



Empowering Growth in the Mobile Era

Speakers: Sameer Patel, CEO of Kahuna

Interviewer: Randall Ussery, Free Range and Babson Faculty Member

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Transcript:

Welcome to Thrive, a series that explores how founders, leaders and change makers innovate, grow and navigate in an age of constant disruption.

Lynn Santropietro, Director, Babson College San Francisco:

Okay, welcome everyone. I'm Lynn Santropietro, I'm the Director here. I'm going to be very brief. We're going to get busy with our conversation tonight. We have two Babson alums on the stage tonight. Over here we have Sameer Patel, Randall's going to introduce Sameer. This is Randall Ussery. Randall is our partner in the Thrive series, the CEO of Free Range, and also he is a Babson MBA and teaches here at Babson.

I'll turn it over to Randall. Welcome, Sameer.

Sameer: Thank you. Thanks for having me.

...

Randall: Just a little background on Sameer for those who haven't read. He is the CEO of Kahuna, which is a consumer marketing automation pioneer in the Valley here that has been invested in by Sequoia, Tenaya, Softech, you name it, a number of really great firms. He has been there just about seven months, right?

Sameer: Yeah.

Randall: Before that he was leading up SuccessFactors from a kind of general management perspective ...

Sameer: For a couple other products.

Randall: Yeah, for a couple of other products, and before that he was in services for 15 years, right?

Sameer: Yup. It can be hard change to be made.

Randall: We'll get into some of those a little bit later, but I thought I would kind of start off with a conversation we were just having, which I always find interesting when speaking to CEOs of what really kind of moves them. The thing that he said to me which touches my heart a little bit was his enjoyment of waking up early in the morning and going for a walk with your son, right?

Sameer: Yeah.

Randall: How the kind of balance for your life a little bit and make sure you're there, so yeah. What wakes you up in the morning?

Sameer: The answer changes, right? At the most fundamental level, I was an athlete all my life. This notion of achieving has kind of been there regardless of what you're doing, and I think it subconsciously remains with you. You're always looking at how do I raise the bar? How do I raise the bar?

Then life happens around it and you got to raise the bar while you look out for life and all the other things that matter to you and I have two great kids and an amazing wife, and you start to figure out how to just ... Some days you're doing it to strive, because you want to set a higher bar and the other days you're doing it for them, and the other days you're doing it because you don't want to, and you just ... But you're doing. You're doing.

The whole sort of the story around 50 percent of success is your showing up is true. You just you need to show up in the arena and go for it. Then there's another layer of things where I've been blogging for about 10 years now and I'm pretty open about how I think about whether it's employee performance, organizational performance, and I'm a student

of that in many ways. How do you build high performing cultures? How do you build companies that can withstand ... Ups and downs are going to happen, how do you get employees to really sort of follow a north star?

How do you have the conviction to change the north star? Which has to happen as well. It's those kinds of things that I never really look at this as this is a job and that's a job. This is a thing that I would love to do forever and ever, and keep doing it because there's always a new paradigm to take. You learn your way through it. So I don't really ... I just wake up to do more of that and I did that and it manifested itself as a GM and as a guy who had his own business for nine years and now is a CEO of product company, and fine, who knows what the next one is. But I keep getting to do what I love under some other, some fancy title.

Randall: Sounds like you have this brilliant mindset that has been established every year is what ... If you look at that trajectory of your career, what are some milestones along the way that have really helped form that mindset?

Sameer: Yeah.

It's a great question. I think I can't tell you it's been perfectly scripted. It wasn't. It looks back. It looks all beautiful right now when you look back and you can write a great book about it, but no. It didn't look like this. Success is like this. My wife will always remind me how. Like I can see it. I can see that look in your face. You call it upping the bar; I'm calling it you're bored. But yeah, I was 38-years-old after I had built my own services company for many years, and as a ... Well, am I ... I'm in Silicon Valley and I've been around products for a while, if I'm going to make a shift, right shift, this is the time to do it.

It was a gigantic reinvention. This thing is you have to be open to that kind of massive reinvention of yourself that I think keeps you moving on an ongoing basis. You cannot be scared of that. I don't know what the next one's going to be, but for me that was a huge one I had. I was working for a services company in Silicon Valley, right around the time of the dot com bust. The company ... This is a good example of why it's not scripted. A circumstance kind of hits you and you make a choice in life.

The company imploded. It imploded, like every Silicon Valley company it was gone. I was running a business for them on the West Coast. I had about 10 or 12 really big brands where they worked for, and they said, well the company's gone but we still need the work. I said literally, I don't know why I said this, but I said it. I was like, "Give me 48 hours. I will incorporate."

Randall: Mm-hmm (affirmative).

Sameer: I went to every now laid-off contractor on the team and said, I'll put you on a 1099 for a month. Let me figure out what it takes to start a company, because I don't know even legally, but I know I can get you ... Got an accountant who used to do ... He was my personal accountant, but he also did small businesses. I was like, "Dude, I'm not calling you for the normal stuff. This is not about my taxes. This is about this."

Literally my wife when I sat at the dinner table and she ... I don't know what to call this thing, and she's like, "Well what do you do?" I was like: Well, we go to tech companies and these are marketing departments and tech companies who are marketeers. They don't understand technology, but they're marketeers and they know technology is moving really, really fast. What I've done really, really well at my old company, which is now imploded, which is why they want to keep us is we help VPs of marketing who needed to worry about being marketeers.

