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Guest Speaker Presentation: Empowering the CEO

Grant Halloran

Chief Marketing Officer - Anaplan

Thanks for having me. We are on the home stretch to lunch. I know you are all looking forward to something to eat and having some discussion over lunch. I'm really excited to be here. I met Mark a few weeks ago in San Francisco and he asked me to consider coming to this event and it's just been wonderful to meet you all yesterday and a few more folks this afternoon.

My topic today is the unicorn taking on the giants and let me set some context for those that aren't sure what a unicorn actually is. A unicorn is a euphemism for a software company, a start-up, that has become valued at more than $1 billion. So I'm going to talk a little bit about Anaplan but more in the context of the giant organisations that we are competing against. And in this context the giants are IBM, SAP, Oracle and to some extent Microsoft. So they are the giants. They are real giants.

A little bit about myself, you can tell I'm Australian. Thank you for that Australian music, Mark. Just to give a little clue right there. I live in San Francisco. I've been in the US for five years now. I'm the CMO at Anaplan. I've been here for nearly 18 months. It's an exciting company to be involved in. I've been an entrepreneur since I was 27, so about three years now. I've built a few companies in my career with my brother in particular and the last one we took global. That took me to the US and that company got acquired. And a couple of years later I ended up becoming the Chief Marketing Officer at Anaplan. So I'm a marketer B2B tech, but I'm also an entrepreneur and that is a really interesting background to have inside this organisation, because it's incredibly entrepreneurial.

The company, so I mentioned unicorn, $1 billion valuation. We are a cloud-based software company and we provide planning, modelling, forecasting for mainly the Global 2000 and also superfast growth companies. So the Global Forbes 2000, as

Jean-Baptiste Su would describe it, the biggest companies in the world, very complex companies, and also very fast-growing companies. The commonality between these two groups of businesses, so they have a huge amount of change going on, large companies that are trying to transform, become innovative, become more agile to survive. Fast growth companies are trying to disrupt them and we believe those organisations will be the next Global 2000 in the future.

So we focus on those companies. We help them across their entire business, predict events before they happen, simulate the decisions that they might take in relation to those predictions, collaborate, often hundreds up to thousands of people to collaborate around that decision process, and then act. And our value proposition is that we are able to connect all that in one platform and enable it to happen virtually instantaneously from a technology perspective and enable the company to compress the process of making large-scale collaborative decisions from often months to days.

Let me give you an example of that. HP, many of you would know, is a large client of ours. They have a process that they run every year. They have tens of billions of dollars that they need to, what they call, lay down across all their sales force around the world, 25,000 reps, 150,000 partners, 200,000-odd products.

This is a multidimensional problem of huge magnitude, billions and billions of cells of data, in fact, 15 billion cells. If you think about one spread sheet, that has about 17.6 million cells. This one model in this one little part of HP is 15 billion cells of numbers. The optimisation across that process is monumental. There's over 1,000 people involved in that process. It happens every year.

Before Anaplan it took them four months to do it. It now takes them three days. Day three of the start of the year they issue all their territory and [quota] and compensation packages to their sales force around the world, and it only took them two iterations to get there. So it has a monumental impact to their organisation.

That's just one example where a platform, and fundamentally what that example I just gave you, it had three important elements. It had a huge amount of analysis, lots of number crunching and manipulation. It had an extensive amount of collaboration. And thirdly, it was about forward-looking decision. So analysis, collaboration and forward-looking decisions. If you take those three attributes, there are hundreds of these types of processes is these large companies. Typically they do it in Excel today and that's not a very good solution because it's non-collaborative, it's very insecure, it doesn't scale for their organisation, it takes too long. So that's fundamentally the problem that we are solving.

Just quickly how we became a unicorn, four years ago we launched. I'm going to tell you the story just at the end of this little speech. Four years ago we launched. In that time we have really achieved historical growth. We've been one of the fastest-growing software as a service companies in history. We've gone from 20 people to 610 people around the world. We have around 40 people here in APAC and growing very rapidly for this region. We've had $240 million in venture capital primarily from Silicon Valley investors. We've grown from two offices to 15 offices around the world. We've achieved triple-digit growth every year and that obviously gets harder as the business

keeps getting bigger. We went from zero to 500 customers in very large, complex organisations typically. We now have 80,000 users, high-value users, and 200 partners around the world. On the panel yesterday we had a couple of them, Deloitte, Accenture, organisations like McKinsey, PwC, EY, etc. So that is the unicorn.

