

# THE ECONOMIC CLUB

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O F W A S H I N G T O N, D. C.

**Salesforce Founder, Chairman, and Co-Chief Executive Officer  
Marc Benioff discussed his company and his goal to have a positive  
impact on the world.**

**Marc Benioff  
Founder, Chairman, Co-Chief Executive Officer  
Salesforce  
Friday, October 18, 2019**

DAVID RUBENSTEIN: We're very pleased today to have Marc Benioff, who's the founder and chairman and co-CEO now – he was the CEO for a long time, now the co-CEO –

MARC BENIOFF: I never know how to sit in these chairs, by the way.

MR. RUBENSTEIN: Well, you're doing a pretty good job.

MR. BENIOFF: Do you do like this, or do I, like, the Trump, more like –

MR. RUBENSTEIN: Whatever makes you feel most comfortable.

MR. BENIOFF: Like this, like that? What am I supposed to do?

MR. RUBENSTEIN: Well, whatever makes you feel most comfortable.

MR. BENIOFF: All right. I'll do like this.

MR. RUBENSTEIN: And you can change too.

MR. BENIOFF: All right. Well, I notice you're more forward.

MR. RUBENSTEIN: Well, I'm not as, you know, young and agile as you are. I'm older.

MR. BENIOFF: All right. All right. All right.

MR. RUBENSTEIN: OK.

MR. BENIOFF: Just want to make sure I know. I don't want to disappoint you because I know you're an expert at this.

MR. RUBENSTEIN: I'm not. You're the expert.

MR. BENIOFF: That's why I was, like, how am I supposed to sit?

MR. RUBENSTEIN: Well, you're sitting pretty well.

MR. BENIOFF: All right.

MR. RUBENSTEIN: Everyone think his posture's fine? [Cheers, applause.]

MR. BENIOFF: Yeah, all right. Thank you. And nice talking to everybody. That'll be it for tonight. [Laughter.]

MR. RUBENSTEIN: OK.

MR. BENIOFF: OK.

MR. RUBENSTEIN: So, you recently, with your wife, bought Time Magazine.

MR. BENIOFF: Yes. Molly is here. Molly stand up. [Applause.] Our local award-winning journalist covering Washington, D.C. Amazing.

MR. RUBENSTEIN: So now that you own Time Magazine, do you get to pick who's the person of the year? Or do friends call you up –

MR. BENIOFF: I've been telling you I can't do it. I know you want to be. I get it. We shouldn't bring it up here. [Laughter.] David, you're very – look, I realize, you are a good candidate. I get it. But look –

MR. RUBENSTEIN: All right. Does advertising –

MR. BENIOFF: I'm not involved in editorial. You can go talk to Molly. She's talks to everyone.

MR. RUBENSTEIN: All right. So, you don't pick –

MR. BENIOFF: I can't. Look, you're very – I'm sure you're a worthwhile candidate. I get it. I understand.

MR. RUBENSTEIN: Well, I think so. OK. So –

MR. BENIOFF: And you got that book coming out. It's cool. It's awesome.

MR. RUBENSTEIN: I do. It's not going to sell as many as this book.

MR. BENIOFF: I don't know, it looked pretty good.

MR. RUBENSTEIN: All right. Well, maybe it'll be on the cover of Time soon, you never know. [Laughter.]

MR. BENIOFF: Well, you know, talk to Molly.

MR. RUBENSTEIN: Now, why did you buy Time, by the way?

MR. BENIOFF: That's a very good question. You know, we actually are looking for ways to have impact, and really to add more trust and impact in the world. And one of the things that I've always loved about Time Magazine – really, there's four things. You know, one is that it's always been about trust. It is an incredibly impactful business. The stories that not only Molly but also her peers are writing have dramatic impact in the world for the good. It's a fantastic magazine. And it's also all about equality. In fact, that idea that it's about trust, impact, it's a magazine about equality – that's why we call it Time, T-I-M-E.

MR. RUBENSTEIN: That's where you got it from?

MR. BENIOFF: Yeah.

MR. RUBENSTEIN: Wow. OK. Can you do the same for Salesforce.com?

MR. BENIOFF: That didn't go over very well, actually. [Laughter.] It's a tough crowd in Washington, D.C. That was actually my better material. [Laughter.]

MR. RUBENSTEIN: All right. Well, let me ask you about Salesforce.com. For those people who are not that familiar with it, and there may be a few, you started the company in 1999?

MR. BENIOFF: Yes.

MR. RUBENSTEIN: And today it has a market value of about \$130 billion.