We took on the work of saying I'll monitor changes in technologies for you and you trust me to bring them to you, and together we'll make a decision in this work.

"Oh so you span the gap between ..." My wife's a teacher, "So you span the gap between business and tech?"

I was like, "Yeah!"

She's like, "And what do you do?"

I was like, "We do strategy work for them."

"Great, Span Strategy."

I was like, "Done!" That's the name. Terrible name. Whatever.

[00:07:46] My biggest lesson from that and even the next one to SuccessFactors and all, this is ... If there's one thing I could share, if there is something to glean out of all of this is: You've just got to be present in the moment. You've got to see these signals. You can't be inundated. This person came. I could have told this customer, I don't know what to do. I don't know. But wait a second, there's work. There's business to be had. There's people who need to be employed. Something can be done here.

Randall: Do you ever fail yourself?

Sameer: I made \$42,000 that first year. We've just gotten married. I had just bought a house in Palo Alto. I was like, I don't know what's going to happen. It's just ...

Randall: It worked.

Sameer: You just got to take the leap.

Randall: Do you ever find yourself not present and what do you do to kind of come back?

Sameer: Plenty of times. My kids remind me all the time.

Randall: Okay.

Sameer: Yeah, the worst sign you ever want which I would not recommend you ever get to in your life is when your kid takes the phone from your hand and puts it down. That's not a good sign. Yeah, I think I ... That was one of the ... That was ... It's a good question to ask, because I ... It's the one promise. One of the promises I made to myself when I left my last role and took this role on. I was terrible. I was terrible at being able to kind of do two things at one time. I would talk to my kids and my phone's in my hand or I'm in the office and I'm trying to solve some camp problem and the ... Whatever.

You just feel terrible. You're just like, I didn't do a good job of this and I didn't do a good job of that. Nobody's happy, and ... so I did. I promised myself that I'd do a better job at channeling. I don't think I'm fantastic at it, but I tried to ... What works for me is I haven't worked for ... I used to work from home a lot before my children were born, but they

haven't seen me work from home. They don't understand this whole I'm working from home. For them it's like, you're home you're fair game.

I'll stay in the office an hour later. I'm like when I'm done and they want to walk in, I'm like ... Let's go. I have one hour with them before they go to bed because I don't get home till 7:30, a quarter to eight. Then the way we started. My son and I will ... He's up early at 6 a.m. The two of us would just head out, go for a walk. He'll banter away about stuff and he thinks he's getting my time. To be really honest it is my calm of the day. That is my calm. He doesn't realize it, but he's doing more for me than I'm doing for him.... And you start your day well.

So I just think you've got to be really cognizant of where your head is. I wake up in the morning and I make a decision. If I don't go to the gym today, I'm not going to get through this day the way I want to. I would drop everything and go to the gym. I wake up in the morning and say I'm not going to the office at 10:30 today. I need to be in my own zone, before I get in there because if I get in there, I'm going to get subsumed in stuff when I need to stay up here. Like I was telling her outside, I walk to the office and I'm about to enter the office, and be like, I'm not walking in the office. I'm going to take a walk around the block. I'm going to clear my head.

You just have to be cognizant of your state of your mind. I think, I wish I knew this 25 years ago, this is not about just because you're CEO. Again, it's a work in progress, but I'm happy that I'm thinking so hard about it. I'll say that. I won't say I've wrestled it completely to the ground.

[00:11:11]

Randall: Let's talk about Kahuna a little bit and what they do, and just the state of the industry.

Sameer: Sure. Kahuna is a ... It's a marketing automation technology for consumers, all big, big buzzwords. I'll throw the others out. We have AI and machine learning and all the cool things you kind of have to say you have.

Randall: Big data.

Sameer: Yeah, buzzword bingo. Done. But again, it is. It's an awesome company. It's really cool and it does stuff nobody else does, so I'll ... That's the plug. I'm wearing the badge. No, so Kahuna is ... It's very interesting. What got me interested to take ... To sort of join the company was the premise is quite simple. When you ... We're all consumers and this is what I love it. Finally I can talk to my kids about what I do and they get it, my wife and everybody. It's designed for brands who sell to consumers or retailers or e-commerce vendors.

[00:12:11]

The hypothesis is the following: prior to the mobile phone, if you are ... If I am ... Let's just pick a vendor, Nordstrom, and there's no reason why I picked them, but let's just pick them. Nordstrom would reach to you and me via email. It was the only channel in which that they reached out to me and the only signals Nordstrom ever got back was okay, you clicked on something and you opened something. That's all they had. Based on that, they decided that they're going to spam you even more and because they've made some kind of guesses based on what you might have opened what you didn't open.

We like to think about mobile as a device where I do stuff, but actually the power of mobile is the signals that mobile can send back to a brand to cater to you better. Where an email just says, "hey I opened this and I looked at that," mobile tells me, Sameer buys gray shirts and suddenly he's looking for swimwear. Or he's looked at the shirt five times, or he's left \$100 worth of stuff in the shopping cart.

Location. Things that you and I these days are more and more attuned to keeping open. Uber would never exist if you didn't give them your location. This is a non-starter.

Consumers are getting to a point where if you get 10X value for sharing certain data points, you might be interested. Uber gives you 10X value, and you're like, sure I'll let you know where I am from a location standpoint. It can't be 1X; it can't be 2X.

