FUTURE STATE
2025

HOW TOP TECHNOLOGY EXECUTIVES DISRUPT AND DRIVE SUCCESS IN THE DIGITAL ECONOMY

HUNTER MULLER

WILEY

Additional praise for *Future State 2025: How Top Technology Executives Disrupt and Drive Success in the Digital Economy*

"The book is extremely relevant as digital has become pervasive throughout business. Every function and process in every industry will be reinvented by technology. If you are not doing it for your company, you'll cease to exist because someone else is doing it at their company."

—Andrew Campbell
CIO at Terex Corp.

"What if you could assemble the brightest practicing CIOs and ask them candid questions about leadership, culture, and strategy? Hunter has done just that. The result is a rare view inside the digital hearts and souls of today's most successful companies."

—Ralph Loura
SVP and CIO at Lumentum

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For Brice and Chase

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AUTHOR'S NOTE:

GREAT LEADERS RESPOND AND ADAPT COURAGEOUSLY AND BOLDLY TO DRIVE ACCELERATED TRANSFORMATIONAL CHANGE

Together, all over the world, we are experiencing a historic moment of accelerated transformational change. For many of us in the technology community, the COVID-19 pandemic represents the ultimate challenge of our careers.

The speed of the response is truly extraordinary. In a matter of weeks, we have transformed our organizations and our workforces. These processes of swift change and rapid transformation will likely continue.

What remains unchanged is the essential need for authentic leadership expressing a strong message of hope, confidence, compassion, kindness, and courage.

Over the past 30-plus years, I've been blessed with the opportunity to work with visionary leaders at amazing companies such as Zoom, Darktrace, Adobe, Moveworks, Zendesk, Nutanix, Okta, RingCentral, UiPath, and many others.

Based on my experience, I am absolutely convinced that now is the best time to be a technology leader. Despite the crisis, we are on the cusp of a new era of technology-enabled innovation and reinvention fueled by advances in artificial intelligence, machine learning, 5G, cloud computing, edge networks, virtual reality/augmented reality, facial recognition, and geolocation.

When the scale and severity of the crisis became apparent, our team at HMG Strategy pivoted quickly to shift from a live summit model to a digital summit model. In addition to producing and presenting a full slate of virtual summits featuring top-tier world-class industry thought leaders and executives, we also produced dozens of virtual briefings, meetings, conferences, and webinars.

None of this would have been possible without clear-eyed and confident executive leadership, and a team of dedicated colleagues who shared an optimistic and uplifting vision of the future.

Eric Yuan, Founder and CEO of Zoom, put it nicely when he said, "Hunter and the HMG Strategy team confirm that now is unquestionably the best time to be a technology leader. Executive Leadership Summits highlight the responsibilities and opportunities we have as pioneers guiding the next amazing cycle of innovation on a global scale."

Patty Hatter, SVP Global Customer Services at Palo Alto Networks, told me that "HMG Strategy provides a looking-glass

view into the future state of technology and its global impact. Every tech leader needs to be inclusive in thought leadership and HMG Strategy provides the necessary, diverse viewpoints."

I sincerely appreciate the affirmations we have received from our network and I am deeply grateful for their continuing support and engagement throughout these difficult times.

Confronting and Overcoming Unexpected Challenges

I find it fascinating that world-class executives such as Jeff Bezos of Amazon, Bob Iger of Disney, and Mark Zuckerberg of Facebook have resumed their primary leadership roles during the crisis.[1] Modern leadership requires presence, even in a world of virtual meetings. Exemplary leaders actively demonstrate their commitment and sincerity, no matter where they are in the table of organization.

From our unique vantage point at HMG Strategy, we can see the shift and observe how great leaders adjust and adapt quickly to the new normal. Facing a torrent of new and unknown challenges, our leadership capabilities are being tested as never before. From my perspective the new and pressing challenges include:

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[1]https://finance.yahoo.com/news/why-amazon-facebook-disney-saw-their-chiefs-retake-control-142735464.html

- Leading the digital enterprise courageously and enabling strong growth, inventing new business models and creating opportunities for growth, and profitability in core, adjacent, and new markets.

- Redesigning and reinventing the organization's portfolio of digital assets and capabilities.

- Elevating the customer experience and reducing friction at all levels, in all markets.

- Accelerating cultural shifts through new platforms and collaborative tools that enable, enhance, and augment workforce productivity, anywhere and anytime.

- Ensuring safety and security in all workplace environments and processes, whether at home or in traditional business settings.

