# ACCENTURE VENTURES SPOTLIGHT: TOM LOUNIBOS
# VIDEO TRANSCRIPT

**We see you have a unique and inspiring career, with 40+ years in Silicon Valley, a founder of 6 different startups, and numerous exits. Can you share with our audience some details about your background, and what brought you to Accenture Ventures?**

The reason I joined Accenture Ventures is one of the most asked question I have had in my entire life. Many of my friends in the Silicon Valley will ask: "What are you doing at Accenture after 42 years as an entrepreneur?" Personally, I think that's one of the greatest things about being an entrepreneur – you can't define your path. Journeys will come to you, and you don't go searching for them. And that's also one of the wonderful things about a well-lived long life.

As for my background, I'm one of the few people in the Silicon Valley who grew up in the Valley. I grew up in Petaluma, California. I also played baseball in college where I was drafted by the Minnesota Twins. Working in Silicon Valley wasn't the obvious path to me (or to anybody else). In fact, prior to baseball, I was planning to be a lawyer. However, meetings with prominent minds like Steve Jobs and other leaders in the 1970s combined with living with my roommate who was passionate about technology changed my direction. I became extremely curious. I'd say curiosity is what did it.

Years later, I was leading several startups, which I took public as part of the founding team. One of the companies was called KnowledgeWare in the 1980s. The next company was Sagient Technologies, which was an analytics company competing with businesses like MicroStrategy.

Moving from there, I spent a lot of time in the advanced analytics space. In fact, some people said we were part of the "Clouderati" – which was essentially a group of talented early adopters of cloud computing. We even had secret handshakes, and the group included people like Andy Jassy, Werner Vogels, and other bright minds that were on the leading edge of cloud. My company became well-known in the technology community because our use case was far different from others. When Andy started AWS, his use case for Jeff Bezos was: "a developer would need one server for about 3 weeks per month." That was the use case, and millions of developers are on it. On the contrary, our use case was a vastly different approach because we needed 5000 servers for ours. During this period of my life, I studied the digital experience from the largest brands in the world and become well-known in the cloud and analytics community.

As for Accenture, about 5 years ago, our Chief Technology Officer, Paul Daughtery, called me and said: "I want to invest in your company". I responded: "Well Paul, its really nice to meet you and I'm really humbled, but absolutely no way". Yet, that started a wonderful conversation. And that conversation continues, on a daily basis now. Paul became my last investor. Over the period of 42 years I have raised about $250 million and Accenture Ventures was the first time I took money from a corporate venture. Apparently when you say no to Paul Daugherty, 5 years later you end up working for him. So, for everybody out there, never say no to Paul or you'll end up working for him down the line.

After I sold my last company to Akamai a couple of years ago, Paul asked that I come to Accenture Ventures and advise both him and Julie Sweet as a resident entrepreneur and recommend ways to engage entrepreneurs differently. I agreed, knowing that as a prolific entrepreneur I would be able to provide unique empathy and understanding. I came to Accenture Ventures as an advisor for a period, and then in February of this year (2020), I took over Accenture Ventures as the President and Global Managing Director. Accenture Ventures is a unique platform, has a brilliant team, and provides a strategic view that is very broad. I am having more fun than I have ever had in my life.

## What does innovation mean to you?
After 42 years, I was certain that I had a good run, and frankly I thought I was retired. But the love of the game pulled me back in. The making of the impossible, possible, is such an extraordinary experience. To see something that is wrong become right, and take it on with courage, is a fantastic journey. If anybody has the opportunity to bring upon change, whether it is in the world, in society, or in technology – I'd urge you to do it. It is one of the most meaningful things you can do in a life. I love the process. I love the disruption. I am the youngest of 9 kids, and even growing up my mother would have confirmed that I love disruption.

Innovation means a lot of things because it is in everything I do. I'm constantly searching for ways to improve things and do things better or little bit differently. It is an art form to look at impossible things and find the possibilities. I particularly like the people that go after it. My tribe – the entrepreneur tribe –has the energy and the spirit to try new things. Through trial and error, you learn a lot of lessons along the way. One of the lessons is to never fall in love with your own idea. That is one of the things that many people do. Sometimes it has nothing to do with the idea, but instead, has everything to do with execution. And one must learn that it can be a love / hate relationship with innovation. However, I live at the beach, and the fact that I got off the beach and back in the game just tells you how much I love the game.

**Many say COVID-19 has been an accelerant and/or a change agent for technology across the globe. What are some global technology trends that you are seeing in result of this pandemic? How do you anticipate the technology ecosystem to change in the next 2-5 years?**
This pandemic is one of the rarest moments in my 40 years in the Valley. I have seen many recessions. In fact, somebody once told me I have lived through 15 recessions. I was unaware of about 13 of them, but the world has and will continue to experience ups and downs. For example, we had the bubble bursting in 2001, but we've never had a global pandemic where the world truly stops for a second and pauses. Julie Sweet speaks to this quite a bit. Life is about taking advantage of moments. For me, I've seen a lot of trends already starting, but there is a tsunami effect that is going to happen in the near future, and is already beginning in significant ways.

