

Highlights from the
**Strategic
Growth Forum®
2018**

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Building a better
working world

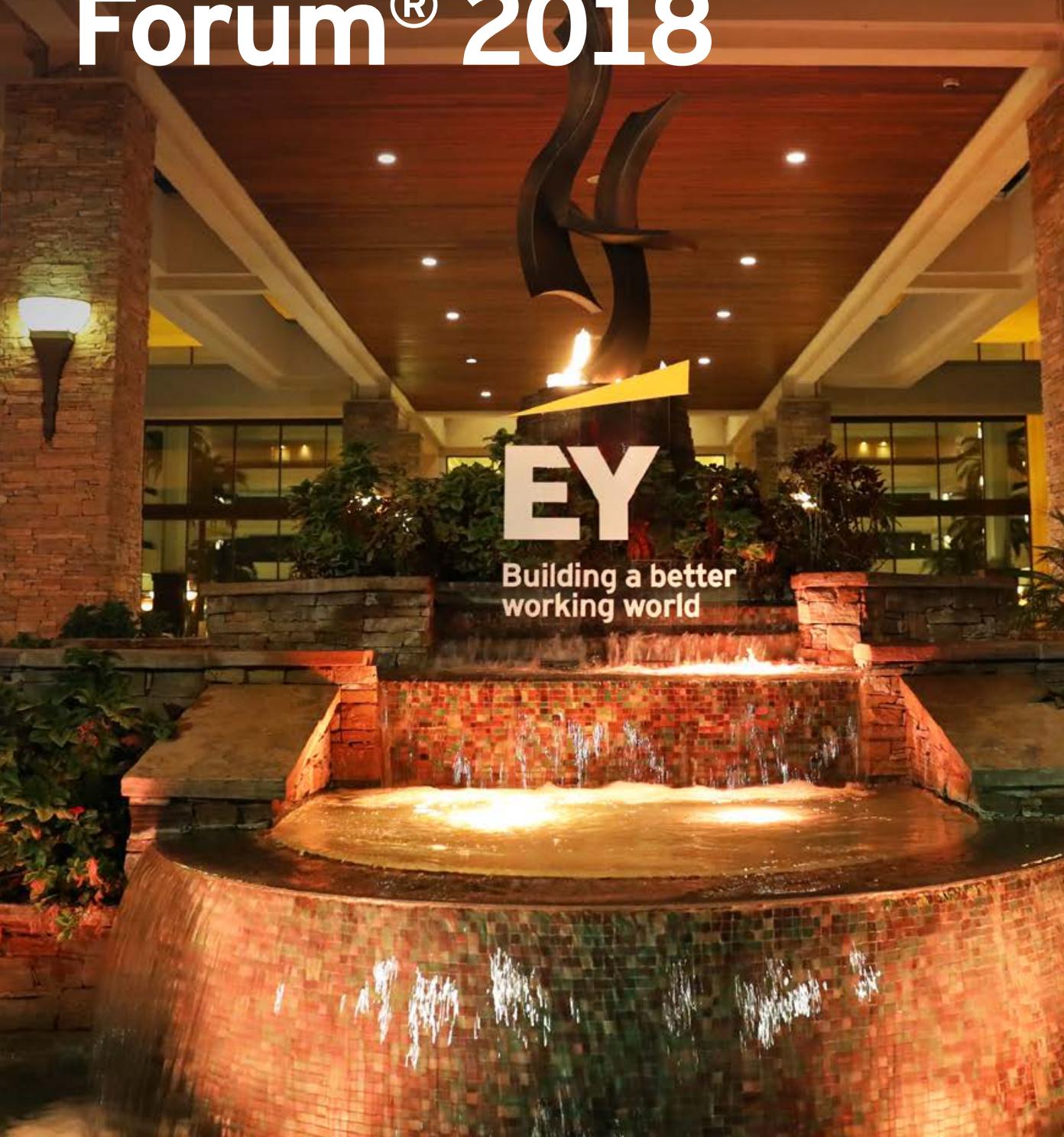
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Highlights from the Strategic Growth Forum® 2018







"Day One is a big event, and it's a lot of fun, but it changes your profile. People look at you different when you're a public company."