- Enabling and implementing processes and technologies required for smooth "return-to-work" scenarios and hybrid scenarios involving a blend of work-from-home and in-office arrangements.

- Identifying and mitigating risk through the next 18 months.

- Inspiring, coaching, mentoring, and guiding the organization through difficult times.

- Creating and supporting an authentic culture of gratitude, humility, collaboration, teamwork, and kindness that will outlast the crisis and serve the organization when new challenges arise.

- Inspiring hope and confidence by providing exemplary and courageous leadership throughout the crisis.

Confronting an onslaught of hard challenges and responding effectively to them will be difficult. Finding and implementing the best processes and solutions will require all of our skills and experience. They will require the kinds of superior courage, knowledge, and experience that great leaders bring to the table.

Great leaders accelerate their efforts to reimagine, reinvent, and innovate the customer experience and invent new business models to drive value across the enterprise while ensuring the highest possible levels of safety and security. They deepen and extend the strength of their relationships in the C-suite and boardrooms, and open new paths to success in receptive markets. They complete the shift to digital and embrace the new normal. They thrive and succeed, despite obstacles and barriers.

At HMG Strategy, we have a history of engagement with top-tier brands such as Apple, CVS Health, UnitedHealth Group, McKesson, AT&T, AmerisourceBergen, Ford, Cigna, Chevron, JPMorgan Chase, General Motors, Walgreens Boots Alliance, Verizon, Bank of America and Wells Fargo.

I recently asked my friend Snehal Antani to share his thoughts on leadership excellence. Snehal is co-founder and CEO of Horizon3.ai, a cybersecurity startup focused on AI-enabled red teaming. Prior to starting Horizon3, he served as a CTO for the DoD within the U.S. Department of Defense, responsible for transforming the technology capabilities of the command to include cyber security, advanced R&D, AI, and data analytics.

Here is Snehal's insightful response to my question:

I've worked with both great leaders and terrible "leaders." What makes them different is a question that's been top-of-mind lately. It wasn't about technical expertise, or business savvy, but rather a simple difference: the great leaders were naturally inclusive, making everybody feel that they were part of one team regardless of title, rank, org structure, or pedigree.

With inclusiveness as the foundation, they trusted and empowered their people to move out, giving them room to maneuver, coaching along the way. When things went wrong, or problems were daunting and ambiguous, the truly great leaders were able to roll their sleeves up and "troop lead," quarterbacking their team through issues without seeking blame or fault, but extracting lessons to continuously improve.

They never let issues linger or fester. These leaders inspired me to punch above my weight, helping me discover my limits vs. stifling me. They demanded excellence of me without saying it. They coached and rarely admonished.

The terrible "leaders" I've worked with have been almost the exact opposite: engaging people based on rank, title, pedigree; dictating tasks under the guise of policy or authorities; demanding loyalty; hiding when things are tough; seeking glory off the backs of others.

Great leaders also recognize the extraordinary value and "infinite potential" of their teams, colleagues and partners. "Assume that your team has that infinite potential," says Shankar Arumugavelu, SVP and Global CIO, Verizon. "My leadership style has always been about empowering my teams and giving them challenges. What I want to make sure is that people have the autonomy and I always look for people who are life-long learners."

The Time for Courageous Leadership

Now is truly the time for courageous and visionary leaders to step forward. Here's an excellent example of what I mean by visionary leadership:

I had a wonderful and truly illuminating conversation recently with Nicole Eagan, Co-Founder and Chief Strategy and AI Officer of Darktrace, one of the first companies to develop an AI platform for cybersecurity.

Nicole's extensive career spans 25 years working for Oracle and early- to late-stage growth companies. Named one of HMG's "Top 100 Technology Executives to Watch" in 2019, Nicole has introduced machine learning to enterprises of all sizes. Under her leadership, Darktrace has won more than 100 awards, including being named one of Fast Company's "Most Innovative Companies" and a CNBC "Disruptor 50."

Naturally, we spoke about how the pandemic is transforming the universe of enterprise security and forcing companies to develop new strategies for coping with a continually evolving range of cyber-risks.

"Until recently, the security industry has focused on traditional concepts such as network security, cloud security and endpoint security. Today, with so many people working from home, the focus has shifted to workforce security," Nicole explains.

Here's why: Cybercrime is an organized business operating on a global scale. Attackers are often handed lists of target companies. When most of us were still working from corporate offices, the majority of attacks were thwarted by enterprise-grade cybersecurity systems.

