Highlights from the

EY Strategic Growth Forum[®] 2015

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EY Strategic Growth Forum® 2015

- 4 Keynote speakers and sessions
- 14 Thought-provoking insights
- 16 IPO and Family Business special sessions
- 18 Heard in the tracks
- 20 Around the Forum
- 22 The winners
- 26 Trending





















Bill McDermott

From corner store to corner office

As the 17-year-old owner of a corner deli on Long Island, Bill McDermott learned a valuable lesson that has carried through into his current role as CEO of SAP, the world's leading provider of business software: stay true to your customers and anticipate where they need to go.

McDermott, in an interview with EY Global Chairman & CEO Mark A. Weinberger, said he quickly realized that to beat his competition he had to do things they weren't doing: making deliveries to senior citizens, offering credit to blue-collar patrons and putting in a video-game room to encourage teenagers to come into his store. He used his proceeds from the deli to pay his way through college and eventually land his dream job at Xerox.

Hired on the same day as his interview, McDermott rose through the ranks at Xerox. He made a name for himself by turning around its business unit in Puerto Rico, taking it from the worst-performing group in the company to its best within a year. He eventually left Xerox and joined SAP in 2002, becoming co-CEO of SAP AG in 2010.

McDermott told the audience that the lessons he learned in the deli were still relevant to this day. "You have to keep your business true to where your customers need to go," McDermott said. This philosophy helped him transform SAP by embracing two simple principles: SAP software has to help the world run better, and it has to improve lives.

"We changed the whole strategy of the company because we knew the world needed different things from us," he said. "Leaders will be forgiven for a lot of things, but never for bad vision and strategy."

McDermott finished by recounting how he nearly lost his life this summer when he fell and suffered severe lacerations that eventually led to the loss of his left eye. "I may have lost my sight," he said, "but I didn't lose my vision."



David C. Novak

As a coach, not a boss, the Yum! Brands Executive Chairman preaches motivation and recognition

To make his point about the power of recognizing your team members, David C. Novak, Executive Chairman of Yum! Brands, Inc., brought out a rubber chicken.

Each month, Novak awarded an employee at KFC – within the company's empire of fast-food brands – with \$100 and a rubber chicken with a personalized message. Then he put a photo of that employee with the chicken on his office wall, where others could see it. The idea took hold and evolved with new props, including chattering-teeth toys with legs (signifying "walk the talk").

"It's not expensive to do," Novak said. "All you have to do is give a little of your heart away when you do it."

His principles center on motivating others by listening to them and giving credit where it's due. In his leadership plan, he asks people for the biggest thing they're working on, helps them walk out with a plan, and then follows up with letters 30 and 60 days later.

"There's a big difference between a coach and a boss," Novak said. "If you see yourself as a boss, you're archaic."

He also relies heavily on others' ideas and is proud to admit it. He's learned from GE's Jack Welch and many others. Even the rubber-chicken concept started with someone he knew in IT.

"You're going to get all kinds of wisdom, and if you keep it to yourself, you're being greedy," he said.



Mike Fries

The cable and media *impresario* tells entrepreneurs to stay humble and build value, not empires

As a 27-year-old Wall Street banker, Mike Fries, President and CEO of Liberty Global, Inc., took a leap of faith and a pay cut to join a small media company in Colorado. And through the 1990s, he helped the company grow rapidly, expanding cable TV throughout Europe in countries emerging from the shadow of the Iron Curtain.

But then the dot-com bubble burst and the company "fell on its face." The experience, Fries told EY Global Chairman & CEO Mark A. Weinberger, taught him that he could remain calm during a crisis. It also prompted him to try to hire people who have "scar tissue" from past failures.

"I won't hire anyone who doesn't have scar tissue, who hasn't stubbed their toe," he said. "If you can rise up from that moment, it gives you tremendous confidence."