Kahuna can gather signals about your behavior based on what you might do in a mobile app of a vendor, on the web, on the website, not anywhere on the web. Just when you're on their site. SMS, chatbots, all that. Within five seconds it can update your profile, and that's when we then apply machine learning to say: Your interests are such. Your

preferences around which devices you're engaging on a Thursday versus Sunday. All the things that you actively share, nothing that you don't share, allows us to engage with you right place, right device, right time, right message.

Our typical customers are modern marketers. The Dollar Shave Club is our customer; Yelp is a customer. A lot of modern brands who want the consumer to be the center of the process, versus how can I batch or blast you more often, right?

Randall: Yeah.

Sameer: It's a paradigm shift in that that we have never been able to engage, be engaged as consumers, as one to one. We have always been part of a segment and a cohort and ... Sameer is like you and so therefore, you guys are both wearing blue jeans. It's just all superficial stuff. But we are increasingly leaving the kinds of signals out there that can allow a brand to engage with you as an audience of one. That's what we call it. That's kind of the ... It's a really, really interesting industry.

Randall: Who's some of your competitors?

Sameer: That's a good question, so we've actually gone through a bit of a change lately. Our original competitors ... The predecessors are companies like Exact Target and Responses, and these big B2C marketing automation software companies that got brought up by Salesforce and Adobe and Oracle.

What we are now doing is we're actually providing all of the machine learning and the Artificial Intelligence as a decision system that sits alongside these applications. So we're just a rocket fuel underneath them. If you used them for your basic stuff, you don't need to re-learn them, remove them. You just block going in underneath, and they just ... It will give it the instructions and say, 7 p.m. on Thursday night not an email, iPad notification not a phone. Sunday morning you had a couple of coffee in your hand, hopefully with your iPad or with your email open. Email is better channel.

Randall: Mm-hmm (affirmative).

Sameer: The data science elements are really, really heavy. That's the one thing we do better than anybody else, and we leave the delivery of emails and the mobile messaging and everything to somebody else.

Randall: Will you continue to focus specifically on that or the next 18 or 24 months or are you broadening product lines?

Sameer: No, I think we'll ... I think no, so we'll definitely stay focused on this. But there's so much left to do in there. I was with a customer. A prospect, hopefully a customer soon right before this and when you look at ... Let's just again sort of roll back to you. You like beer. You drink beer on Thursday nights. Now Kahuna would know that if they were working with beverages and more or not based on your buying patterns and what kind of beer you like. There's so much left to be done in terms of being better at engaging with you.

If Kahuna knows you drink beer, and you drink it on Thursday nights, great. We can send you something on Thursday evening on your way hopefully on your way of buying some beer. But based on other factors around you and your behavior, maybe you like baseball and it's raining on Wednesday and it's known that when it rains people drink a lot more beer. So can you drive? This is not just Kahuna. I think as an industry we're going to help spark buying events. Technology hasn't let you spark a buying event. They've been really good at catering to a known event.

Can we spark an event and a buying cycle? That's one example of about 50 of things ... 50 different things we can do to really get brands to stop putting you into buckets and treating you as an individual. I think that the experience that all of us have come to expect as consumers and I think we look at it this way, but it sits between two bookends. One bookend is when you shop on Amazon, and you look at sort of the recommendations at the bottom, they're amazing. You may not buy everything, but you're like, holy crap. Wow. You nailed it.

Randall: Yeah.

Sameer: That's a function of really good one to one personalization because you have your purchase history, and machine learning to say if you like this chances are you're going to like that. That's kind of one bookend. The other bookend is Uber, where there is no

people segmentation. There's nothing. There's just me and my behaviors and all the marketing and engagement is done based on my interest, right?

Randall: Mm-hmm (affirmative).

Sameer: Everybody's going to have to fit in there. From an experience standpoint, from the time that you order an Uber to get in an Uber to get out of an Uber and pay your credit card bill, at no point in that process did you ever think that you were marketed to or sold to. Yet they're making billions. That's like we're all subconsciously expecting experiences that look more like that and every time a brand is not like that and they do something to you that feels impersonal, you're going to stop to recognize it and feel it. When we look at what we call the third war of commerce, which is on us right now.

Randall: Explain that a little bit.

Sameer: Yeah, so if you look at sort of ...

You look at three sort of broads phases, if you will. There was sort of e-tail versus retail that happened in the dot com days where ... which gave rise to the Amazons. That was purely operational efficiency value play, where Amazon could take all this cost out by not having all that physical space and provide you with something that was cheaper. Then in the last 10 years you had a whole slew of new brands come up. Bonobos was one of them. Jet, Revolved Clothing, trillions of dollars of brand new companies that elbowed their way in to a world dominated by an Amazon and they did that by doing two things.

One was they came up with really compelling products. They changed the product. Uber didn't come up and say I got a better cab. They changed the entire product. Combined with ... online and the efficiencies that come from digital, but you change the product. Now the leading brands and frankly the leader and this is Amazon because they don't want to get Amazon by somebody is applying gigantic amounts of machine learning to really understand consumer preferences. To do that they're going to crazy lengths. They're going and buying retail businesses.

If they think they can know you better by bringing in your Whole Foods shopping profile, they're going to spend the money. It's a drop in the bucket for them to get better off knowing you. It's nothing. Nothing. Right?

Randall: Yeah.

Sameer: Every brand right now is going to compete on one-to-one personalization, so when we talk to big retailers, we're shutting stores down and are looking at reinventing themselves, the only ... The way they're looking at having a shot is one-to-one personalization. If they can connect with you in a way that nobody else can connect with you, they will buy themselves enough time to put better products inside. If they can't connect with you, it doesn't matter how good their products are. There is very little education left when we go talk to these customers about one-to-one personalization.