Jeff Thomas

Senior Vice President
Nasdaq

A CEO's guide to strategic transactions

Volatile deal landscape

In a banner year in terms of number of deals and capital raised, and in a market that audience members called "hot, volatile, frothy and active," our sessions provided a comprehensive guide to strategic transactions ahead of what is predicted to be an active first half of 2019.

Key takeaways

1

Prepare for multiple possibilities

For instance, ready your books as if you are pursuing both an IPO and a sale to leave your options open. As it relates to an IPO, "The key is still to never try to time the market and try to rush and get ready," advised Carolyn Saacke, Chief Operating Officer, Capital Markets, for the New York Stock Exchange. It's also a good time to sell in the M&A markets. William Casey, EY Americas Vice Chair, Transaction Advisory Services, said, "This is a record year in terms of deal values. In terms of the overall M&A environment, you look at all the drivers, it's a good market. We have a ton of cash sitting on the sidelines."

2

Avoid or mitigate risk

Priya Huskins, D&O Insurance Expert at Woodruff Sawyer, recommends establishing three pillars of protection: corporate governance, indemnification and insurance. Rely on independent advisors and form a board that is prepared to exercise oversight. And in a digital age, don't overlook cybersecurity.

3

The end is actually the beginning

No doubt you're feeling triumphant when your deal or IPO closes. But you don't get to coast. "You finish that race, and your reward is that you get to have quarterly wind sprints with a group of people waiting to hit you with a bat at the finish line," said Joshua Ford Bonnie, Partner at Simpson Thacher & Bartlett LLP.



"We don't know where innovation can come from. ... We look at everything from packaging to consumer behavior."

Allison Schuman

Senior Director of Sales
Schuman Cheese

Family enterprise leadership summit

Rewards of disruption

Even long-lived family businesses are not immune to disruption. Our special sessions took a deeper look at the open landscape disruption has created and how family businesses can create a forward-thinking strategy that will enable them to thrive.

Key takeaways

1

Focus on culture to build your legacy

Larry W. Gies, Founder & CEO of Madison Industries, believes cultivating a strong company culture can impact a company for generations to come. This means not only articulating the culture but putting it in authentic terms that can guide people each day – helping them “connect the dots” to a higher purpose.

2

Be mindful of your millennials

The millennial generation has grown up within the digital revolution, so their insights and perspectives are invaluable, even if their experience in the business is limited. “Engaging the next generation is extremely important. It does not necessary mean the next gen has to be operationally involved,” said Christian van Megen of S.T.O.L. Verwaltung.

3

Talent outweighs family ties

You can't reach your full potential without cultivating a culture that attracts new talent and makes them want to stay. “I didn't hire [my son] until I knew that he had a skill set that we needed,” said Kari Rihm, President and CEO of Rihm Family Companies.



**“We want to
hire people with
PhDs – people
who are poor,
hungry and
driven.”**

Alex Rodriguez
Founder and Chief Executive Officer
A-Rod Corp

Around the Forum

Strategic Growth Forum attendees spent their days at events infused with lively discussions, keynotes and high-impact sessions touching on everything from disruption and transformation to value creation and innovation.







“I get a better sense of what's happening across the country reading customer comments than I get from reading the newspaper.”

**Sonia
Syngal**

President and CEO
Old Navy



“One of the best things any entrepreneur can do is to figure out the values you believe in.”

**Tom
Patterson**

Founder & CEO
Tommy John



“Risk exists, so trying to get rid of it isn't a good idea. That's like trying to say there's no gravity.”

**Erik
Anderson**

Executive Chairman
Topgolf Entertainment
Group



"You want to solve a lot of different types of problems – not just problems for people who look like you."

Kara Nortman

Partner
Upfront Ventures



"Today's leaders need to be passionate about connecting with people and tailoring benefits on a personal basis."

