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***TITAN Series – An Interview with Andrew Filipowski, Chairman and CEO, SilkRoad Equity***

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Q: What is your background (Education, Career Highlights) and how have those experiences assisted you in your career?

~ Since I don't have an undergraduate degree and a traditional college experience, you might think I would minimize educational influences on my career. In truth I feel a very significant impact from the education I did receive. To explain, I need to put it into context for you. I was the only son of Polish immigrants. They arrived in the United States shortly after the 2nd World War. During their lifetime they never developed fluency in the English language. We lived in a Polish neighborhood in Chicago and the first time I heard English spoken was when I arrived for my first day of school. Until then, I had only spoken Polish.

My parents, particularly my mother, felt that I would assimilate better if I was immersed into the culture of the United States. To them that meant attending a boarding school. So with extremely limited resources she managed to send me to an elementary school named Bishop Quarter's Military Academy that was run by Dominican nuns. There I learned the English language and by the seventh-grade I earned the designation of being the top student in my class. For a lot of serendipitous reasons, I received a scholarship to St. Johns Military Academy in Delafield, Wisconsin. The scholarship allowed me to continue my education at the academy through high school. It was the most influential educational experience of my adolescence. My mother sacrificed tremendously, as she only earned \$50 per week as a welder of electrical coils. So, I was fortunate to earn the scholarship and even more fortunate to be able to attend such a grand institution that cost thousands of dollars annually.

After high school I attended the University of Illinois for a few months but marriage and other opportunities prevented me from completing a degree program. I had personal interests in the arts, loved speaking, debate and the theatre. Little did I know how important these skills in the arts would have on my business career. Even though the arts were my passion, I have to admit that math and science were easy for me and I excelled at them academically. I had children at a very young age and I felt strongly that I could learn anything by reading and through self-education. However, early on in my career an employer and the Young President's Organization allowed me to attend graduate courses at the University of Chicago as well as complete a short but intensive Harvard business school curriculum. Over the years my experience working for Evelyn Wood Reading Dynamics has paid off handsome dividends, in that I have been able to devour written material and relish all types of literature.

Q: You have been one of the most successful technology entrepreneurs, what were the key traits and tactics you took from one startup to the next that made them successful?

~ I have had a large number of successes and frankly a few failures. I have learned more from my failures and although I do not wish them on my worst enemy, I certainly am grateful to have experienced those and even more grateful to have survived. To be a successful entrepreneur you must **overcome fear**. Like Nike says: “Just Do It.” The **leadership** skills that I developed in military school have been critical ingredients. Be it is innate or learned, you cannot be a successful entrepreneur without leadership skills. The very word entrepreneur is but a hollow barren concept without leadership.

To earn the right to be an entrepreneur, you have to be able to start with a blank piece of paper and develop the holistic framework for a business. Next, you have to be able to communicate this idea to an audience (friends and family, investors, employees or co-workers). You must articulate it and then sell it so that your idea becomes their idea, you need to assemble a team and you must motivate the team to excel and to execute. That doesn't mean just hiring the best individual business athletes. It is necessary to understand the strengths and weaknesses of individuals and building a complimentary team that can excel. As a leader you need to convince people to do things they normally would not think as being prudent. Remember that honesty, integrity, confidence and straight shooting are the most potent of leadership aphrodisiacs. Even when you must lie to them you have to do it honestly. In addition to persuasion, a leader also needs to embody passion, perseverance and persistence. I can't imagine doing that without a strong background in the arts, debating or public speaking.

Thousands of variables affect success and failure in business and an entrepreneur only has control over a limited number of these factors. You must learn to distinguish the things you have control over and those that you do not. To paraphrase the AA credo, you must manage the things that you can, learn to accept the things you cannot and learn to tell the difference. Understand that your competitors are, for the most part, challenged by the very same issues. Ignore the impulse to feel victimized by external uncontrollable factors. Emphasize excellence. Create an environment in which your team can reach it's full potential. Use that to delight your customers and to create the best product and provide the best service. Only motivated, challenged and happy teams can get that done. Prioritize everything you do to first develop the best team, provide the best to your customers, strive to leave every place you touch in better shape than when you found it and the other things like profits and happy stakeholders will result. Do not fall into the trap of thinking the priority is the owner or owners of the company, even for the short term. They only get the outrageous rewards if the other things get done well. Failure is sometimes the result of not controlling the factors you can and certainly by having the wrong emphasis and priorities.

Q: How would you advise other future entrepreneurs reading this?