"But all of a sudden, people are working from home on their laptops, using their home Wi-Fi routers, and using a variety of new tools for collaboration and videoconferencing," Nicole says. As a result, the enterprise-grade security systems we had relied on are no longer fully protecting us.

The attackers know this and are probing for new weaknesses they can exploit. "They're circling back to those hardened targets in hopes of finding new vulnerabilities and gaining a foothold," Nicole says. "They're looking for those weak links."

The "new normal" is a constantly changing landscape of cyber-threats and countermeasures. Security strategies must be continually updated, adjusted, and optimized in real time to remain effective.

Cybersecurity solutions that incorporate machine learning can adjust much more rapidly to continually evolving threats and dynamic workforces than systems that are based on

"pre-planned" scenarios. "You really can't pre-plan for a lot of this," Nicole explains. "You need the capability to change as the world changes around you."

Another unexpected consequence of working at home is the tendency for work to continue around the clock with no clear downtime. The "always on" nature of work today creates new opportunities for cyber-attackers.

"Not every company is set up for 24/7 operations. That's the reality. So one of the things we've done is extended free 24/7 Proactive Threat Notification coverage to all of our customers for exactly that reason. The most important feedback we've received from our customers is just knowing that in addition to the ML and the AI, our teams of threat analysts are providing 24/7 eyes-on-glass for them. That's really helping them at this time," says Nicole.

I genuinely appreciate how Nicole and her colleagues at Darktrace have developed such a clear vision of the present moment and its unique challenges. From my perspective, Nicole is a role model for technology leaders and executives everywhere.

Pivot Quickly and Effectively

As mentioned earlier, our team at HMG Strategy pivoted rapidly to a digital summit model. Without missing a beat, we produced a full slate of virtual summits, drawing on the strength of our global network to feature an all-star roster of thought leaders and executives.

Here's a brief sample of the genuinely valuable insights offered by some of the exemplary speakers, presenters, and panelists at our virtual summits:

Wendy M. Pfeiffer, CIO, Nutanix: "The biggest lesson for me over the last two weeks is how to help people create structure when they are working completely remotely. The kneejerk reaction is to feel like it's an emergency and to work 24/7. But that will exhaust people. So, what I've done with my team and we've since rolled it out to many employees in the company is that I've asked people to block out their work hours so that they can be available to help their kids with homework or if they need to take a walk.

What we discovered is that when we didn't force people to fit into traditional work hours, we found more capacity for people to be available for extended hours in exchange for taking some hours to be available for their families. I'm encouraging people to do this. Even creating that schedule week by week is extremely helpful from a psychological standpoint.

I see each member of our C-suite not only connecting with each other but also reaching out to schools and their communities to help them to connect during this crisis."

Steve Phillpott, CIO, Western Digital: "This over-rotation to working remotely will forever change our work environments and we're not going to return to work as it was before.

As we manage through times of crisis, it accentuates the importance of communication and the robustness of our

communication and collaboration tools. Now more than ever, communication is critical, and we need to communicate more than we think we need to, and we need to seek out new forms of collaboration. As we're working remotely, we need a robust set of tools that can scale. On our side, we've seen a 3–5X increase in collaboration tool capacity in days, so the ability to scale quickly is critical … IT must serve as a role model to the rest of the company as a remote workforce."

Bhavin Shah, CEO & Founder, Moveworks: "Each of us are working remotely and we're seeing increased demand for IT services, including a 2X increase in overall IT support ticket volumes.

Every walk-up help desk in America is vacant—they can't be used. So, we're seeing a 3X increase in demand coming through the chatbot using these digital channels. Systems and access have gone through the roof … we're seeing greater demand for automation, to use AI and machine learning to resolve support issues. And this shift to remote workforces has become a semi-permanent thing that America and the world is experiencing.

And while many of us will eventually return to the office, we'll gain a deeper appreciation of what it takes to provide that type of support remotely and digitally.

It's important to give people an understanding of how the landscape is shifting. We're helping organizations to quickly transform and become better at supporting employees as

they are remote. We're seeing a massive uptick in chat adoption. How you operate in this mode is going to separate those companies that succeed going forward and those that don't."

Do You Inspire Confidence and Trust? Are You a Beacon of Hope and Compassion?

Everyone has their own ways of coping with stress. When you're an executive or leader, however, you have a special responsibility to help others manage through a crisis. You have to be more than a business leader; you need to be a role model for the behaviors that will most likely result in positive outcomes for the organization and the people in it. You must become a beacon of hope and compassion.