Michael C. Bush

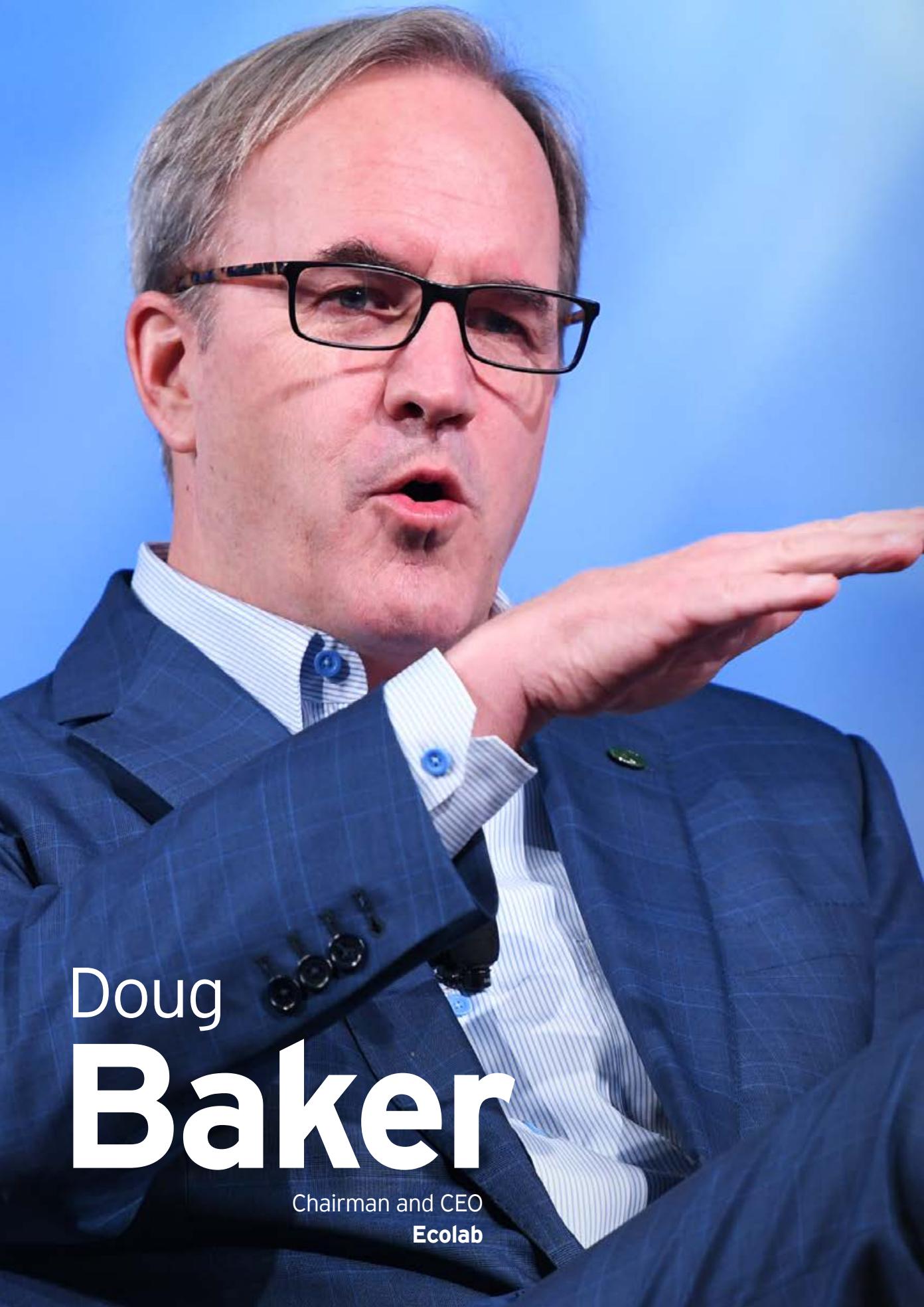
CEO
Great Place to Work



"There's no good deal out there if you overpay."

Irwin Simon

Founder
The Hain Celestial Group, Inc.