MR. BENIOFF: Yes.

MR. RUBENSTEIN: If you had bought the stock at the beginning you'd be up about 7,000 percent?

MR. BENIOFF: Thirty-five hundred percent, but who's counting? You're more on those kinds of things than I am. You're a much better investor.

MR. RUBENSTEIN: Well, I don't know about that. But, OK. So, it's a pretty good –

MR. BENIOFF: Yeah, 3,500. Yeah, we had a very good shareholder return. I mean, we've had a very good shareholder return that when we essentially went public in, you know, 2004, 3,500 percent. But the thing is, we've also had what we call a very good stakeholder return. So, you know, we've also been able to give away \$300 million. We've done 4 million hours of volunteerism. We have run 40,000 nonprofits for NGO on our service for free. We're a net zero company, fully renewable by 2025. So that's very important. Like, whenever I'm thinking about what is our return for our shareholders, which has been very good, we also have a very good stakeholder return. In fact, it's one of the reasons that I wrote this book, "Trailblazer."

MR. RUBENSTEIN: Well, let me ask you, what – for those who aren't knowledgeable about what Salesforce.com's main business is, what does it actually do?

MR. BENIOFF: Well, Salesforce is a business software company. And actually, are there any customers here who run their business on Salesforce? Raise your hand. All right. Well, one of the people who raised in their hand is in the front row here is Arne Sorenson. And he is a tremendous executive. And he is the CEO of a company called Marriott. Anybody heard of Marriott? [Laughter.] All right, a couple people. An amazing company, Marriott. And, you know, he has a fantastic opportunity, which is he has a lot of customers. They are amazing. And the whole question is, how can he come and bring and connect with his customers in a whole new way. How we can bring companies and customers together?

So you know, my vision or my dream for Marriott, if there was a dream, is that, you know, when we go into my Marriott hotel room, like I did last night, and I open the door, that I say, oh, hi, Marriott. Please set my temperature to actually a little warmer. Like, it's usually at 68. Set it to 75. And can you call and order me some French onion soup? And also, can you put the TV on my favorite station? And boom, boom, boom, it happens. And typically, what happens when I get into a hotel room is, you know, I have to adjust the thermostat. And I never know exactly – have you ever had that experience?

MR. RUBENSTEIN: Every day. [Laughter.]

MR. BENIOFF: I don't know exactly. The TV is – every remote is different. You know, I got to look through the menu, got to find the menu. It's in a drawer. I don't know where the drawer – and they know me really well, because I'm traveling all over the world with Marriott. I know them so well. They knew when I landed. They have my travel itinerary. So, I get a text on my phone. Oh, Marriott. Thank you. Oh, do I want my sandwich waiting in my room? Yes. Oh, this is my digital key? Fantastic.

So, I get to the hotel. I have my key. I unlock the door. I get in there. They know me. On my way out, I get an email from them, hope everything was OK. Here's the survey. Maybe I get an email from them a week later that says: I hope you had a good time. By the way, have you checked out our new place, you know, in this fabulous location? And off I go. And what he's doing is connecting with me in a new way, having a great relationship with me, having a one-on-one. It's the new loyalty. You know, they're one of the biggest loyalty points.

And when we grew up it was all about loyalty points, right? It's not about loyalty points anymore. Customer relations is all about having a one-on-one relationship. Another example is, like, Adidas. If you go to Adidas.com and you buy some Adidas shoes, you know, some Yeezys from Kanye West, and you like the – you like the shoe, and then you get an email from Adidas, and then you – but the shoe comes and there's something wrong with it, and you have to call customer service, and send it back. And all of those things – the sales, the service, the marketing, the email, the commerce is all 100 percent Salesforce on Adidas.

So, whether you're a Marriott, or you're an Adidas, or, you know, even some great government agencies that we have here, like the Veterans Administration, it's really, you know, about connecting with our customers in a new way.

MR. RUBENSTEIN: OK. So, for a nontechnical person, which everyone would agree I am –

MR. BENIOFF: Was that a too technical explanation?

MR. RUBENSTEIN: No but let me – for a nontechnical who might be here, as I understand it, your company really did two things in terms of its premise.

MR. BENIOFF: Oh, OK, good. What was it?

MR. RUBENSTEIN: One was what you just told us, CRM, customer relations management. And your point was that the most important thing in business is to make sure your customers are OK. Is that right?

MR. BENIOFF: I think that's generally a good idea, yes.