Let's start with the macro point of view. The biggest trend so far is the global shift of labor forces, which refers to jobs going away and jobs coming in. Traditionally, you see about 2-3% shifts annually – every market has a different point of view. But we are seeing 8-9% on a global level, which started shortly before COVID-19. In certain markets, whether hospitality or others, you are seeing 30% shifts. That leads to a very big problem – a problem for our clients, for Accenture, for countries, for cities, and for states. What can we do for these people that are disenfranchised, and make up that 30% but no longer have a job? We've been studying these trends, with oddly enough, my codename project – "Project Spotlight", which is focused on seeking out new next-generational technologies which will impact a variety of topics such as labor market shifts. Another significant shift Julie and our team has focused on is the resiliency in supply chains. We are living in virtual and digital world right now. We are getting inundated with enormous amounts of data, so data privacy is a big issue, data sovereignty is a big issue, and these inputs feed the supply chain which will need to be more resilient. We are looking at a variety of trends like this. As an entrepreneur, I look at problem as an opportunity.

**Accenture Ventures team has been an investor in a variety of cutting-edge startups, ranging from the recent investment with the SaaS company, InCountry, to Accenture's recent acquisition of "Organize Cloud Labs" in Brazil to many others. What have been some of your favorite investments to date?**

Since joining Accenture Ventures, we have completely changed the way we are looking at investments. I'm not just looking for blockchain, AI, cloud, or quantum computing. Sure, I'm looking for all those things in some way. However, I'm changing the way our team looks at investments through the lens of an entrepreneur. The way to do that is to start with the problem, not the technology.

Let's start with the labor market shift trend I shared earlier. We were looking for how we can understand this trend because we have 500,000 employees, our clients are looking for skills, and our recent focus on cloud migration. We knew the solution would focus on data and intelligence. Subsequently, we found a company in Toronto, which is a 3-year-old start-up with no venture capital investment. They had been studying labor markets in a very deep way using applied neuronet towards decomposing credentials and highlighting skills. We always look at credentials when we look at people, for example we review resumes, CVs, titles, and previous employer history. However, they didn't value credentials as much as skills. They utilize a method called Quantum Labor Analysis which decomposes jobs down to small actionable increments.

I'll share an example of how this was used by Accenture and SkyHive. We got Eva and the T&O team to bring SkyHive into our Canada offices to do a Skills Passport for Canada, for the Trudeau administration. Then COVID happened, so suddenly there is a shortage of nurses in Canada. During this time it dawned on us to say – "what if we applied this neuronet to the skills gap in nursing". So, SkyHive's Quantum Labor Analysis analyzed every task a nurse performs. Instead of trying to replace the nurse, we decomposed a lot of the tasks associated with nursing. We found that a lot of the tasks had nothing to do with nursing skills. The best solution to the problem, all determined in about 4-5 hours, is housekeepers.

It was a unique problem-solving activity. Housekeepers were the solution because through our analysis we discovered that 75% of housekeepers in Canada were trained in the Philippines. The foundational training facility in the Philippines is nursing, and so they were able to fill the gap by using data and intelligence. Now we are in 72 different countries in bids and environments. We are working with the World Economic Forum and Walmart who are looking at job shifts by about 30%. We've also talked about bringing SkyHive, Rahul and team, as part of our HR team. And along the way, we connected with Workday, who are investing in SkyHive as well. Inside Accenture, we are also using the technology to find the right people inside of the company for roles in cloud migration, and much more.

I am very proud to be the first venture capitalist to invest in SkyHive. If you were trying to follow VCs, you would have never found SkyHive, because no VCs were let in the door. There exists many other stories to highlight this approach. For example, InCountry's work in data privacy and data residency presents a clear advantage for Accenture in areas like Schrems and General Data Protection Regulation (GDPR). There are companies like Synadia for cloud computing, Reactive which is a smart grid platform, etc. Project Spotlight is only about 15 deals focused on deep, immersive, technical engineer-to-engineer relationships.

**We know there are a lot of wide-ranging considerations in determining what makes a successful investment. In your perspective, what moves, entrepreneurial traits, tactics, or other factors have made the biggest difference in your portfolio companies being flops or on the contrary, top performers?**

There is a variety of criteria that we look for and evaluate before making an investment. Sometimes people romanticize the concept of venture capital because of the opportunity to make a great salary, and billions of dollars are moving around. However, I think you have to look operationally. My teams and I have raised $250 million or so, and I am well convinced that despite how much I thought my idea was brilliant, it was never the idea. The idea matters, but the reason why people invested in me particularly, and my partners and teams, was the ability to execute.