Four years ago, as I mentioned, these giants had it all and we had none of it. What is it that they had? It's quite a daunting task for a Silicon Valley backed organisation to go out and say we are going to fundamentally change the way businesses work. We're going to take on Oracle, SAP and IBM. It's very rare. [John] (inaudible) and I were talking this morning that a typical thing to do in Silicon Valley is create what's called minimum viable product. We didn't do that. We couldn't do that, because if we were going to fundamentally solve this problem, we had to build an incredible product, not a minimum viable would. It just would have failed and our organisation would have failed. That is rare to do.

Most VCs look for a company to go narrow and deep and they don't like you to go international. They want you to stay in America, solve this problem in America. We did completely the opposite. We said we're going to build a platform that will solve all these problems in every department in the biggest companies in the world against the most competitive organisations and we're going to do it around the world. Day 1. It's not the typical playbook. They had all the brand awareness. They had all sales coverage, tens of thousands of sales reps around the world, and every one of these 2,000 organisations these giant companies were in. So it's a pretty daunting task.

But what they also had created was something, a market dynamic, that we were able to exploit. It created frustrated customers, looking for a new way, looking for someone else to do things. They used to having point solutions come along, but when they saw Anaplan, they saw, wow, this is an organisation that could fundamentally change process by process in our company and doing this in an incredibly agile way.

And why is that? Firstly, I've been a part of the software industry for 20 years and I know many of you have as well. Software in the enterprise sucks. Let's just – yeah, lots of nodding heads. Thank you. It just sucks. It's bad software. Only recently has the software industry woken up to things like user experience and self-service. It's only been in the last few years that all rushed to fix their products. So decades of failed projects, ERP projects. Lots of telco people here. Any of you worked on very large ERP projects? Telstra used to be a customer of mine. Lots of big failed projects, in banks, in pharmaceutical companies. The fee model sucks. Every executive in these big companies is always questioning why are we paying so much money to these big companies.

IT dependency. So two elements there of IT dependency. A lot of enterprise software over the last two to three decades has driven two things from an IT perspective. One, the IT department had to manage it, had to implement it, etc. and it was built in such a way that professional services firms made tens, hundreds of millions of dollars screwing software in, not really helping the business transform the way it works, transform the way it operated. It was all about IT. That dependency sucks.

And then finally, these companies are not known for their innovation. And that's okay, that's not bad thing, but it's just an acknowledgement that they are not terribly innovative. And they've gotten so big that they often have to go out and buy the innovative companies.

So we did change. We wanted to do something fundamentally different. We wanted to do something unique. And I'll make this point at the end that we wanted to do something historical and this is a word that we use a lot inside Anaplan. How did we do it? I actually extended my three fundamental elements to five. Technology is the first one that I want to talk about.

So Anaplan is a revolutionary patented technology. It's a database and a calculation engine. It has modelling capabilities that are unparalleled. The scale of it is such that we can now manage, by the end of this year, 100 billion cells of data in one model. So think about a model being like a workbook and 100 billion cells. If you think about a classic spread sheet with 20 columns, 500 rows, 10,000 cells data, that's the equivalent of 10 million spread sheets in one model. We already have customers pushing 15 and 20 billion cells and they want it – we need to get 100. Fundamentally different technology. It runs in memory. It can recalculate a billion numbers across a myriad of different formulas in under a second and it's all browser-based. So it's incredible technology.

How did it come about? This is a really important point I want to make. If we had been born in Silicon Valley, I don't believe this would have happened. Michael Gould, the founder of the company, is a mathematician from Oxford. He had spent years in the planning and modelling industry. He's a computational genius. Michael wanted to solve the problem fundamentally and after he'd left IBM he met with some guys that he knew. Guy Haddleton is one of them, a famous New Zealand software guy and investor.