Now in our case, the case studies for Kahuna success are becoming quite public, so it's a good kind of ... Good timing. That's right.

Randall: So you're in the B2C or you're selling the B2C product in many respects, but you're in the B2B business.

Sameer: Absolutely.

Randall: And one of the conversations we were having earlier was around product market fit, understanding opportunities, but really getting out there to talk to customers.

Sameer: Yeah.

[00:22:07]

Randall: Just talk about a little bit about the first seven months getting out there and meeting customers and what you've learned along the way and what you thought you know beforehand.

Sameer: There's two things. One is you have to go in and be able to spot the under currents. Not what they're saying, what they're not saying. What they said, oh by the way ... You're literally looking for words to see what do they ... How are they talking about what's really keeping them up at night. That's kind of one bucket of things that are not very explicit in the way that they're responding to your very stated questions. I think the second thing is it's very easy to get into confirmation bias when you're listening. You want to hear what you want to hear, and you're not listening.

You're just like, yeah. They said one. What the said is small things. You've got to be super honest about what are they actually saying? It has to run through all the different ... All of the pieces that will get you to a successful product, which are:

Obviously the product has to work. It has to be consumable in a way that they will buy.

It cannot defy what I call the laws of organizational gravity, which is if your product requires three functional areas to come together and get into a committee and decide, it ain't going to happen. It's going to be take you three times the amount of time to close the deal.

You can't get caught up and not listening to every single signal that says I can sell this. It can sell in certain amount of time. I can afford that amount of time, given the kind of sales team that I have. We can close enough business to sort of make an offer.

You as a person looking at product fit. It's not just about will my features get used. You have to understand all these dynamics, but I think most people get into this. They're in love with what they built. I just pushed it to production yesterday and come one. How? She said she liked it.

Yeah, but Dude, she also said that she wouldn't replace what she has to buy it. She just says she likes it. She doesn't say she's buying it. You've got to take the right people to those meetings so someone can call your bluff. That's hard. It's hard. I want them to ... I'm not listening sometimes. You're not listening. I was like, yeah I'm not listening.

[00:24:36]

Randall: One of the things you said earlier was coming into a smaller company. You're like, ah this should be a little bit easier. It's a smaller company. I'll be able to wrap my head and I'll be able to create a plan pretty fast. A couple of people were telling you something a little bit differently, and then you're going into that.

Sameer: Yeah, I think. I had a lot of friends who were recently been CEOs and they all said it will take you eight to 12 months to truly understand how you want to build a great company. I was like, you're full of it. Who has eight months? Silicon Valley it's a lifetime.

There's a lot of things that we did in the first two, three months, and I was like, I told you you're wrong. It was a bit of a reset for the company as such, and we had to get the people fired up and get them back to a good place. We made best companies to work for in literally five months of this and I was like, what are you talking about? We're on our way. We did in five months. Great.

I don't think you think through many other facets, which is again, you need some time to get in front of 50 customers. It's not going to happen in a month. There's that.

The second thing is this, understanding again, the product and what you built.

The third is who's got confirmation bias that I don't have? Because I'm new. I didn't build all the code. Who do I need to sort of ... What do I need to parse out?

Then the fourth one, which is I would love to tell you I knew this, but I learned the hard way completely. Is what I've called, for lack of a better word, emotional equilibrium amongst your leadership team. That's a big floating word which means nothing. I'll explain to you what I mean. Because I have no better way to say it, but I think it is super important. Super important. Which is when you're putting leadership teams together, you have to have a really good sense of our ... They're all smart, obviously. That's a given. They're experienced. Their resumes are awesome. You had dinner with them and they just sound like the right person, and you feel you can have a beer with them, and all that. But if you cannot get all of them within the same sort of emotional space or latitude, you're going to have a lot of trouble.

If some people are the type who ... they're all complete hard asses with knives and daggers on each other's backs, then they're all like that, and I can ... I don't want to name companies. Whether it's a very successful companies that as companies do really well and they're all like that. You know what you're getting into. They're all very by committee and we need to hold hands and make a decision, then they all need to be like that.

You can't have this mismatch in terms of how they relate to other people. That is one of the biggest lessons that I don't think people look for enough. You don't really think through can these people get in a room or is one person going to keep rubbing the other

person the bad, in the wrong way? Just because they made a flipping comment and they didn't even think hard about it, but the other person's very sensitive, and they're listening. Pick one. Just pick one. Doesn't matter. Just pick one, but pick one.

Randall: Yeah.

Sameer: I can tell you examples of companies that were at all those levels, but they had a similar vein and they did great. I mean I know what company I want to build. I just need to stay in that band, so these are the kinds of things that take a while. I think we've made a ton of changes to our organizational makeup and even leadership makeup, but I would be lying if I told you I knew all this going in.

[00:28:21]

Randall: You're coming into your own right now. What does a typical day look like for you now?

Sameer: A very typical day. Yeah, I'll try. I'm up by five out of habit, not because some CEO job needs to. I've never, never slept past five. I'm a morning guy. I was a competitive squash player all my life and so when you're young and ... The only times you do homework is before school. My parents would wake me up at six in the morning or five in the morning. I would hate it, because I was playing squash every evening and then as you mature, you're like, well that's the only time my brain actually works now. It's when my brain works best, so won't get anything out of me after 10:30 or 11 at night.