Since then, he has led his company back to the top. Liberty Global has 27 million customers across 14 European countries, providing customers with ubiquitous, seamless connectivity. Fries said Liberty Global seeks to help its customers "connect, discover and be free." That freedom means the ability to "to watch what you want to watch, when you want to watch it, and to communicate with your friends and family."

Friendship is the glue that binds strong teams together, Fries said. "You can get so much done together if you like each other. The secret sauce is having respect and rapport."

Fries, who won the EY Entrepreneur Of The Year® 2012 Media, Entertainment and Communications National Award, closed with some advice for entrepreneurs: "If I've learned anything, it's stay humble. Build value, not empires."





have a single voluntary departure," he said, adding that the dedication of his Medivation team enabled them to eventually develop a second drug that treats late-stage prostate cancer. The drug has helped Medivation's stock price soar and, more importantly, has helped patients live longer.

"The future of medicine is going to be very interesting," Dr. Hung said, adding that incorporating chemistry, biology and new elements of physics into medicine could change the way researchers find treatments for a wide range of dangerous diseases.

"I didn't want to spend my life getting base hits, given how bad many diseases are. We need home runs."



Leadership matters

What's on the minds of leading CEOs?

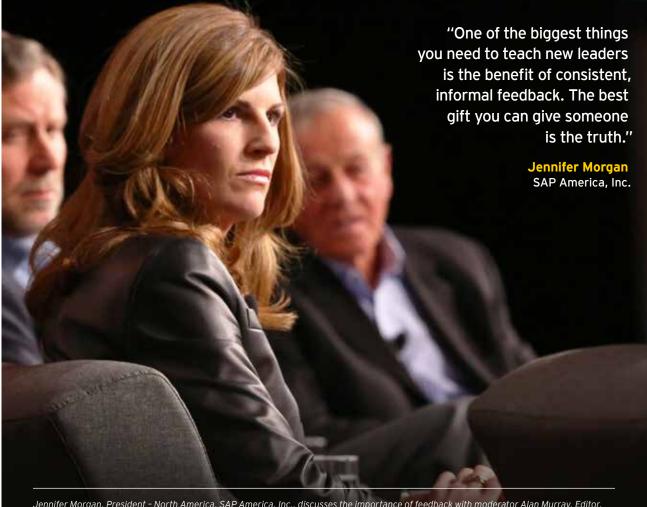
Values, culture and transparency are top of mind for the executives on the "Leadership matters: what's on the mind of leading CEOs" panel.

One hot topic was the rising millennial generation and its far-reaching influence. "Millennials believe in self-expression and having a purpose in their work," said Fedele Bauccio of Bon Appétit Management Company.

Culture-building is a major goal for Paul Grangaard of Allen Edmonds Corporation, who works hard to create a positive, upbeat work environment. "My best piece of advice," he said, "is to say hello to everyone you work with every day."

For Jennifer Morgan of SAP America, Inc., transparency and honesty are huge, particularly when it comes to feedback. "The best gift you can give someone is the truth," she said.

The panel also mentioned the importance of being mindful of what each employee brings to the table. Said Grangaard, "You hire the whole person, not just their productivity."



Jennifer Morgan, President - North America, SAP America, Inc., discusses the importance of feedback with moderator Alan Murray, Editor, FORTUNE. Also appearing on the panel: Fedele Bauccio, CEO, Bon Appétit Management Company; and Paul Grangaard, President and CEO, Allen Edmonds Corporation.



Chasing their dreams

Entrepreneurs "living the dream"

Jessica Herrin found passion in allowing women to grow in flexible careers. Her company, Stella & Dot Family Brands, relies on independent business owners as direct sellers.

Francois Nader, formerly of NPS Pharma, took the reins of a company that needed a new vision after the FDA did not approve a big-bet drug. He slashed costs and shifted efforts to rare diseases. The company was sold in February 2015 in a multibillion-dollar sale.

David Trone's original dream was to be an egg farmer, but he had to sell the family farm while in business school. Today he runs Total Wine & More, the largest privately owned alcoholic beverage chain in the US.

"We're definitely living the dream now," Trone said.