Doug Baker

Chairman and CEO
Ecolab

Built to last

As the head of a 95-year-old company, Doug Baker is not only looking forward to marking Ecolab's 100th year in business, but also to laying the foundation for it to last another 100 years. Of course, sustainability is what drives Ecolab. The global leader in water, hygiene and energy technology services works with clients to reduce water and energy use as part of its ambition to create a sustainable future.

Key takeaways

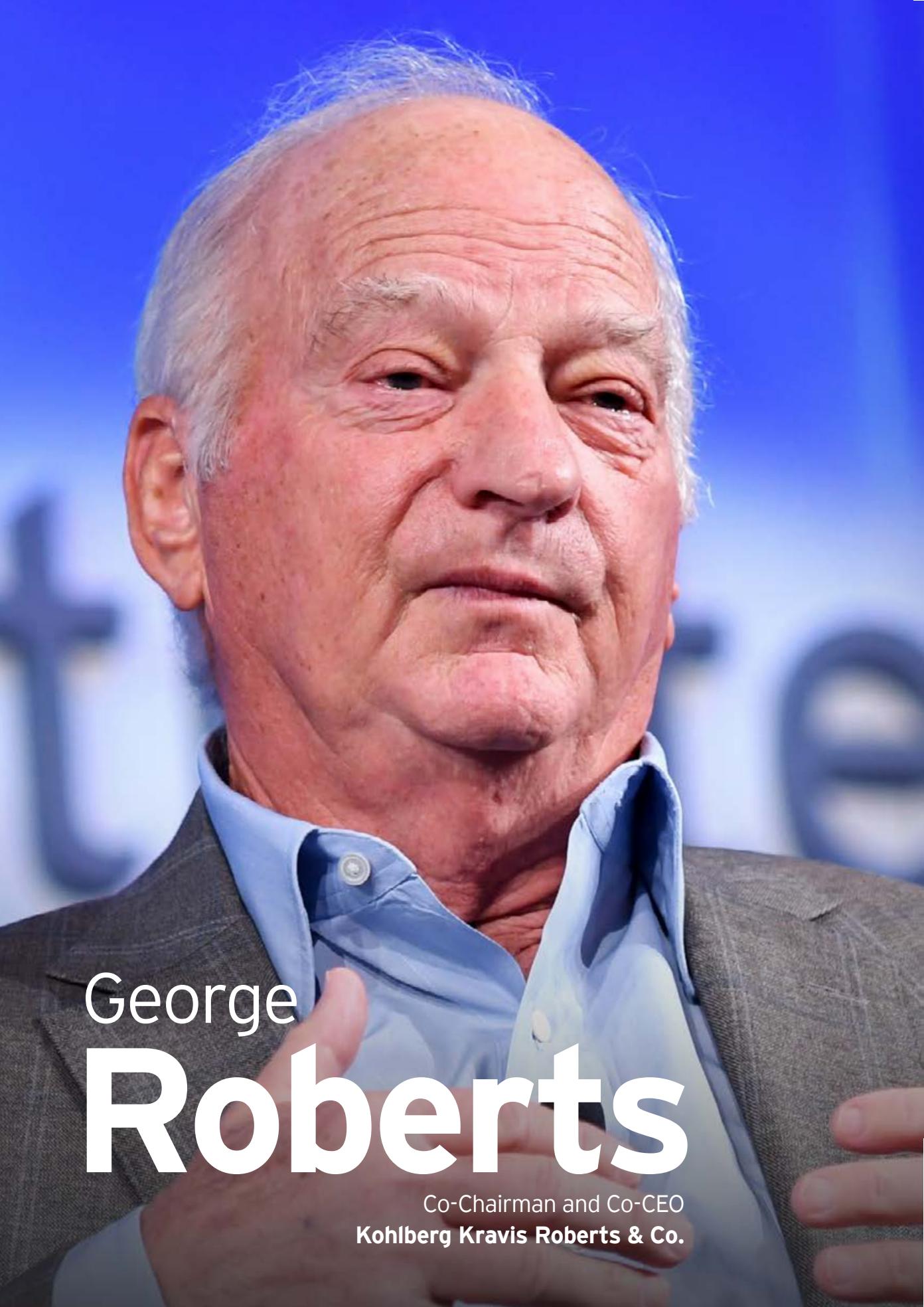
- 1** **People need purpose**
As a large company, Ecolab can do things that most small companies can't. "We want to leverage our capabilities with water and food safety in a way that results in a successful company and has a positive impact on society. It's really not so hard to bridge the gap," Baker said.
- 2** **Speak out**
Business leaders need to speak out on issues that are fundamental to their business and the world. Baker added that business can't take issues like immigration, education and infrastructure for granted.
- 3** **Don't forget about diversity**
"Demographics are changing rapidly and are not going to change back," Baker said. "If you want the best talent and you're not talking to every part of the human race, then you're not going to end up with the best talent long-term."