I make that call in the morning. Some days it's like I just need to clear my head, and I'll go to the club. I think it's also very important to think about doing things when it comes to gym and sports and exercise. For me that clears my head. The worst thing in the world for me is treadmill. I'm in the office as far as I'm concerned. My mind's all over the place. I'm thinking about work and it sucks. I walk off that thing feeling just like I didn't take a break.

Conversely I go play often on a squash. My lungs are in my hand. I can't even think straight, but when you're done and you take a shower, you're like, wow. My brain is just freed up. I'm a big proponent of, if you can find a way, whatever your exercise routine regiment is, if you can find a way to do something that clears your head up, play soccer,

play a game, play something, do something. It works really well for me. I feel like I just left everything. I gave my brain a chance to re-prioritize before I start the day.

But I'm, again, cognizant. There are days when I can do that, or days where ... Like today, I'm in the city till night, I had to use the morning to work, because I knew my day was going to get cut short. Then there was days when my son wakes up and I'm like, all right that's the perfect excuse to procrastinate on everything and we just leave for half an hour.

[00:30:32] I'm in the office at least an hour before my routine starts, just so that I can control my day. I think one of the best things I did seven or eight years ago is I used to feel like I was not ... I felt like my sort of ... The start of my day had a big day of how the rest of my day was going to go. I started to force myself to do and finish one thing in the morning. My whole day then is in action mode after that.

You know when you're like, done. I got that big email to that customer. I forced myself to finish something in the beginning before I start dealing with people and the rest of the day all I'm doing for is looking for work. What can I knock off the list? What can I knock off the list? I think that's really important. Because it's very easy to blink and be like, well I did nine meetings today. Everybody else got what they wanted. I haven't started my day.

Again, it's just like ... You just got to be present. It's very easy for this world to subsume you when you're in this role.

Randall: Are you able to shut off at night? I mean can you ... Are you staying up sometimes or?

Sameer: I'm not staying up because I start really early, but other days where I'll wake up at three in the morning. Yeah, it's just ... It is. I'll be lying if I didn't say that that's not there. It's there. I'm exhausted, so there's ... No matter what's going on, I will fall asleep when I'm ready to go to sleep. But I could be up at three in the morning. Then I'm walking around the house. It's not often. But I feel again, gym really helps regulates your body really well.

When you're working out you're just ... You're forced to just regulate. And diet. I made some big changes to my diet. It's helped me tremendously. It was never bad, but I made

some pretty drastic changes and I feel like my energy is twice the amount. I can go till seven, eight o'clock at night. I had a lot of inflammation because I was a competitive squash player. When you hit 40, the warranty expires for those of you who are not 40.

Randall: Some of those content will be used in classes.

Sameer: All good.

Randall: Somewhere along those lines.

Sameer: All good. It's just I wished they had this kind of content.

[00:32:41]

Randall: You've had a pretty incredible career over 20 years. Are there a few things you would have done differently? It's a big question I know.

Sameer: When you're in the moment, I can tell you five things I do differently but then I stop myself and I'm like, every turn that I made got me to here. It's easy to sit back and look at things that I would have done differently.

Now that I've taken this job and I'm in this CEO role, and I did the GM role before it. Other days where I'm like, well I wish I hadn't stayed in consulting for that long and started this process. I could have started this five years earlier and I would have been on my second CEO job now, because I'm loving it. My life was good then too. I don't really try to think too hard about ... I think life just has a way of ... For most of us at least, it just kind of finds its way.

I don't really have any regrets in that sense. I really don't. I'm sure other people do, but I don't. I just approach life and when I think of something that's not right, I'm like yeah, but I would have never been here had I not gone through that struggle, or this, or something would have pushed me out.

Randall: One of the things I've appreciated about speaking with you for the last few hours is you kept on saying yeah, I just got lucky man. I just got lucky. You found yourself being an apprentice to a really great co-founder of a company.

Sameer: I was lucky from the day I was born. I don't forget that. People made sacrifices to get you to where you are. You got to make the best of it, but I do believe that ... you can't get full of yourself. You can't wake up and just be like, no, it wasn't all you. You rose on someone's shoulders. It's just ... That's the philosophical side of it.

[00:34:48]

Randall: Before we head into QA, as kind of the last question, there's a number of aspiring CEOs, product managers, program managers coming up in Babson right now. What are the three pieces of advice you would give them? Particularly as they're coming into their first year of working or first few years of working.

Sameer: There's different ways to slice that. I'm going to look at it more from we here in Silicon Valley and how does it kind of matter if you're here. I'm going to go there. Because it would be different if you were looking for a finance job on Wall Street or what-have-you.

I think yeah, there's waves in which Silicon Valley has been created. If you go back 30 - 40 years ago, it was engineers who created sort of the big technologies on the basis of which we built stuff. Then you went and created ... You created all the software which was on premise, all that. Then you had back I want to say 15 years ago a wave of sales and marketing people who were driving the next wave of companies.

Marc Benioff at Salesforce, Lars Dalgaard at SuccessFactors, brilliant, brilliant people who could convince people to say, hey, putting your software in the cloud is not risky. I'm going to give you the same features and it took selling. I mean it took selling. There was so much thought around that stuff. Then you went into a wave of reinvention. I think we're still in there, so for people who are thinking about this right now, we are going through so much disruption right now that being really good at product.

If you're an engineer, you're an engineer. That's okay. You'll work with product people, but if you're trying to groom yourself to be a CEO, or even if you're not ... If you're doing customer success, you're doing other functions. Every company right now is product-led. Every piece of disruption right now is not a tweak to the business model. It's not like hey, I can do the same thing for cheaper. Or it's all about coming up with products.