MR. RUBENSTEIN: OK. And second was, your novelty, as I understand it, was that you said, let's do this through the cloud.

MR. BENIOFF: Yes.

MR. RUBENSTEIN: And when you started the company in 1999 people thought clouds were white things in the sky, and you kind of told people there's more to that. Is that right?

MR. BENIOFF: Well, you're 100 percent right. There's really three things we said we were going to do when we started our business. One was, you're right, focus on the customer, and say that every customer's going to go through a digital transformation. And these digital transformations are going to start and end with the customer. And they're all going to build these customer 360s. So, number one, what we're going to do is we're going to build this cloud. Two, we're going to have a subscription model. So, you're going to subscribe, not buy a license. So, you know, we're going to have a deeper relationship with you. And that became a recurring revenue stream. And that was a whole different type of business model for software.

And three, we said, you know, we're going to put 1 percent of our equity, 1 percent of our profit, and 1 percent of all of our employees' time into this 501(c)(3) charity. It was very easy because we had no equity, we had no profit, we had no time, we had nobody. [Laughter.] But it turned in, now we have 45,000 employees, \$130 billion market cap. So, we've been able to have that stakeholder impact. And so, yeah, we've – you know, that's why Salesforce is maybe a little different, in that right from the beginning we said: We want to do these three things. This is really important to us.

MR. RUBENSTEIN: Well, you also, from the beginning, as I understand it, from reading this book, which I highly recommend, "Trailblazer." I just finished reading it.

MR. BENIOFF: Thank you. They all have one, so they're ready to go.

MR. RUBENSTEIN: Well, OK, and you're going to autograph one for everybody, right?

MR. BENIOFF: I will not leave until everyone is autographed.

MR. RUBENSTEIN: OK. [Laughter.]

MR. BENIOFF: As long as I get it all done within 30 seconds of finishing this speech.

MR. RUBENSTEIN: The premise was that you wanted to build a company that was actually one that employees felt they were having a culture that they would be proud of. Is that, essentially right?

MR. BENIOFF: Well, you know, really how it all started was, you know, I was working in another software company for a decade, from –

MR. RUBENSTEIN: This is Oracle?

MR. BENIOFF: Oracle, from – starting in 1986. And in 1996, I walked into my boss's office, Larry Ellison<sup>1</sup>. Everybody knows who he is. He's been a tremendous mentor to me. And I said to him, I really don't feel good. I am having trouble getting up in the morning. I just am not enjoying my job. I don't really know what's going on. And he goes, you know what you need to do? You need to take a sabbatical. I didn't really know what sabbatical meant. You know, I thought it was some French word or something. But he wanted me to take some time off. So, I did. I went to Hawaii, you know, near where Steve Case lives. I went to Mau'umae Bay, and rented a house, and kind of started to deal with myself.

And then I came back and he's, like, you still don't seem exactly right. This was after 90 days. Take another three months off. So, I said, fine. So, I went to India, right? [Laughter.] So, I went to India. Kept the stock vesting. Everything's fine. I went to India. And I was touring India was a friend of mine who had just quit working for George Soros and was going to start his own venture capital company called TeleSoft Partners. His name is Arjun Gupta. And we're touring. We're going to every city in India – New Delhi, and Bombay, and Bangalore, and Puttaparthi. And we end up in Trivandrum, which is the Kerala region. Have you ever been to Kerala?

MR. RUBENSTEIN: Not there.

MR. BENIOFF: OK. Well, if you like a good masala dosa, this is where you go. [Laughter.] And we're in the Kerala region in the backwaters of the Arabian Sea. And all of a sudden, we're invited into this ashram, which is, I guess, you know, it's – you know, it's like a synagogue.

MR. RUBENSTEIN: OK. [Laughter.]

MR. BENIOFF: Just to help bring you along.

MR. RUBENSTEIN: I got it. [Laughter.]

MR. BENIOFF: On the story. Helping you come along.

MR. RUBENSTEIN: No, I got it. That's where the lost tribe of Israel went.

MR. BENIOFF: Yeah, I know. I know. I'm helping you. OK. And so, we're in the ashram. And we're in kind of now – you know, it's getting a little deeper in there, the backroom. There's

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<sup>1</sup> Larry Ellison is a co-founder and the executive chairman and chief technology officer of Oracle Corporation.

incense wafting away. We're talking to the guru. Now, in this part of India all the gurus are women. And this woman is now lecturing us on spirituality and so forth. And all of a sudden Arjun takes out his business plan. Goes, oh, well, let me tell you about what I'm going to do, TeleSoft Partners. And he starts giving her – and she's like really interested. Wireless is coming, and we're going to connect the world, and mobile devices are coming. And this is – you know, we're there. This is 1996.