You've got to be careful with falling in love with the idea, because that original idea rarely exists by the time you IPO or are acquired. Your idea pivots. Your idea is never static. It moves with the market, and the market tells you "that aspect isn't going to work" or "it's too early / late for that idea." You must feel comfortable with constantly pivoting or else you are never going to execute effectively and successfully.

One of the key considerations is the team. I try not to be too biased, but experience really does matter in this environment. Often the second- or third-time entrepreneurs are more effective because they've failed and understand what it means to fail. I also look at a team's ability to understand the marketplace. A team's idea has to be unique, but it also has to be compelling in their respective market category.

Additional considerations are timing and luck. There is no way I can look back on 42 years and say I wasn't lucky. I was lucky in a lot of ways. I was surrounded by enormously talented people. But timing is the fundamental issue. I have seen so many great ideas either too early or just a tad too late, and that defines the company's destiny more than anything else. By looking at the context - including the players, the market, the value, how compelling / urgent product market fit is, general timing, and luck - then you can place a bet. You support them, encourage them, become their psychiatrist, you answer the phone at 2am in the morning. You do whatever you can to pump people up because scar tissue will happen in the process of founding a company.

**Many technology leaders in history such as Steve Jobs and others, have emphasized social, moral, and business impacts of technology. They also highlight the use of technology for social good. Could you tell us your perspective or thoughts on the quote "Accessibility is a Human Right"?**

Steve Jobs delivered that message to me personally. I'll start with accessibility because I am honored to be Accenture's Co-chairman of the Technologies Disabilities Committee. In the coming months, I'll be sharing more with the community about my own personal disability. 15 years ago, I lost majority of my vision to a genetic issue that caused a detached retina and other ophthalmic complications.

It occurred during the point in my life when I was selling a company and starting my last company SOASTA.

I was also trying to bring the Olympics to San Francisco. I was giving a speech in front of about 100 lawyers with Gavin Nussen, my partner in crime, and I started tearing up. What I didn't know was that my retina had detached. Gavin came up to me after saying it was the greatest emotional speech, but it was actually my retina. Long story short, I had lost a lot of vision.

It's extraordinary how when you are in those positions – and at that point in time I had fully lost my vision for about 3 months – you realize that you are dependent. As an entrepreneur you are never dependent, and so you feel vulnerable. The use of technology, whether it is voice-to-text or text-to-voice, or even the zoom feature within Apple is so critical. A couple of years later, my wife Tracey and I share a close relationship with one of Steve's confidants, who told us Steve had the same condition. Steve asked me how my eye was, and I told him the zoom capability really mattered to me. He told me he had the same issue, and that was why he put the feature in. The culture at Apple has been so inclusive of making accessibility a human right, and it is a part of their central mission. Julie and Paul have endorsed that vision as well at Accenture, and we are working to make it more formalized.

I'd also argue that this human right goes beyond just accessibility. Soon, we are hosting a town hall featuring Chris Downey, who's been featured in 60 Minutes and he is known as the blind architect. He went blind at age 45, and yet he kept architecting through brail and other technology. The Salesforce tower in San Francisco is hooked into this cool building called the San Francisco Transit Building. Chris built that building, completely blind. He built it for sound and awareness for disabilities. It's extraordinary that people can now get around San Francisco because of the empathy that only Chris could have, using technology to make it possible.

This concept of serving others, goes beyond just disabilities. Paul and Julie, led by Kathryn Ross, have started looking for under utilized assets. There are extraordinary entrepreneurs in the black community that have not been served by the venture ecosystem in effective and true or unbiased ways.

We believe they have unprecedented talent and ability to solve some of today's problems like bias in algorithms. So, we have created a new fund, the Black Founders Development fund (BFD). We are going to elevate another portion of the community whose voice needs to be brought to the table. We're creating more impact and purpose beyond just being a transactional venture team. We are committed to raising up people who have been traditionally underserved and have the ability to make a large impact.

**Do you have any parting words for the audience before we wrap up this leadership spotlight?**
I would leave the audience with a saying that is important for all of us to know: "It takes a village to raise an entrepreneur."

What that means is that no single person is a disruptive agent. We all are disruptive agents. It takes all of us to stand up and bring change. We have a moment in time for Accenture to really propel forward and transform itself. As much as we work to solve problems and transform everyone else in the world, its time for Accenture to transform to do the same for ourselves. For all of you that are out there, don't get caught in the myths that we will never change Accenture. Don't get stuck in a swim lane. Look outside the swim lane, and look for new ways to be innovative and disruptive. You learn some things – sometimes good, sometimes bad – but its never a bad experience to change. Everybody out there has the power of change, the power of disruption, and the power of activism. If there is a single moment in time, this is the moment where we can truly change the world. You are all a part of that. So get in the boat and let's change the world.