Uber again, was not another way to give you a cab. The entire supply and demand channel of that industry got changed to come up with a different way to get you from point A to point B. I would tell you to really, really, really understand how to thrive in a product centric world, because all of the innovation right now is coming from building ... Like I said, not just easier to buy. It's cheaper. It's no. It's you reinvent it, an entire industry.

I would think really, really, really hard about what is that? How is that done? How are the best people going and getting their first time customers, when it's their idea? How do you -- well somewhat earlier -- how do you keep an open mind so you're not listening to what you want to hear, but you're actually listening to the signals? Are you paired up with the person if you're not that person to help you with, how do I distribute this? What's the cost of distributing?

You've got to think with all those elements in mind. I actually think that the Babson program could be instrumental in doing some of that.

Randall: Yeah, great. Well I want to open the floor to QA. Anyone have any questions? Yeah.

[00:38:27]

Audience #1: Sameer, earlier on you were talking about creating an emotional equilibrium, so it looks like one of the first jobs you take on when you come into a company is taking care of social engineering. What does that process look like? Do you try to change the people? Do you try to change the culture? What are the steps in there?

Sameer: I think I just never approached it with change. I approached it with we're going to be transparent. If you guys work before I showed up, great. We're going to do more of it. You're not trying to unnecessarily put a stand there. You're just trying to be very clear on ... In a startup environment, any employee knows that there's a ton of things that you know and you don't know as a leader.

This is not like a large company where you're the leader, because apparently you know everything. You just have to be open about what you know, what you don't know, what you learned last week. I think that's really, really important to stop to set the culture,

because that only works all over the organization. People feel a lot more comfortable sharing what they're not sure about.

Or an experiment they tried that didn't go well. Because you're doing it and I am saying, hey we tried this. That didn't make sense. We're going to try something else. Or we learned something we thought is different from the hypothesis we had before. I think you just have to lead by example on that. You've got to live that versus ... Of course, if you feel like the values of the company are wrong and you got to fix that, that's okay.

But I can tell you ... If you go look at Glassdoor. Like any company we've got the bad ones and we've got good ones, but if you look at sort of how companies started to interpret the change in leadership eight months ago, you'll see that there was transparency. There was conviction around a certain market, and honestly, the ability to communicate. I mean if there is one thing that I wish Babson had more of when I went to Babson was I wish we had a lot more of this, at some point the softer stuff.

At some point in your career, it is not going to matter how good your engineering degree was. When you get a certain stage in your career, your communication skills, the presence. I think I'm pretty good at those things and I've done well doing it. But when three people walk in a room together ... I had someone, a colleague of mine. She worked on my team at SAP, and she would always say this to me. She was like, and we got really close. She would literally be like, "Why is it that every time we walk into a conference room, say some vendors or someone from the outside, they don't know anyone and instantly they know that you're the manager. How is that?"

My point is, and this is a skill ... This is I inherited this from my mother. I know where I got it from. But ... those are the things that matter a lot more. People seek that out in leadership.

Audience #1: Thank you.

Sameer: Yeah.

Randall: Go on.

Audience #2: Okay, hi. My name Celine, as I told you before I'm MBA student here at Babson. I just wanted to say I appreciate a lot of the stuff you said earlier about confirmation bias and that whole developing products, because I am experiencing exactly that in the startup I work for, so it's totally true.

My question is we're actually taking the intro to marketing course right now and don't throw any fancy terms at me, because we're only in week two, but ...

Sameer: Yeah, what did you do? What were you doing before the program? What's it for your part?

Audience #2: Yeah, I am in the part-time program, so I work for a tech startup work and web application portal for a specific niche industry, so anyway.

Sameer: Your role is? Are you in the engineering side?

Audience #2: I do customer success.

Sameer: Perfect yeah.

Audience #2: My question is you kind of spoke to these, this third wave of marketing and so what do you think are the fundamental concepts in marketing that are being shattered by this third wave? I just wanted to hear a little bit more about that.

Sameer: I think there's simply one, really. There's other off shoots of it. There's only one, which is you ... This notion of everyone of us as consumers wanting to be treated as an individual has existed forever. Who wants to be part of a group? If you can, I'm me. We're all different. The technology has never ever been able to live up to that at scale in a consumer environment.

If I started the businesses and I only have 50 customers, and each of them is worth \$2 million a year to me, I can deploy 10 people to do nothing but learn that customer. Go. That 10 people, that's a million bucks, one time cost, and we'll gain. But in the consumer world, that's really hard. We're now at a point where the technology allows you to be able to scale both understanding you and engaging with you.

We're at the early stages of that as an industry, even though I think is the best at doing it, there's still going to be decades of deployments that's going to happen to make that better. Marketing will talk to you about segmentation. Big words, and we are the anti-segmentation people. We're like, no, because we're not the same. We may wear blue jeans but we're not the same.

Randall: I do have a vest, though.

Sameer: You do?

Randall: All right, keep going.

Sameer: I have another one in the car, you can get it.

I think fundamentally I would push the envelope on one-to-one personalization and force the discussion to go into as a consumer, what do I want to -- how do I want to be treated? I can guarantee you the answer you'll come up with is for the first time close to being possible than it's ever been. Because it's easy to throw flippantly big words like one-to-one and personalization, all that stuff.