Moderator Deborah Norville, Anchor, Inside Edition, interviews Francois Nader, MD, former CEO, NPS Pharma; Jessica Herrin, CEO and Founder, Stella & Dot Family Brands; and David Trone, Founder & President, Total Wine & More.





Women. Fast forward

Moving on from the "locker room"

Gender parity is a top-five issue for many CEOs and boards, according to Steve Howe, EY US Chairman and Americas Managing Partner.

In "Women. Fast forward: gender parity and business value," panelists' practical suggestions for improvement included getting rid of a "locker room" mentality; instituting training, mentoring and sponsorship programs for high-potential women; making team-building events more inclusive and family-friendly; carefully examining your culture for unconscious bias and working to eliminate it; and measuring how gender parity impacts business results.

"US business has been so incredibly successful," said Charlotte Guyman of Berkshire Hathaway. "If we did that with only half of the talent pool available, what would be able to do when we tap into 100% of the talent pool?"

Moderator Uschi Schreiber, EY Global Vice Chair – Markets and Chair of the Global Accounts Committee, discusses gender parity with panelists James Segil, Co-founder and former President, EdgeCast Networks; Larraine Segil, Board Member, Frontier Communications; Charlotte Guyman, Director, Berkshire Hathaway; and Steve Howe, EY US Chairman and Americas Managing Partner.



Thought-provoking insights

Titans of business, politics, sports and entertainment delighted and inspired EY Strategic Growth Forum attendees throughout the week with insights and anecdotes on everything from the US and global political environment to effective team management and collaboration. Our speakers and panelists also shared tales of personal and professional perseverance and guidelines for success, along with their own tactics for accelerating agendas in the ever-changing world around us.









"The higher you go up in the chain of command, the more people you are in service to."

Rorke Denver



"Your happiness is not contingent on what you do or what you have. You have more value in your attitude than in your bank account."

Michael Strahan





Special session

A CEO's guide to going public

Good news was on the agenda as panelists in multiple sessions predicted that, as confidence in the US economy continues to rise, entrepreneurs will find ready access to capital through IPOs, M&A and private investors.

Guidance for going public was summed up by a panelist who said preparing for an IPO is like getting ready for bathing suit season it forces you to work out a little bit.

According to panelists, those workouts should include becoming predictable, pricing correctly, proactively managing risk, building a business model that can scale with you, managing the IPO process and making sure you have the right team and the right syndicate of investors in place, all while staying focused on the core business.

Those are some strenuous exercises for any company, so panelists stressed that before starting down the IPO road, you need to make sure you're really ready – which means being able to achieve positive cash flow within two years and deliver on your promises to Wall Street.

The right mindset even before you begin preparations is key, so think of it as getting ready to be public, not getting ready to go public. Though difficult and time-consuming, the hundreds of little improvements you make will lead to a successful IPO and give you a real long-term competitive advantage.









"Time has to be your friend, not your enemy. If you're starting on this journey, realize it's not going to happen tomorrow. You need the gift of time."







Heard in the tracks

Panels of esteemed business leaders and entrepreneurs from across the country gathered at the Forum to accelerate thinking on a variety of topics ranging from talent strategies and global expansion to innovation and digital transformation. The result? A rich, complex, interactive conference that drove attendees to rethink models, work smarter, embrace the future and appreciate the legacies that have shaped (and continue to shape!) our lives and the communities where we live and work.





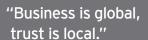
"Don't confuse activity with productivity."

Kellogg School of Management Professor, former CEO, Baxter, and best-selling author









Keith Krach DocuSign, Inc.









"The one thing that holds constant is that there's not a specific recipe that you can use to ensure success. You spend the time, you have the commitment, and then great things will happen."

> Derrick York Caterpillar Inc.