**“Why is
productivity
declining at
precisely the
time when
the speed and
efficiency that
come from
technology
have been
increasing?”**

Dr. Dambisa Moyo

Global Economist and Author



George Roberts

Co-Chairman and Co-CEO
Kohlberg Kravis Roberts & Co.

Asset class pioneer

At Kohlberg Kravis Roberts & Co., George Roberts and his partners, including his cousin Henry Kravis, pioneered the creation of a new asset class: private equity. Now, some 40 years later amid the forces of disruption and new technologies, Roberts says the fundamentals of investing remain the same: it's all about people. "The ability to make some kind of decisions about people, learn what their values are, is greater than any financial analysis you could do," he said.

Key takeaways

1

Invest for the future

While Roberts noted that "disruption is just another, fancier name for change," he said that he always looks at an investment opportunity with a lens toward the future: "You can either be worried and scared about change, or you can embrace it."

2

Don't forget your customer

Roberts said the biggest mistake any business can make is forgetting who their customer is.

3

Stay true to your vision

Roberts advised the entrepreneurs in the audience to "stay curious" and remain true to their vision of why they founded the business. He also encouraged them to "embrace new ideas and new thinking – and don't make big mistakes."

Culture is brand

In 2002, designer and philanthropist Kendra Scott began a jewelry business in her bedroom with only \$500. Today her company is valued at more than \$1 billion, with over 2,000 employees. Scott, the Entrepreneur Of The Year® 2017 National Consumer Products and Retail Award winner, discussed failure, building a positive work environment and living her company's mantra: "family, fashion and philanthropy."

Key takeaways

1

See crises as gifts

Scott lost her first business, a retail hat shop she opened at age 19, after five years. But it helped her "set up the next thing – the thing that actually worked." And during the 2008 financial crisis, she realized she didn't have a direct connection to her customers. "I had to completely change the way we do business," she said.

2

Continue to learn from feedback

On social media, Scott reads every single customer comment so she can react quickly: "I don't have to wait six months to find out if something is going on – I can find out in six seconds."

3

Do good

"Philanthropy – that is my purpose," Scott said. Since 2010, Kendra Scott LLC has given away more than \$25 million for projects ranging from Habitat for Humanity to pediatric therapy programs.

A close-up, profile photograph of Kendra Scott smiling broadly. She has long, wavy, blonde hair and is wearing a black V-neck top. Her right ear is adorned with a large, eye-catching earring featuring a white, teardrop-shaped frame and a dense, circular cluster of small, shiny red beads. She is also wearing a black microphone lavalier.

Kendra Scott

Founder and CEO
Kendra Scott LLC



**“If you’re looking
for overnight
success, take
something that’s
been failing for
20 years and
jump on it.”**

Paul Saffo
Distinguished Futurist



Purpose: the North Star for what's ahead

Disaster recovery. Economic empowerment. Child hunger relief. To achieve these big goals, some business leaders are uniting their mission to be profitable with their passion to be difference-makers through the power of purpose.

Left with a shattered pelvis in the wake of the 2004 Indian Ocean tsunami, Petra Nemcova experienced firsthand the devastation of natural disaster and has dedicated her life to rebuilding schools, homes and lives. Ankur Gopal opted to train his own talent rather than recruit. This investment in economically depressed areas, where opportunities are scarce but the desire to learn and work is high, was a great market differentiator and employee motivator. And Michelle Tunno Buelow channeled the pain of losing a brother to drug addiction into a campaign that provides a meal for an underprivileged child every time her infant-products company makes a sale.