And he sat down with Guy and he said I really want to fundamentally change the world with this product that I want to build. I've been trying to do it, but I couldn't do it inside these big companies. And Guy said, okay, I'm going to invest in you and a couple of other guys said we'll all invest in you, but we do not want you to come out of this barn. He lives in a property outside York and he has a little barn and he got three guys who said do not come out of this barn until you built the fundamental technology that will solve the problem.

This is the complete opposite of what Silicon Valley investors do. Silicon Valley investors say I want a minimum viable product in 18 months and then want you to go out and test it in the market and if it fails, it fails fast or we'll pivot which is another favourite word of the Silicon Valley industry. So fundamental technology. There is an editor of a publication called Recode, Kara Swisher. Jean-Baptiste Su probably knows her. Kara Swisher says Silicon Valley is full of big brains doing small ideas. Better mousetraps in the cloud. This is fundamentally different. It's the most exciting thing that I found when I first came across Anaplan.

Secondly, I wish this clicker has better technology, but I think it's me. I think it's the user in this case. Economics. So we decided that we needed to do something that was

different to that dynamic that I showed you before and that wheel of despair that everyone has gone through. Economics around self-service. So we wanted to build a business platform, so business people if you knew how to use Excel, you could learn Anaplan in three days and you could then run it yourself.

Very low IT dependency. So IT, we love IT by the way and they love us as well, because we embrace them and we ask them to come and evaluate us from a security perspective and they get involved in the data connections to bring it in. Apart from that, they don't really have to do anything. The business self-serves it.

And our partners help them transform their business. So when a Deloitte or an Accenture, etc. comes in and works on an Anaplan project, it's not about software. It's about process, organisational change, how do you change the way that decisions are made in the organisation and ideally it's about pushing decision-making power down to the front lines as much as possible.

Community is all about brand, so when I came to the organisation one of the very first things that I talked about with my executive team was we need people to belong to something. If you look at the IT industry, there's a couple of companies I'd mention, like SAS Institute, Teradata. These companies created a club. These people, it's almost like cult-like following for them. You don't feel that at some of these giants that I mentioned. But these organisations have created something cult-like. It's a community. I want to belong to that club on the hill. I want to be a member of that, because I have something in common with all these other people. That's what we are trying to do at Anaplan. Let's create a brand where people feel they belong to something bigger than just being a user of software.

Fourth, expansion. So we have to take big bets. $240 million in venture capital and we don't use all that money because with the fast growth we generate a lot of cash, but we needed enough to be able to go around the world and solve the problem. Here in APAC the conversations we have are exactly the same as what we have in New York, in Atlanta, in Dallas, in Paris, in London, since it's a global problem. So we needed to go out and a lot of our clients are global in nature. So we needed to go out and expand really quickly. Again, this is very unusual to do, but it's one of the driving forces behind us becoming a unicorn is being able to show that we could solve the problem globally.

And then finally, passion. And this is the one that's really hard to get your hands around. It's sometimes a little esoteric. But you are all in business. You've all worked in different companies and you understand what culture means. In our organisation at Anaplan, we look for people that want to do something historical. It's not about creating an organisation that gets this massive multibillion dollar valuation. That's a by-product of the passion that we can put into this. In 10 years' time, and I often talk about this with people today, imagine, cast your mind 10 years out from now. Don't you want to be in a position where you can say I was an Anaplaner? I was that person at the beginning of doing something historical, an organisation that became a platform that fundamentally changed the way business worked. That's the type of passion that you need if you want to be a unicorn and go beyond.

So our next step is not to be a billion dollar valued company. That's nice. We don't talk about it that much actually internally. We want to be $1 billion revenue company and then we want to be ultimately $10 billion revenue company. So we are doing something historical. That doesn't happen that often.

So that's me. I think Jean-Baptiste Su is going to come up and ask a few questions. I kept to my 15 minutes. Thank you.

Jean-Baptiste Su - Tech Columnist, Forbes

All right. Is the mic (inaudible). No music? AC/DC? Mark?

Grant Halloran

It's going to be a French band.

Jean-Baptiste Su

Yes. I don’t' know. Thank you, Grant, for this insider view of being a unicorn. I feel part of the club, the unicorn club. Are you? $1 billion. Wow. That's cool. But you are not stopping there. It's $10 billion, $100 billion. This is Silicon Valley.