Scott Skidmore Barclays















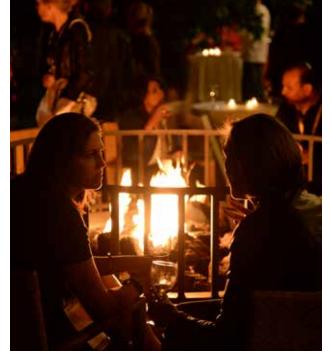




Around the Forum

Accelerated thinking is a hallmark of the Strategic Growth Forum, and 2015 was no exception. Forum attendees experienced days filled with panel discussions and interviews on topics as far-reaching as health care, succession planning, youth entrepreneurship, management strategies and dozens more that impact attendees, their businesses and their communities. We capped each day with exciting events that included a private concert with rock band OneRepublic and a black-tie gala celebrating the EY Entrepreneur Of The Year National Award winners.

















Overall Award winners



Michael J. Kacsmar, EY Entrepreneur Of The Year Americas Program Director; Andy Bechtolsheim and Jayshree Ullal, Arista Networks; and Steve Howe, EY US Chairman and Americas Managing Partner

Arista Networks

Santa Clara, CA | Founded: 2004

Andy Bechtolsheim

Founder, Chief Development Officer and Chairman

Jayshree Ullal

President and CEO

Up, up and away

With Arista Networks, Andy Bechtolsheim had a very specific goal in mind: to build an IT company led by engineers that would provide disruptive, innovative solutions for the world's largest networking challenges. Over the next four years, he focused on building the foundation for Arista's network switching technologies. In 2008, he tapped industry leader Jayshree Ullal, a former Cisco executive, to serve as President and CEO.

Together, Bechtolsheim and Ullal have perfected the formula that has powered Arista's rapid ascent into the networking industry. The company currently counts more than 3,000 customers. Bechtolsheim and Ullal were named the EY Entrepreneur Of The Year 2015 National Overall Award winners.

Moving to a cloud-based architecture has enabled Arista to offer scalable solutions, a key step in helping global enterprises keep pace with the rapid growth expected in internet traffic over the next five years. And as the threat from hackers and cyber-crooks intensifies, Arista will be challenged to provide more secure solutions for their customers.

"Our vision is to keep innovating, to deliver new capabilities, new features and new functionality to customers that solve their business problems," said Bechtolsheim. And with an entrepreneurial, creative culture that's focused on achieving results, not stroking egos, Arista is already well on its way toward planting its flag as one of the strongest networking companies in the world.



Category winners



Distribution and Manufacturing

Berto Guerra

CEO and Chairman Avanzar Interior Technologies, LTD

San Antonio, TX Founded: 2005



Real Estate, Hospitality and Construction

Adam Neumann

Co-Founder and CEO WeWork

New York, NY Founded: 2010



Emerging **David Royce**

Founder & CEO Alterra

Provo, UT Founded: 2012



Retail and Consumer Products

Reade Fahs CEO 🥛



National Vision, Inc.

Duluth, GA Founded: 1990



Energy, Cleantech and Natural Resources

Eric Dee Long

CEO

USA Compression

Austin, TX Founded: 1998



Services

Y. Michele Kang

Founder and Chief Executive Officer Cognosante

McLean, VA Founded: 2008



Family Business

Andrew D. Peykoff II

President & CEO Niagara Bottling, LLC

Ontario, CA Founded: 1963



Technology

Andy Bechtolsheim

Founder, Chief **Development Officer** and Chairman



Jayshree Ullal President and CEO

Arista Networks

Santa Clara, CA Founded: 2004



Financial Services

Alfred P. West,

Chairman & CEO SEI

Oaks, PA Founded: 1968



Life Sciences

Jean-Jacques Bienaimé

Chairman and CEO **BioMarin Pharmaceutical**

Novato, CA Founded: 1996



"Our vision is to keep innovating, to deliver new capabilities, new features and new functionality to customers that solve their business problems."

Arista Networks



Media, Entertainment and Communications

Maggie Wilderotter

Chairman and CEO Frontier Communications

Stamford, CT Founded: 1935



Now in its eighth year, the program has inducted 83 women entrepreneurs in the US and Canada. Their companies now have total combined revenue that's 54% higher than when each first joined the program. Entrepreneurial Winning Women has since expanded to the US and Canada."