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world

Moderator: Bob Patton, EY Americas Vice Chair, Accounts; Petra Nemcova, Co-founder, All Hands and Hearts – Smart Response; Ankur Gopal, CEO/Founder, Interapt; Michelle Tunno Buelow, Founder, Bella Tunno.

“Pain is where you find the passion, passion is where you find the purpose, and purpose is where you find the power.”

Michelle Tunno Buelow
Founder
Bella Tunno



Lonnie Moulder Mary Lynne Hedley, PhD

Co-founders
TESARO

Entrepreneur Of The Year 2017
National Overall Award winners

In it for the long haul

Lonnie Moulder and Mary Lynne Hedley continue to have an unrelenting focus on developing new oncology therapies for cancer patients. The Entrepreneur Of The Year 2017 National Overall Award winners shared how they built their business eight years ago, why purpose is their guiding star and the meaning of "TESARO strong, TESARO long."

Key takeaways

1

Commit to the long game

According to Hedley, "We are here to change the lives of patients living with cancer. This is not a short-term story." TESARO's approach is "to build a substantial and sustainable company over time," Moulder said.

2

Make passion a requirement

"The work takes a lot of persistence and courage and keeping your eye on what really matters," Moulder said. It's a long road to bring a drug to the market, he said, so they "test for passion" when talking to potential candidates.

3

Never forget purpose

Hedley said it's important to keep reminding yourself, your people and your stakeholders why they're doing the work they do. "It dawned on me very early on why I do this," she said. "If you touch a single patient, you touch a family, and if you touch a family, you touch a community. ... It's so powerful."

Future shock

“Never before in the history of man have we seen this many technologies move this quickly,” said Salim Ismail, who brought the future to life. We’re on the path to total digitalization – something that’s bringing new ideas to fruition and taking us into a whole new landscape of possibilities. It can feel stressful for many and exciting for others.

Key takeaways

1

Existing institutions are no longer viable

Everything from higher education to how we view our relationships is already out of date. It’s time to rethink what works for a world that’s speeding ahead.

2

Once technology takes off, it doesn’t stop

“A fundamental property of technology is that it takes something that is scarce and makes it more abundant,” Ismail said. Technology is driving costs down while driving quality and accessibility up, creating more opportunities for all.

3

It's time to embrace change

We have more power and knowledge than ever to create new systems and ways of living – if we are brave enough to move ahead and embrace what’s best rather than revert to what’s comfortable.





Salim Ismail

Founder, ExO Foundation, and
Author, *Exponential Organizations*



**“How you do
anything is
how you do
everything.
Devote
yourself to it.”**

Jennifer Garner

Award-Winning Actress and Philanthropist

Fun at the Forum

After full-day sessions, Forum attendees were treated to special events, including a Napa Valley-inspired taste of California, a night of magical illusion, a private concert with GRAMMY Award-winning recording artist Kelly Clarkson and a black-tie gala honoring Entrepreneur Of The Year 2018 Award winners.







“Fundamentally, we’re all in this together to try to make things better and try to make our world better.”

Brad Keywell

CEO
Uptake Technologies, Inc.

The winners

Entrepreneur Of The Year 2018 National Awards



Overall Award; Emerging Award

Brad Keywell

Brad Keywell has built Uptake Technologies into a powerhouse software company by gleaning deeper insights from the Internet of Things.

Brad Keywell could have slowed down after founding six successful companies, including e-commerce giant Groupon. But then he saw an opportunity to start a software company that could transform the world of business.

"Six years ago, I saw a clear pattern," Keywell said. "Sensors had been installed across industries, yet the resulting data was not being used." He envisioned a software company that could combine these internet-capable sensors with today's ubiquitous connectivity and the vast, low-cost storage potential of the cloud. The resulting data and insights would then be used to help companies in asset-centric heavy industries improve operations.

