Market Tools was larger and had more mature financial reporting and accounting controls than CustomerSat. Helping align and integrate CustomerSat's systems with MarketTools was good experience.

Kaizen: Were non-compete agreements part of the merger process?

Chisholm: Yes, as is typical. First, during the merger negotiations we agreed to a non-compete called a "no shop" agreement. This means that once we received a term sheet—a formal offer—we can't

talk or "shop" the company to other potential acquirers for a period of time. Later, we agreed that selected execs could not compete with MarketTools for specified periods of time.

Kaizen: Was it hard to let go of CustomerSat, having founded and built it up successfully?

Chisholm: At times, absolutely, especially early in the M&A process. Later, when I started to plan what I was going to do next, including taking some time off, it became easier.

Easily poll customers, employees, prospects... from your PC!

1. Create a survey



2. E-mail it



3. Results produced automatically

DECISIVE Survey
for Windows 3.1
✓ Surveys by E-mail & Internet™

Packaging for Decisive Survey software

Kaizen: What are you doing now?

Chisholm: Taking some time off before my next venture. I've traveled around southeast Asia and volunteered with the MIT Venture Mentoring Service where I get to help bright, young entrepreneurs who have great ideas and knowledge but limited experience. And I bought a new place in San Francisco with wonderful views of the bay and bay bridge.

Kaizen: You've climbed to the tops of Mounts Rainier, Whitney, Shasta, St. Helens, even a live volcano in Chile. Was that as dangerous as it sounds?

Chisholm: More exciting than dangerous. Like Rainier and Shasta, Volcan Villarica was a snow climb requiring crampons (boot spikes) and ice-axes. At the summit, you looked down into a boiling, bubbling, splashing lake of red-hot lava 200 feet below you. The crater had collapsed in some places and looked like it was about to collapse in others, so you stayed away from those parts.

Kaizen: Looking back on the last twenty years, what has been the best thing about being an entrepreneur?

Chisholm: Creating something of value out of nothing, and the camaraderie of fellow team members. Two milestones in a start-up's life are particularly exciting: 1) when you realize that even if you disappeared today, the company has enough momentum and people committed to it that it will continue without you; and 2) when you realize that it has genuine value and others want to acquire it.

CONTINUED ON PAGE 6



Mr. Chisholm at the summit of Mt. Batur in Bali

CHISHOLM, CONTINUED

Kaizen: Entrepreneurs have to have creativity, initiative, guts, resourcefulness, perseverance, the ability to recover from setbacks, and so on. Which of those is the most important?

Chisholm: Any of those strengths could be the key to success, but overall I would vote for perseverance. Having an idea, not letting go of it, developing it, bouncing it off other people, and refining it. With time, you can turn an amorphous idea into a practical solution to a real need.

No new technology is better than all existing technologies for every application, but any new technology can be better than existing ones for some application, e.g., a certain user type, geographical area, or IT environment. The entrepreneur needs to figure out what specific market needs can best be addressed by new technology.

Kaizen: Who and what else have helped you be successful as an entrepreneur?

Chisholm: All of the friends and colleagues I have already mentioned. At HP, Bill Hewlett, Jerry Peterson, Fred Gibbons, and Bill Krause. At CustomerSat, Norman Nie, Ernie Pomerantz, and Dave Hanna are among the execs who encouraged and/or inspired me.

Having loving and supportive parents is the greatest asset with which any individual can be endowed in life. I enjoy that asset

in spades. Also a large network of friends to draw on for advice and encouragement.

Years ago I took Dale Carnegie, a 14-week course which challenges you to apply human relations principles in everyday life, then give talks to the class a few weeks later about what happened. As a result, you get experience applying the principles, organizing your thoughts, and speaking publicly. Principle #1, for example, is “Don’t criticize, condemn, or complain.” You can get very far in life on that one principle alone. Others are, “If you make a mistake, admit it quickly and emphatically,” and “Show appreciation and do it sincerely.” I’ve often said that Carnegie was more valuable to me than my Harvard MBA, because you use Carnegie’s principles every moment of every day that you are with another person.

Over the years, consistently applying these principles elevates you to a position of leadership. I think of myself as a point on the carpet below our feet. If I grab that point, I can’t lift it very far unless all the points around it also rise. We are all like points on that carpet.

A truly courageous person merely acts courageously consistently. Similarly, a truly noble person is one who acts nobly consistently. I may not be able to change

who I am, but I can control the way I act. So anyone—even I—have the potential to be courageous and noble. That is an inspiring thought.

Kaizen: How do you come up with ideas for new ventures?

Chisholm: First, place yourself where you’re exposed to lots of ideas. The MIT Clubs around the world give you access to thought leaders and innovators—a constant flow of ideas. Most events are open to everyone, whether or not you are MIT-affiliated. I go

“Perseverance: Having an idea, not letting go of it, developing it, bouncing it off other people, and refining it.”

to trade shows outside of my field, for example, to a conference on embedded systems (microprocessors and computers that go into devices like digital cameras, toasters, and refrigerators). Ideas from that field may be applicable to consumer or enterprise software.

Burning Man (an annual art festival in Nevada) is an incredible, wild and crazy, exhausting 24/7 inspiration for out-of-the-box thinking. Don’t miss the chance to experience it at least once in your life. Books are also a great source. *The Evolution of Cooperation* and *The Selfish Gene* are two of my favorites.

Here is a technique for generating ideas: think of two or more separate markets, currently non-overlapping, that are growing



anything at all about your life outside of work, that can affect their trust in you, your teamwork, and your opportunity to assume leadership.