Grant Halloran

It is. Big, big.

Jean-Baptiste Su

This is think big, fail fast.

Grant Halloran

Well, or succeed fast. I'd opt for that.

Jean-Baptiste Su

Yes. Change the world. Change the world. We are here to change the world.

Grant Halloran

Absolutely.

Jean-Baptiste Su

So and there are not a lot of unicorns actually. There is Uber, Lyft, Airbnb. And actually it's a disappearing species in Silicon Valley.

Grant Halloran

Yes. So at last count there was 140 private companies around the world valued over $1 billion. The markets changed a little so maybe it's less today but…

Jean-Baptiste Su

Yes. And I'm going to tell you here. It's a secret. Only in Silicon Valley we know that. We usually don't tell it outside. The party is over. The bubble burst.

Grant Halloran

I wouldn't exactly put it in those terms but I've [heard it's a] –

Jean-Baptiste Su

No, but you heard about it.

Grant Halloran

– minor correction and it's all good from here.

Jean-Baptiste Su

But you heard about Sanofi. You heard the story, right? Sanofi.

Grant Halloran

Well, look, these companies, they have their own issues.

Jean-Baptiste Su

Yes. Yes. So for that I have a good news and a bad news. Let's start with the bad news. So we are sitting here between them and food.

Grant Halloran

Yes. I was trying to be quick.

Jean-Baptiste Su

But the good news is that it's just going to last five minutes, right?

Grant Halloran

Exactly. If you ask a question it will.

Jean-Baptiste Su

That's bad. That's bad. All right, all right, okay. So did you apply for the job?

Grant Halloran

No. Is that a real question?

Jean-Baptiste Su

So I heard Anaplan was looking for a CEO. You'd be a great CEO.

Grant Halloran

Oh, the CEO. Oh, no, no, no. Not me.

Jean-Baptiste Su

So, no, you are too humble. So recently you had the user conference, the Anaplan Hub 16, the user conference a couple of weeks in San Francisco and one of the things that really amazed me was that you are bringing artificial intelligence, AI, into business software. And so talk a bit about how you're going to do that. For me it's like you are bringing Siri to the enterprise.

Grant Halloran

Yes, I think it's – I'll try to explain it as best I can. It's easy when you see it in the software. So our interface with Anaplan is built for business people, so managers and analysts that don't want to have to try to figure out what this data is saying. So we built this. We have canvasses. Basically, we can create really simple ways to understand data. So when we think about we have this really powerful modelling engine that enables you to create simulations and what-if scenarios, etc. for any type of logical model in the business. Think about all times you and your colleges have to do work with spread sheets, you do that in Anaplan. That enables foresight, foresight defined as the ability to predict the future. If I do this, what will happen and what are the statistical confidences about that.

Predictive analytics is a broad expression for a set of statistical formulas, including machine learning and artificial intelligence, and Anaplan announced this year that we have embedded that in the platform. What that enables us to do is move from a situation where we were good at helping companies react faster, just act. If I do this, I've got 1,000 people who could see what would happen, we can make a decision. Now what we can do is we can enable them to pro-act. An example would be –

Jean-Baptiste Su

Predict the future.

Grant Halloran

– predict a future event. Now this is and in the IT industry the problem with predictive analytics and machine learning is it's a black box. It's a data scientist sitting somewhere in the world, Massachusetts or Russia or somewhere, and solving or trying to solve all these problems and nobody understands how they do it and they give us some information and insight and then we go what we do with it next.

So Anaplan looked at this and said find the business user inside a bank or Verizon that is a customer of ours in America, I want to know if I've got data here how do I start to see correlations in that data, how do I get better at that, so put machine learning on top so I get better at the actual accuracy of the prediction if something is going to happen.

But here is the important point is once I make the prediction, if I can have that prediction connected into a decision model, the managers for all the different elements

of that decision can instantaneously act on it. They can say, okay, there's going to be airport closures and 87% of airport closures here at the Singapore Airport on Tuesday night. Immediately you could see the effects of that on passenger volumes stuck in the airport, the requirement for additional staff, the requirement for additional stock in food, etc. and water and wine, etc. in the airport and you can simulate decisions and act on it immediately. So we think that we've democratised, if you like, and made business-friendly predictive analytics. That's our vision.