In difficult times, great leaders inspire confidence and trust. They provide guidance, counsel, and advice. They listen and they learn. They become true servant-leaders, serving the larger needs of their colleagues and co-workers.

Is the glass half empty or half full? I bet that most of us in our amazing industry would say it's half full. From the perspective of the modern technology leader, we have been given the rare opportunity to genuinely transform ourselves and our companies.

Let's not waste this opportunity. Let's learn from it, let's build on it, and let's collectively find the good in these difficult times. I firmly believe that by working together and leveraging

our incredible talents and abilities, we will emerge stronger and better from this crisis.

Today, modern technology leaders everywhere are playing pivotal roles in determining the future of the enterprise. I am exceptionally confident that as a group, we will provide the guidance, counsel, advice, and experience required to drive forward and achieve success.

Remember, the enterprise is counting on us to overcome the hurdles and devise practical solutions on both the tactical and strategic levels. This is the true test of our character and our determination. I know in my heart that we will make the proper choices and navigate successfully through this storm.

Are You Being Your Best Self?

In one of our early virtual events, my good friend Tony Leng observed that great leaders are "givers, not takers." He reminded us to remain authentic and to offer hope, reassurance, and confidence to all of the people who look to us for guidance and direction.

In my conversation with Tony, we spoke mostly about the need for honest and courageous leadership in times of extreme emergency. Here's a quick summary of the advice we shared for technology leaders and executives:

- Be authentic when you're leading a virtual meeting. People can sense authenticity, and they're looking to you

for reassurance. Great leaders radiate authenticity and honesty, even in virtual meetings.

- Be a giver, not a taker. Again, people can sense your intentions. Show them you have a big heart and that you are prepared to make sacrifices for them.

- Hold virtual meetings frequently and keep them short. Assign relatively simple tasks and quick projects to keep your people engaged in their work. This is a time for using the light touch. It's okay if the meetings are brief; what's important is regular check-ins to touch base and reassure people that their contributions still matter and that you still value their work.

- Remember that the crisis will end and that when it's finally over, the quality of your leadership will be judged by how you acted in these difficult times. Make no mistake: The coronavirus will likely be the ultimate test of your leadership capabilities. Be your best self and don't be afraid to show your compassion.

I wholeheartedly agree. As business and technology leaders, we definitely have the strengths and experiences required for handling periods of turbulence and uncertainty. As a group, we have a unique view of complex transformational processes. We know how to get things done and we're not afraid to tackle hard problems. Together, we will prevail and emerge stronger.

Hunter Muller

May 15, 2020

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PREFACE

The term "perfect storm" typically refers to a rare combination of catastrophic events leading to an unimaginably awful outcome.

In the technology industry, however, we are experiencing the opposite. Now is the perfect moment to be a technology executive. Collectively, our timing could not be better.

I am truly fortunate to have a front-row seat for this remarkable convergence of amazing leaps forward in the rapid development of exciting new technologies, systems, and platforms.

We are living at an unusual point in history. From my perspective, our industry has achieved phenomenal success. Many of our dreams have been realized and are now woven into the fabric of our daily lives.

Moreover, we are on the cusp of even greater achievements, thanks largely to a continual stream of innovation in numerous fields, such as artificial intelligence, machine learning, natural language processing, robotic process automation, cloud computing, high-speed data networks, 5G wireless communications, connected devices, low-cost

sensors, distributed ledger, virtual reality, augmented reality, advanced manufacturing, transportation, and energy.

Those continuous waves of innovation can exert a heavy toll on the modern enterprise. Sometimes new technologies can be tempting, even if they are not a good fit for your business model. And even if they are great for the business, they might not integrate smoothly with existing infrastructure.

"You don't want to throw a bunch of digital assets against a wall and see what sticks," says Ralph Loura, senior vice president and chief information officer at Lumentum, a market-leading manufacturer of innovative optical and photonic products enabling optical networking and commercial laser customers globally. "You need to be disciplined and stay focused on execution. Technology should create value, for the customers and for the business. If the technology isn't connected to your value stream, it's not likely to generate a return on your investment."

I like how Ralph cuts directly to the chase. It is all about creating value for the enterprise and its markets. Plain and simple.

At the same time, I also believe that technology executives have an obligation to push the envelope and help the enterprise go where it has never gone before.

Executives should have a strong focus on raising a company's earnings before interest, tax, depreciation, and