I don't much talk at work about being gay, but I believe everyone knows; word gets around. I was in a relationship for five years with a wonderful guy, Mike Beasley, still my best friend, who would come to our company parties with me. A good general rule is: Don't tell people, show them.

Kaizen: In reflecting on your CEO experience, what do you see as the CEO's most important role?

Chisholm: Depending upon circumstances, it may be any position on the field: cheerleader, referee, quarterback, offense or defense. Overall, the way I can best help team members, or anyone else for that matter, is to look for and find good qualities in them—strengths, skills, or knowledge—let them know that I see those qualities, and help them visualize how they might apply them. In other words, help them see their potential. The more specific and tangible I can make that potential, the better I can help that person do great things. The willingness to look for and ability to find the good in people and build on that good is a quality I look for and deeply value in executives.

The CEO and his or her team also have to choose which battles to fight—battles that build and strengthen the company and its human capital—and avoid those you are likely to lose.

Kaizen: Judgment matters, since CEOs can make big errors?

Chisholm: Absolutely. You can err by underestimating or misconstruing the resources needed to penetrate or dominate a market—and conversely, by not being ambitious enough. You don't want to avoid a battle you can win, because then you forfeit market share and profitability and deprive your team of the growth, exhilaration and invigoration of winning a battle. You don't want to leave a battle on the table. So you want to take on battles, go after new markets, win over new customers, develop new channels of distribution, and come out with exciting new products. But you want to say "no" to the ones that you cannot win.

Kaizen: Any of these "no" decisions that stand out from your experience?

On Customer Satisfaction



"Statistics suggest that when customers complain, business owners and managers ought to get excited about it. The complaining customer represents a huge opportunity for more business."

— Zig Ziglar, salesman and motivational speaker



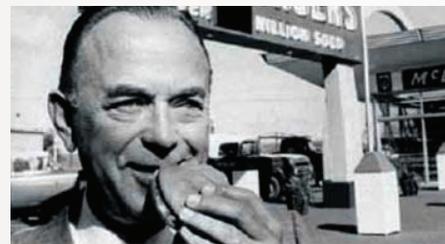
"We see our customers as invited guests to a party, and we are the hosts. It's our job every day to make every important aspect of the customer experience a little bit better."

— Jeff Bezos, founder of Amazon.com



"Be dramatically willing to focus on the customer at all costs, even at the cost of obsoleting your own stuff."

— Scott Cook, co-founder of Intuit



"If you work just for money, you'll never make it, but if you love what you're doing and you always put the customer first, success will be yours."

— Ray Kroc, founder of McDonald's

rapidly. As they grow, they will likely overlap. That overlap will start very small and grow very fast and likely harbors good entrepreneurial opportunities. Streaming video on social networks on mobile devices is an example. Use of cams, microsensors and WiFi are growing rapidly; what new applications might be found that combine these?

Kaizen: How has being gay affected your career?

Chisholm: It's no big deal. Every year, sexual orientation becomes more of a non-issue. I came out late, in my late-30s. Being gay has been an asset for me in two ways. First, because it was not socially acceptable when I was growing up, much of the time and energy I might have put into dating went into studying, sports, and career. Second, being in a group against which many still discriminate has sensitized me to the challenge of being in a minority. Of course, a key to success is to view any aspect of yourself that you cannot change as an asset, so I am biased. For the under-30 crowd nowadays, being gay more and more is just not an issue, like eye color or left- or right-handedness. That is a good thing.

Kaizen: How do you think coming out should be handled in the workplace?

Chisholm: I think being "out" can be helpful, especially for those who work in teams. If your co-workers don't know

CONTINUED ON PAGE 8

CHISHOLM, CONTINUED

Chisholm: One was opening a data center in Europe. In 2003, several major prospects wanted us to host their data there. This would have been very expensive, but several of our execs favored the idea, and we went long down the road of investigating it. Along the way, we asked, "What is Salesforce.com doing?" Salesforce was the most successful company and a role model for us in SaaS. They were easily 20 times our size with major clients in the EU. As it turned out, they were hosting all of their worldwide clients' data in North America. If Salesforce could do major business in the EU without hosting there, why couldn't we? We finally decided not to do it. That was a tough, important, and right decision.

Kaizen: Another CEO job is managing the culture of a company?

Chisholm: I don't think a CEO can control culture directly, but he or she hugely influences it. Culture emerges from how people treat each other and how decisions are made. The CEO's behavior is critical, because people look to that example and copy it. Genuinely believing that people are important is necessary for any organization's success. If you do, people will recognize, appreciate and respond to it; if you don't, they will recognize and resent it. You cannot fake it.



Mr. Chisholm (right) hiking in Yosemite

CustomerSat had a company-wide meeting every Friday morning at 9:30, to make announcements, of course, but primarily to celebrate good things that people had done or had happened. Unlike most company meetings, people enjoyed attending them. All CustomerSat employees have received hand-written, personal notes or postcards from me over the years acknowledging and thanking them for something they have done. I also like to connect employees who don't normally work together. I'll try to guess which pair of our employees knows each other least well and encourage them to contact and get to know each other.

Kaizen: In closing, John, what advice would you have for young professionals?

Chisholm: Become passionate about something. Stick with it. Then go make it happen!

This interview was conducted for Kaizen by Stephen Hicks. Kaizen's full interview with Mr. Chisholm will be posted soon on the Center's website at www.EthicsandEntrepreneurship.org.

改善

IN THE NEXT ISSUE:

Robert Bradley, Jr. on Enron
and Political Entrepreneurship