So, then she is listening really clearly. And I'm like, I think she's going to invest. [Laughter.] OK. And then all of a sudden, she says this really powerful thing. Which is, she's saying it to him, but she's looking right at me and my eyes. And she goes: In your quest to change the world, don't forget to do something for other people. And at that point, my life kind of went like from this, to this. And what happened was, is I realized that when I was at Oracle I was working on the software, and writing the software, and marketing the software, and doing all of these things during the day. But I was working in schools, I was doing philanthropy, I was giving back. And I had this desire to give back. But I felt I was kind of two people. Businessperson Marc over here and spiritual, you know, philanthropist Marc over here. And all of a sudden, I'm like, you know what? Why is that? I want to be one person. I am going to be the same Marc everywhere I am. And I want to be totally integrated.

And that was a moment in time when I said, wow, when I start a company, I'm going to make sure that philanthropy, and giving, and generosity, and these values are in the culture of the company from day one. And that was a very powerful moment. So, then I went back to work. And I am feeling better. I actually ended up coming here – very near here, to Philadelphia. There was something called the President's Summit for America's Future, that Ray Chambers had put on with Colin Powell and the five living presidents having lectures on how businesses could be the greatest platform for change.

And Colin Powell got up on stage and he said – and he's been a huge mentor of mine. And he looked right out in the audience. I mean, he didn't know who I was. And I was – you know, this is 1997. So, I am 33 years old. And it was as if he was looking right in my eyes. And he said: CEOs of America, in your quest to, you know, make money, don't forget to help other people. And he also talked about the importance of working on the Boys and Girls Clubs, and safe places, and all this. And I was like, wow, I'm kind of hearing the same message. And I actually kept hearing the same message. And it felt like we had created businesses that were too much Milton Friedman-ism over here. The business of business of business is business is business. That it's just about money. It's just about shareholder return. And then over here we weren't really measuring and managing and looking at our stakeholder return. And that's where, all of a sudden, I'm like, wow, I guess we can maybe do something.

And when I worked in business school, which was from 1982 to 1986, at the USC Marshall School, there were no classes on that. And we took very basic classes – accounting, marketing, organizational behavior. So, I'm like, whoa, this could be something that would make me really motivated to be in business. And then when I started the company, which was March 8th of 1999, I rented the apartment next door to me in San Francisco. Hired a few people. Moved in. And I said to all of them at that moment: We're going to do these three things. And

one of them was to make sure that we made a business that we felt great at being there every single day.

MR. RUBENSTEIN: OK. That's pretty impressive. So, did you think when you started –

MR. BENIOFF: Well, thank you, David. [Applause.]

MR. RUBENSTEIN: Did you ever think when you started it that it would – it would get anywhere? I mean, you were starting it in an apartment. You didn't have – did you have a lot of capital? Where'd you get your capital from?

MR. BENIOFF: I thought we'd go right to \$130 billion in market cap. [Laughter.] No, I – you don't really know what is going to happen. I mean, we have a lot of amazing executives and entrepreneurs in this room. I mean, some that I'm looking at right here. You don't really know what is going to happen. I mean, I remember the day very well. I wrote down a bunch of notes that, you know, one of my co-founders kept. And we had a vision for the end of software. We had a vision for CRM that I kind of articulated. We had a vision for the one-one-one model. We wrote all of those things down. It certainly helps when you write things down.

Like, I wrote down the following things: What do I really want? What is my outcome? I wrote down, what's really important to me? What are our values, you know, and prioritize them? And trust was our highest value. You know, it was trust, and customer success, and innovation, and equality, and giving back. Those were going to be our values, in those orders. And then I looked at, how am I going to operationalize those values? So, I said, how do get trust? And I wrote down the three things to get trust. And I said, now, how am I going to get customer success? And I wrote down those three things. How am I going to get innovation? And I wrote down those three things. How am I going to get equality? And we wrote down those things.

And then I was, like, well, what's going to prevent me from having this? Like, what are my big obstacles, terrible things that are going to happen to us? So I was, like, well, what's going to prevent us from having trust? And there were nightmare things. What's going to prevent us from having customer success? What's going to prevent us from having, you know, innovation? And what's going to prevent us from having equality? And then finally, I did Deming. So, if you remember Deming in World War II did basically measurements. So, it's the same thing. I said, how will I know that I have trust? What are the measurements? How will I know that I have customer success? What are the measurements? How do I know I'm going to have innovation, equality?