Jean-Baptiste Su

That's huge.

Grant Halloran

Yes. It is huge.

Jean-Baptiste Su

When you can predict the future, you are going to –

Grant Halloran

Yes and we are at the front. We are really at the beginning. This is pioneering stuff. And what's the definition of a pioneer? Someone with an arsenal of errors, right? It's fraught with stuff that's dangerous. We've got to apply it properly. So we are excited about it.

Jean-Baptiste Su

So you are focusing on the Forbes Global 2000 but among the conversations I had at the Anaplan conference was that now you are looking at smaller company, SMBs, but you're going to partner, going through partners.

Grant Halloran

Yes.

Jean-Baptiste Su

So tell us a little bit. Camille Mendler from Ovum had that topic earlier how to sustain that hyper growth triple-digit, how you're going to go about convincing SMBs also to adopt Anaplan.

Grant Halloran

So I think it's probably more of the M part of the SMB. Smaller companies are not really going to benefit from Anaplan that much. You still use Excel spread sheets, because you don't have a lot of people involved in it, [something] data volumes, so Excel is great for that. So it's more the middle market, $500 million and up, companies probably. This is the rough segmentation there.

So we've partnered recently with NetSuite, which I think is a really progressive company that's doing amazing ERP, incredible growth, global again, and I know they've got a really good presence here.

You have to package things a little more. So we'll go into a Global 2000 with Deloitte, McKinsey and they will use the power of Anaplan to model very specifically around that process or processes in that company. But with midmarket companies they are looking more for a package out of the box. So we have an, what we call, an app hub. It's a little bit like an app, Google Play or Apple app, what are they called, App Store.

Jean-Baptiste Su

App Store.

Grant Halloran

Except ours are free. And you basically can go in and say I want planning, budgeting and forecasting app and you can click the button and in about 5 to 10 seconds it will load it up in your workspace in Anaplan, so more packaging for the midmarket. And just from a business model perspective we build the sales organisation. We're doubling that every year around the world. Those guys are focused on the enterprises, the Forbes 2000. The partner approach that we are taking is much more of a low friction, high velocity approach.

Jean-Baptiste Su

I know we are running out of time, but we are here, we are sitting here in one of the financial centres in Asia and it's funny because we are Silicon Valley guys. And do you think that we can create, that there could be another Silicon Valley here in Singapore or Hong Kong or China.

Grant Halloran

Yes. I don't see why not. I think my story earlier is one example of doing it a little differently and I think it's just going to depend on the type of problem you are solving. We are obviously big business problem. But if you've got the knowledge, you've got the passion, the background and you can get that initial capital, there is no reason why you can't do it anywhere in the world.

I really do think there's a gravitational force to Silicon Valley once you realize you're going to be successful, because it's just that trifecta of capital, entrepreneurs and engineers there. That's unrepeatable around the world. But there's no reason here in Singapore, in KL, Hong Kong that young entrepreneurs can't create something that can change the world. No doubt about that. These guys did it in a barn in York.

Jean-Baptiste Su

I would add another of that secret sauce that makes Silicon Valley Silicon Valley is that there's no fear of failure.

Grant Halloran

Yes.

Jean-Baptiste Su

If you fail, it's okay.

Grant Halloran

Yes. I think the thing is if you are a venture capitalist, and the final point I make here is you are a venture capitalist and an entrepreneur walks in and says, hey, this is what I want to do and they are looking at their background, if they haven't embraced their mistakes and their failures, that VC will not invest in them. They are looking for people that want to take risks, that want to do something. It is really difficult for every one big Facebook, another client of ours, there's a 1,000 companies that don't make it. So you're going to embrace that and try again.

Jean-Baptiste Su

Thank you, Grant. I think we are out of time.

Manek Dubash, NetEvents - Moderator

Yes, I'm afraid so. Thank you very much.

Grant Halloran

Thank you.

Jean-Baptiste Su

Thank you.

[End]