After sketching out the AI platform that could challenge the industry status quo, Keywell founded Uptake in 2014. Since then, he has helped focus on making many of the world's industries more productive, with Uptake achieving unicorn status – a valuation of more than \$1 billion – in just its second year.

Keywell also said that AI should change the world for the better, emphasizing the need for Uptake to be a force for good in the world: "In the world we envision, one that always works, there doesn't have to be a choice between what's good for business and what's good for citizens or the environment."



**Consumer
Products and Retail**

David Barnett
PopSockets LLC



**Distribution and
Manufacturing**

Ruben Mendoza
Foundation Building Materials

National award winners

Our Entrepreneur Of The Year 2018 National Award winners break the mold in unexpected ways. If something didn't exist, they built it. If there was no plan, they created one. They have looked for new possibilities, rethinking the way we live, work and play. We celebrate the bold thinking that inspires them to change our world in unexpected ways.



**Media, Entertainment
and Communications**

**Michael Blend
Chuck Ursini**
System1 LLC



**Real Estate, Hospitality
and Construction**

Jim Taiclet
American Tower



**Energy and
Natural Resources**

David Dehaemers, Jr.
Tallgrass Energy Partners, LP



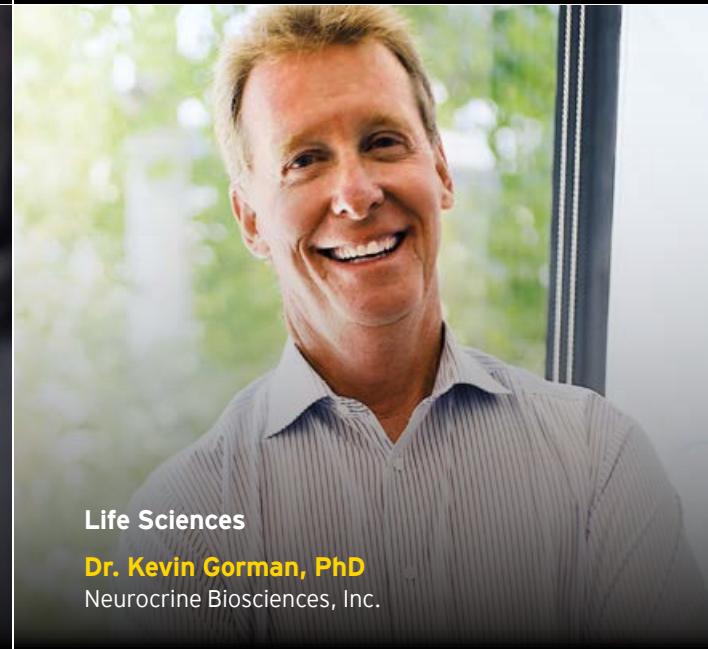
Family Business

Crystal Maggelet
FJ Management Inc.



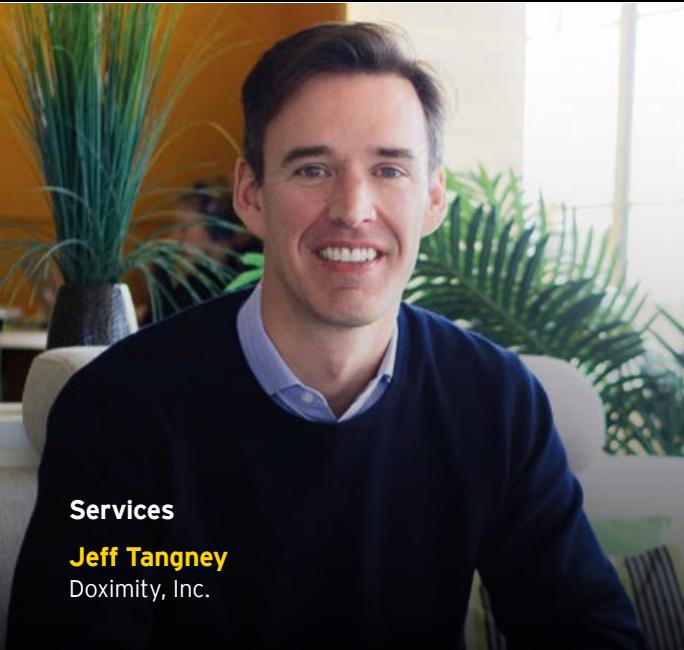
Financial Services

Raul Vazquez
Oportun



Life Sciences

Dr. Kevin Gorman, PhD
Neurocrine Biosciences, Inc.