And then I have this model. And I'm like, well, this is now the model. So, let's go. And then we started to hire people into the model. And it just got going 21 years ago, exactly like that. And that's all we did.

MR. RUBENSTEIN: OK. Your background was you grew up in San Francisco. Is that right?

MR. BENIOFF: I am a fourth-generation San Franciscan. My mother has told me I'm supposed to say fifth generation. But I am fourth generation, as far as I can figure out.

MR. RUBENSTEIN: And your ancestors came over from Ukraine?

MR. BENIOFF: They were – part of my family came from – I'm not part of this. I just want to say right now. [Laughter.]

MR. RUBENSTEIN: No Ukrainian connections.

MR. BENIOFF: I know where I am, not. [Laughter.] No. All right, seriously, yes, my great-grandfather came from Kyiv, OK, in the late 1800s. And he had seven kids. Some he brought with him. Some he had here in the United States. And then you probably know, like, David Benioff, who's Stephen Friedman's son. Who you know Stephen Friedman, who wrote the "Game of Thrones." He's, you know, one of the – he's one of the great-grandchildren of Isaac Benioff. And Paul Benioff, who invented quantum computers. And Hugo Victor Benioff, who did the seismograph. They're all related back to Isaac Benioff.

MR. RUBENSTEIN: OK. So, you went to high school. Were you an athlete? Were you a star student?

MR. BENIOFF: I was into computers.

MR. RUBENSTEIN: OK.

MR. BENIOFF: Really what happened was is my dad was a small businessman. And his family had a business in San Francisco, clothing stores. And he had a major disagreement and falling out with his family and ended up partnering with someone in the South Bay. And as part of that, on Saturdays he had a Buick station wagon. And he used to load the clothes in, and we used to drive around the bay area delivering clothes to all the different stores. And I had to do the repricing, the remarketing, you know, take the clothes out, take the thing off, move them around, talk to all the employees. And I really did not like that, actually. It was fun to be with my dad, but I'm like this is not for me. Probably let him down. He probably thought I'm going to take over his women's clothing stores. And all of a sudden, I found computers.

You know, I was in Radio Shack in 1979. I found – probably he was there next to me – a TRS-80 Model I. And I went and talked to my grandmother and I said, you know, I'd really like to buy one of these. And she's like, well, how much is it? I'm like, it's, like, \$400. She's like, I'll give you \$200 if you can make \$200. So, I got a job at Kerns jewelry store across the street. And after school in high school I was cleaning the jewelry cases. I got fired. I did a terrible job. [Laughter.] But I did make the \$200. I got the computer from her. I learned how to program. And when I was basically 15 years old, I wrote my first piece of software, how to juggle, and sold it to a software company in Santa Barbara called CLOAD Magazine. And I was in business.

And that's when I went, whoa, I don't have to work in the clothing stores. This is amazing. When I was 16, my grandmother – my birthday present from my grandmother was she gave me her 1970 Oldsmobile Cutlass 4-door. And she repainted it. And it was totally great. And what it let me do was I could drive to Morgan Hill, to a software company, where I got a deal with them to write software for them. And I wrote a bunch of software for them, and then for another software company called Epics. And by the time I got to college, I had written 10 software titles. And I was making maybe \$1,500 a month, which for in high school it's really good.

So, then I'm like, this is amazing. And then something crazy happened to me, which is I'm in college at USC. I'm writing my software, whatever. And the Super Bowl comes on in 1984, and I'm enjoying the Super Bowl. And there's this crazy ad that 1984 won't be like 1984, and this Apple. And I had used Apples, but I was never really that into the Apple. In fact, a friend of mine – I was kind of running my Apple programming division when I worked at Atari. And I'm like, maybe I'm going to have to do this Macintosh. So, I bought the Macintosh computer and set it up just like they did. As a software developer, actually ended up having to, you know, make a big financial commitment. And it didn't work.

And I called them and talked to the head of evangelism at Apple. His name was Guy Kawasaki. He kind of turned into a famous person. And I said, you know, I'm 19 years old. I just put all my life savings into your computer to write software. And it doesn't work. So why don't you explain to me why that is? This was in May of 1984 at that point. And he's like, why don't you come to work here this summer and help us fix it, because we're having some problems. And I was like, what was that? [Laughter.] And he's like, we're going to hire you as an intern into Apple. And I'm like, OK. Where are you? Well, he's in Cupertino. Like, it's 15-minute drive. It's actually right next to my father's store. [Laughter.]