~ Startups are a creative process, a work of art. You bring a team together and everyone

through their collective effort draws and paints the abstraction that a business in fact is. What is truly marvelous is that with each team member's contribution a well-run business continues to develop and change into a more wonderful work of art. As you mature as an entrepreneur you can get immense satisfaction by lifting your own paintbrush from the effort and simply choosing to stand back and observing the marvelous work you have ignited as others continue to develop the masterpiece. In fact, all this effort just amplifies my fundamental belief that "the human race is a relay race."

Q: What have your experiences been in working with venture capitalists? How would you advise VCs (and future VCs) on working with startups and entrepreneurs?

~ I see VCs as critical to the process but as financial analysts and not entrepreneurs. When I teach at various MBA programs I note that the students are largely prospective investment bankers and venture capitalists, not entrepreneurs. If they were entrepreneurs, they wouldn't be in class. Entrepreneurs on the other hand can be quite silly looking, naked without their complimentary financial experts, venture capitalists and investment bankers. Each do best to stick with their respective roles.

Q: What was the worst moment in your business career and why was it so?

~ Terminating individuals for financial reasons is the worst, for cause it is easy. Sometimes it is necessary to change the strategy or cut back so an enterprise can survive. As a result, individuals have to be let go. This more than anything else has caused me sleepless nights and wet pillowcases. Some might think that bankruptcy is the worst moment, but it is almost liberating at that point. All the hard stuff comes before that part.

Q: What sectors of technology do you find interesting? How are you evaluating them?

~ I have been on the leading edge of opportunities, but sometimes I wish I was two additional steps ahead of where I was...I truly enjoy peering into the future and certainly enjoy the chess game that results. I believe Software as a Service is one of the most interesting developments within the software business; I also believe that bio-informatics, life sciences and stem cell research will yield interesting businesses, as will the convergence of handheld telephony and the resulting new generation of collaborative replacement applications.

Q: How has the Young President's Organization been helpful to you and do you think others should join similar organizations?.

~ YPO has helped me tremendously and had a huge impact on my career. The network they create is unlike any other. If my son or daughter had to choose between Harvard, Stanford, Yale or YPO, I would strongly suggest they choose YPO. Other interesting and helpful organizations include the Young Entrepreneurs Organization, WPO, CPO and the various tech groups with similar agendas.

Q: What do you believe are the keys to being successful in business today (technology or non-technology related)?

~ People are key. The Team is the single most critical factor in business. The team must put their entire faith and trust in you and in return, you must honor that responsibility at your own personal expense. Build an enviable culture that is full of wonderful stories of heroism and Herculean effort. Provide motivation in its desired form. Each employee is different and they all do not respond to raw compensation - they respond to respect, responsibility and empowerment. Pursue excellence with reckless abandon. Develop and nurture a potent network of friends and associates. Be a great Partner, one who everyone else seeks. Have passion and persistence, be persuasive and persevere. Let the trials and tribulations hone and shape you; be proud of your experiences. Remember you cannot lose if you never give up.

Q: If you could do anything over again in business what would it be and why?

~ The experiences I have had made me into who I am now. I'm a bit scared because of some of my experiences, hopefully wiser and more humble but, I have no regrets.

Q: Any last words to our membership base of entrepreneurs, investment bankers, venture capitalists, lawyers, MBA students and operating professionals?

~ Pursue your dream in life and be happy. Not everyone needs to be an entrepreneur or VC, be the best you can be and make sure you live every day only the way you want it to be. Change the next day based on the experiences of the prior day. Do not let yourself be a victim. Learn new things always. Challenge yourself with new experiences until you master them and become proficient, then seek new challenges and do it again. You will live a happy life...Oh, and live by the golden rule.

### **About Andrew J. “Flip” Filipowski**

SilkRoad Equity CEO, Andrew “Flip” Filipowski, is one of the world's most successful high-tech entrepreneurs, philanthropists, and industry visionaries. The former COO of Cullinet, the largest software company of the 1980's, was also the founder and CEO of PLATINUM technology, inc. Flip grew PLATINUM into the 8th largest software company in the world at the time of its sale to Computer Associates for \$4 billion dollars, the largest such transaction for a software company at the time. Upside Magazine named him one of the Top 100 Most Influential People in Information Technology. A recipient of Entrepreneur of the Year Awards from both Ernst & Young and Merrill Lynch, Flip has also been awarded the Young President’s Organization Legacy Award and the Anti-Defamation League's Torch of Liberty award for his work fighting hate on the Internet.