Services

Jeff Tangney
Doximity, Inc.



Technology

Thomas M. Siebel
C3 IoT



Clark Morton
@clark_morton

Huge crowd packed in today for the #SGFUS session on generational changes in the #workforce. Key takeaway: "There can be no growth without engaged employees." Kudos to @adiman @AronAin @MBushGPTW Donna Flynn and @CarolynSlaskiEY. #fuelyoursmarts @EY_Growth #employeeengagement



Caroline Quick
@seacue

"Develop your EQ, not just your IQ. Today, we need to focus more on the human element of connecting to each other." – George Roberts, KKR #SGFUS @EY_Growth



Target Freight Mgmt
@TargetFMI

Lunch with a legend. #sgfus @mwagner_25



Christina Williams
@Christi31709370

#scribblebookseries and #Witchesofwatts at #SGFUS @EY_Growth! So incredible.



Ali Kaplan
@AliShops

Infectious energy and inspiration from Jennifer Garner on gratitude, perseverance, and having it all. "You can; it just doesn't always look how you want it to all the time." Every entrepreneur in the room at @EY_Growth #SGFUS wants to be her BFF.



Doug Baker
@CEOEcolab

Enjoyed talking with @KellyGrierEY at the Strategic Growth Forum this week about the importance of staying on top of #macrotrends and the significant role that business plays in solving some of the world's biggest problems. @EY_Growth #SGFUS



Marla Blow
@Marla_Blow

Got to spend time today catching up with @StanfordGSB friend Jeff Tangney, CEO @doximity at #SGFUS – congratulations & thx for words of wisdom!



Marc Lederman
@marclederman

Seth Meyers killing it at @EY_Growth #SGFUS



**Ankur Gopal**

@ankg

1 is a top exec at a global firm employing 250,000+ people, 1 has served 1.7 million meals to needy kids, 1 is an internationally known supermodel who used her brand & tragedy to build a global volunteer org helping victims of natural disasters, & 1 is me. **#SGFUS** **#BetterWorkingWorld**

**JDeLuccia**

@JDeLuccia

Smart ideas: Be maniacal about your product and the experience to your customers – feedback, study, comb the Earth for insights on trends and stories. **#SoniaSyngal** **#CEO** **@OldNavy** **#SGFUS**

**Nick Friedman**

@NickFriedman1

“Disruption is just a fancy word for change” **@EY_Growth** ~ George Roberts, KKR CEO **#SGFUS**

**Laurel Taylor**

@laureltaylor1

Spending time with my mentor, **@sarah_biller**. Thank you, **@EY_Growth** **#SGFUS** **@FutureFuel_io** **#CrushStudentDebt**

**tloh and 11 others**

@tloh

yeah **@kelly_clarkson** sing it girl **#SGFUS**

**Beau Necco**

@beaunecco

Helping foster parents avoid unnecessary delays with help from one of the most impressive digital supply chain experts in the world **@ApexSupplyChain** CEO Kent Savage. **#SGFUS** **@Bluebirdcincy**



Did you know?

We take sustainability seriously. Items are donated wherever possible.

- ▶ The packing trays used for the decorative ice cubes at the concert were given to local elementary schools for painting and arts classes.
- ▶ All unused jacket gift boxes were donated to the Desert AIDS Project.
- ▶ All lightly used batteries from concert candles were given to the local Boys and Girls Club.
- ▶ Temporary wood flooring was donated to Habitat for Humanity to benefit families in need.
- ▶ All trash at the Forum is sorted and recycled by the conference hotel.

**Join us next year
at the Strategic
Growth Forum,
November 13-17, 2019.**

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