I would really, really push hard on, what does that mean? How does the org -- how does the customer's marketing world need to be wired now for this one-to-one world? What jobs and roles are kind of going away and what roles are coming?

If you don't need 20 marketeers to sit there, and actually say, do segmenting because a software does as well, what are they going to do? I think that ... to me, those are big discussions that we're having. Does that make sense?

Audience #2: Yeah, no I think that makes sense. I can also see how with the advent of data and being able to harness more data on users, that it makes that transition possible. I mean segmentation ...

Sameer: Possible. That's the right word you used. It's a non-starter without it. This is a tricky subject, because every time you talk all this people start saying, "oh, well privacy." You're looking at ... No, this is not about looking at anything you didn't want us to look at or anybody else to look at. This is if you didn't opt in, you didn't opt in. But I do truly

believe that the Ubers of the world have really pushed us to agree that if you give me back 10X value, I'm willing to actually share more than I was before.

The problem wasn't that I didn't want to share. The problem was I never got anything back for it. Now I kind of am, and so those are huge data points. To your point, that's data, because I'm getting to share. I'm getting to glean your behaviors. We're going to combine that with third-party data now that can help me understand how your behaviors are affected. The fact that there's a baseball game tomorrow and the fact that you like beer and the fact that you're going to see the game, what is that telling me about you and what can I do?

This sounds a bit dramatic, but I was telling customers the best marketing is information. If your marketing is really good, it's information. It's not marketing. We're at that point. Like I said, the Uber example. Do you ever, ever thing you've been marketed to? No. It's genius.

Randall: Have the Amnesty Internationals of the world, the Greenpeaces, the kind of non-profit change makers reached out, and in terms of thinking about like, obviously if you're buying from Toms, you're buying from Bonobos. These more kind of impact-driven for-profit entities. That's the same sort of mindset of many of these -- they're going forward from a fundraising perspective, right?

Sameer: Yeah.

Randall: Has that ever come across or?

Sameer: No. I think there's still some gestation left in the industry. When we sit down and we talk to our customers about what we do, 10 out of 10 of them are like, that's the future. But there is ... There has not been any meaningful innovation in this space in my opinion for 25 years. If you've been in your career doing email marketing for 20 - 25 years. If you graduated when I graduated and you took an email marketing job and you're still doing it, you ... To make you unlearn that and buy Kahuna can be difficult.

Which is why we're on lead with like, hey don't use that software. Use this software. You just start to ... You start to talk about a slew of competitors and say, here's why these competitors are moving forward. Now that we're talking about sort of powering these

email systems, it's an easier discussion. But there's still behavior change. There's still behavior change out there that's required.

Randall: Anyone else?

[00:43:26]

Audience #3: I'm actually really interested in marketing technology and marketing automation. My first job was actually in marketing automation, and I feel like a big focus on it is the data part that you talked about, where you're kind of just taking in every little thing where you can to build these profiles, and how you kind of just can plug in with ExactTarget, or any other marketing automation system, but I feel like a big part of this industry that's changing a lot is that, okay, for a second you're partnering with ExactTarget, and then next thing you know they're your competitors.

How do you foresee that coming or defend against that, I guess? From your partners becoming your eventual competitors.

Sameer: I generally don't worry too much about that. That maybe me only, because there's a reason why startups pop up in Silicon Valley. There's a pace at which a large company can move. There are limitations that they have because of architectures that are 10 to 15 years old. To be very fair to them, it's not like they can't do what we do. It's just that they've got other fish to fry. If we would worry about that, no startup would ever come because technically that big company has 6,000 engineers and they can ... We always say well they could throw 20 engineers at this problem and solve it. Yeah they could, but when they do it we'll worry about it. Because until then, they've got really meaningful problems to solve to keep their software meaningful and up and running. Now does that mean that it doesn't happen? Of course it happens. But there's something ... Don't ever discount the power of a small team doing one thing and one thing only.

I have some authority to talk about this, because I just came from SuccessFactors SAP. Gigantic company. When there's even a small hitch in terms of earnings and all that stuff, what do you start to ... Where do you take resources away from? The experiments. The things that are making money will always get, and so innovation gets really, really hard.

Now don't get me wrong. There are very, very good ways for us to build more to run our business. I'm not being naïve here too. I know how to build more to run our business, but we've got great partnership discussions happening with all of them that says: hey great, if you take this off, you're solving that one problem that the customer kept coming to me with, so I can take care of this.

The more successful companies in the planet kind of came up. Many not all of them, came out of that. Every time I worry about that, I look at the building and I look at the ridiculous talent we have in the building. I'm like, no. They can't keep up with us. And they don't want to. They're partners. These guys, they're ridiculous. The amount of stuff they put out. I feel good about that. Or I make myself ... confirmation bias.

Randall: Any other questions?

[00:51:27]

Audience #4: Sameer, I want to go back to the third wave question. I'm looking around, I'm seeing marketers.

Sameer: I want to send you ... I want to send, I will send out a three-page thing on this, if you guys want to read it. It's there.

You're going to have fun with this. I'm not pitching you, I promise. But if you go to the Kahuna blog, all the content is on this topic. All of it. There's a brand new article going up on an amazing public ... There's stuff on cmo.com written, referring to Kahuna. There's stuff on MarTech, all of that. I think if you go to the blog, you'll see content and this white paper that you can download about this topic, too. I'm happy to email it.

Audience #4: Yeah, absolutely. My question was more towards the practical, towards Babson students. You start off before the skill that was the strongest weapon with those engineers. Second skill that was most valuable on the second wave, were those sales people and those marketers. Now you're saying is product people. I guess, given the fact that not all of us in this room are product folks. We have customer success. We've got marketers. We got sales guys, like me.