The program selects high-growth women entrepreneurs with the potential to scale, she explained. "An evergreen executive education program gives them the insights, knowhow, advisors and community of peers they need to do it."



Venture Capital Award of Excellence™

Venture capitalists provide more than funding; their knowledge and experience help turn entrepreneurs' vision into reality, lead to the creation of new jobs, and have a profound and growing impact on the US economy as a whole. Investment levels for the first nine months of 2015 reached \$54.6 billion, already nearly eclipsing the \$57.6 billion invested in all of 2014.

2015 award winners:



Dr. Richard Heyman Aragon Pharmaceuticals, Inc. Seragon Pharmaceuticals, Inc.



Adam Neumann Co-Founder and CEO WeWork



Marcus Ryu Chief Executive Officer, President and Co-Founder Guidewire Software, Inc





NFTE

Melissa Ruiz-Vera Vera Natural

EY supports young entrepreneurs through NFTE – the Network for Teaching Entrepreneurship.

Melissa Ruiz-Vera is the CEO of Vera Natural, a company that creates all-natural, homemade body creams. It was her father who introduced her to her grandmother's hand and body cream, which inspired her to start an all-natural skin care business based on the family recipe.

"We as entrepreneurs have this indescribable passion inside of us, a need to create value while making a difference," Ruiz-Vera said.

Ruiz-Vera hopes entrepreneurs reconnect with the passion that started their journey, and work with other young entrepreneurs to find their success.

EY's Michael J. Kacsmar (left) and Herb Engert, EY Americas Strategic Growth Markets Leader, congratulate Melissa Ruiz-Vera, CEO of Vera Natural, on using a family recipe to create value.

#trending



Rorke Denver

@RorkeDenver

Unreal event with EY at their #SGFUS. Even more special on #veteransday. Onward.

4:42 PM - 11 Nov 2015





John Cook @iohnhcook

Nice job EY. The #sgfus entrepreneur of the year awards are spectacular. Seth Myers is awesome!!

8:58 PM - 14 Nov 2015



Alan Rihm

Thanks @EY_EOY #SGFUS for an amazing event, and for the opportunity to meet so many impressive entrepreneurs! @coredial #SuccessStartsHere

1:25 PM - 14 Nov 2015



Charlie Batch

@CharlieBatch16

Great way to end afternoon sessions at @EY_Growth with @NFLonFOX @michaelstrahan @curtmenefee #Wakeuphappy #SGFUS

7:30 PM - 13 Nov 2015



Couldn't be there in person? No worries.

Access a virtual, day-by-day look at what took place at the Strategic Growth Forum 2015 on our website, featuring:

Overall highlights video

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 Videos and session recaps with photos and bios of the speakers

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LinkedIn and Facebook — search for

Strategic Growth Forum and share your
views on the key issues raised at the Forur



in



Eric Berry

@ezberry

Great event by @EYNews – fantastic speakers and attendees at the Strategic Growth Forum #SGFUS. Thanks for the invite!

2:33 PM - 15 Nov 2015



Lisa Schiffman

@LisaSchiffman

Julia Louis-Dreyfus @OfficialJLD with EY pledging for gender parity at #SGFUS #WomenFastForward

1:33 PM - 14 Nov 2015





Lacy Starling

@lacyjstarling

Last night, after the amazing @OneRepublic concert, @EY_Growth has a fireworks show. #SGFUS has overwhelmed me.

10:45 AM - 14 Nov 2015





Amish Shah

@ASShah

#simonsinek is amazing. #SGFUS thanks for your inspirational words of wisdom.

1:25 PM - 14 Nov 2015

See you next year!

We hope you will join us at the Strategic Growth Forum 2016, **November 16-20**, when we celebrate the 30th anniversary of the EY Entrepreneur Of The Year Program.

Stay in touch at **ey.com.com/us/sgf** throughout the year for more information.

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