Probably it's different from depending on the size of the company of how to do this, but what would you have done if you were not within a product role early on or what did you do to sharpen that spear of becoming that product marketer or the product guy?

Sameer: It's a great question I think. Let me maybe clarify something. What I didn't in anyway mean that everybody has to become a product person. What I was saying is, make sure you're at a company that believes that you're going to lead with product and innovation right now. They need CS folks. They need sales people. It's not that they don't. But if you don't have faith in the product right now, you cannot wing your way to success is what I'm saying. UX, design, experience, think about it.

From five in the evening to nine at night, you're using the most sophisticated simple apps, whether it's Facebook or Snapchat, Instagram, then you go to work and you got to use this crap? Those days are over. You can't do that anymore. Just I want to put that aside. This doesn't mean everybody become a product person. It just means if you do not have conviction that this company wakes up on trying to build a superior product every day, that's going to come back and bite you.

Does that make sense?

Audience #4: Absolutely.

Sameer: Okay. If you make me pick about who I am, I don't know if I would say ... I have product people in the office, I'm like, Dude you're way smarter than I am. Completely. Everyone thinks I'm product guy. I am in some sense, but I would say more product marketing if I had to pick something. I like to get up there, take a big ass blow horn and talk about what I do and I want the product to drive and meet me in it. I want to take a flag and throw it. I'm like, that's it. I want everybody to run behind it and build the product into that.

Versus me saying I'm a product guy, which is like let me talk about the features I have right now. No one gives a shit, because by the time it goes live, it's outdated anyway. I wrote a blog post where and I believe that, and I always have a product in here. This was like, in my mind your product is your roadmap.

It's not your product. Your customer's buying into why do I want to be in business with you for five years? Not what I'm buying right now. I'm not saying you need to become a product person, but I'm saying ... If you want to continue to have faith in the company you're working, in this day and age, if you're doing something truly disruptive. If you're working for a large company that is still selling technology built 10 years ago and there's nothing wrong with that, and you're making a lot of money, that's a different job.

But if you're in Startup Land and you're trying to do stuff, if you don't feel like there is conviction and everybody is putting product first. Still you had product market fit, it's going to be tough.

[00:55:35]

Randall: You did have an inflection point where you did leave the services industry intentionally to learn product, though.

Sameer: Yeah. Again, I just was around products and I was like, what if? That's where I got lucky. I went. I got a great role and I was lucky to work for the co-founder of SuccessFactors and for both the co-founders, over the time that I was there, and in that culture. It's not just about the people where I could not have asked for a better apprenticeship. And we grew that to 35 million subscribers in four years. We crushed it.

But I was ... right place, right mentors. They could be breath. Holy crap. We got to 10 million. I have no idea how we're going to get to 15. What do you do? Let me tell you. Find those people.

Randall: Any other questions?

[00:55:26]

Audience #5: You mentioned about creating executive team or creating a team of executives and how you need them all to be in the same bandwidth of thinking. How do you balance that with getting unique people and those people actually think differently, so they bring something new to the table, rather than just thinking on that same bandwidth?

Sameer: Sure. My point there was about emotional equilibrium, not IQ. This is more about EQ than IQ. I think ... Yeah, so I've never had that ... The balancing was more around, can these people with different backgrounds, different experiences, still level at the same, sit in the room, don't take it personally, have a discussion, be okay if someone gently wants to poke your function in the back a little and be like, hey what are you doing about this? Just being in place where there's massive amounts of transparency, and velocity. Velocity is what gets lost when you have those problems, because people are tiptoeing around each other and I don't think I can tell you. I got to wait. You look really sad today, and I'll come back tomorrow. Dude, four days are gone. We haven't done anything here, so you ... Speed kills. I mean or speed, lack of speed kills in Silicon Valley.

I don't think it's got ... I think it's about you. It's the opposite actually of what you said, which is of course the first thing you're looking for is do they bring something to the table that is more than just 1X? In terms of their value add. But you need to not get completely mesmerized by how awesome they are, if they're not going to fit. Because they're not going to be effective. And your good ones will quit, if you don't think through that. So it's tough. It's not like I'm giving you the answers. I'm just trying to tell you what to think about.

Randall: It's 10 years from now. What are you known for? It's the last question. It's the greatest one.

Sameer: 10 years from now?

Randall: Yeah, how about five?

Sameer: I want to take ... I'm going to humble brag for a second. My son is third in the US in squash. He was, he just aged up. In 10 years from now, I just want to be able to be around and see him through where he is then. And have the resources knock on wood to be able to support him and what he wants to do. And my career will take care of itself. I don't know. It's maybe not the answer you guys wanted to hear, but my ... I have a five-year-old and she's doing well.

It's just like ... you make a ton of sacrifices in this job, in this role. You work really hard and it sounds like I've got it all balanced, but I don't. And you don't want to ever wake up -- you would never be able to justify all the commercial success you had if you don't look

out for those things. This is no question. Right, it will not. It won't matter. I know way too many CEOs who are unhappy human beings, who have just sacrificed too much. Who would give it back. I just don't want to be one of those people.

I work really hard, but I'd like to ... the tip of the spear for the 10-year story has to be one of those things. Not like oh you run a bigger company than Kahuna.

Randall: I appreciate that. I appreciate that. Well thanks so much.

Sameer: Thank you very much.