So, I go there. I show up for work. There's a motorcycle in the lobby. There's a pirate flag on the roof. There are people running around frenetically. They show me a cube. There's a refrigerator full of Odwalla juices. Steve Jobs is running around. I'm like, this is really cool. [Laughter.] And then I sit down and I'm like, whoa, none of this actually works. So, I'm, like, working on some things. I go, wow, I don't know how to get this to work. You know, this is actually – I'm now writing in what we call 68000 Assembly Language, which is I'm not doing basic, I'm doing very deep machine-language code on the metal of the computer. And it is not working. And I do not have a computer science degree. I am a business guy. I am in business school. Self-taught in high school.

So, I go to this executive named Steve Capps, who's very highly regarded. And I say, I can't figure out how to make this work. And he's, like, oh you just forgot this one thing. And I'm like, well, thank you. And then I went back to my cube, and all of a sudden, I got my games running, and my example code. And I ended up starting being able to teach others how to work on this Macintosh. And then what happened was my phone rang. And I said, hello? And they said, yes, this is Henry Singleton. I'm the chairman of Teledyne. I said, OK. And I've got your sample code. OK. I'm on the board of Apple, actually, so you need to pay attention to what I'm saying. All right, I'm paying attention now. [Laughter.]

You need to help me to get this running. I'm writing a chess program. And I'm like, OK, whatever. And then started saying, well, what are you doing there, exactly? I'm like, I'm an intern. I don't really know what I'm doing. And I go to USC. He's like, you go to USC? I live in Bel Air. Come over and see me, you know? And so, then I went down there. I got very inspired. And he really inspired me around building a big business. And that was like a real awakening for me, that here was this kind of mogul, Henry Singleton had built this – you probably knew him, or met him, I mean. And I'm not trying to classify you, actually, in any way. [Laughter.]

But, you know, he was amazing. And he – like, all of a sudden, I got a Business Week cover and it's, like, he was on it, and it was, like a strategy linked to cash flow is failing. And whoa, Henry Singleton. And I'm, like, wow, this is, like, big. He's on the Forbes 400 list. And I, like, really learned a lot from him. And then I kind of got back up in college again. And then getting ready for my internship for my senior year. And I decided I had to stay in L.A., because I had missed some classes and I was doing some work. But I still worked at Apple and in Los Angeles for a group called PCMA.

And during that time, Steve Jobs got fired. That was very traumatic for me. I went down to a sales conference in San Diego, and the CEO of Apple, John Sculley, was on stage crying. Another guy who was a huge leader there, Bill Campbell, was very famous in my industry, got up on stage, was hugging each other. And I'm like, wow, this is really powerful. What's going on? And it started to influence how I thought about business. And then as I got ready to leave USC, I went to my manager and said: What do you think I should do with my career?

And he said, you shouldn't stay here. You should go to work for Oracle. It just went public. And my friend is running sales. And you should go learn how to sell. And then I'm like, are you sure? And he's, like, yeah. And then I went back to college. And I'm at USC, and I'm finishing up my entrepreneurship program. And one of my main teachers, Dick Buskirk, came up to me and said: You need to leave the software business thing. And I had written this business plan on online networks, and some things like – and this was the time, in 1986, when you could see online networks were really going to happen. He's like, no, no, you don't have it. You need to go work on your skills.

MR. RUBENSTEIN: But did you meet Steve Jobs, have any relationship with him?

MR. BENIOFF: I did. I met Steve Jobs. And then Steve Jobs ended up having a huge impact on my life, especially when I started Salesforce. It was a very, very meaningful and powerful relationship. And I wouldn't be the person that I am, and Salesforce would not be the company that it is without Steve Jobs.

MR. RUBENSTEIN: Now, when Salesforce was started, you started a system of having people develop applications, apps. And you had the name of the app store. And then can you tell how that evolved?

MR. BENIOFF: Well, this was a really weird situation. So, in 2001, Salesforce was, like, 18 months old, or something. And I got an invitation to fund – something called College Track was

starting, which was being put together by Steve Jobs' wife, Laurene Powell Jobs. And it looked really great, helping kids get into college. And they were going to have a movie night featuring a Pixar movie. And we could sponsor it for some small amount of money at Salesforce. And I'm like, well, this is going to be great for us to have this exposure. And we were doing other things. So, I said, great. And so, we ended up doing it. And then there was a dinner afterwards. And I was like, oh, this is going to be some incredible, huge dinner. And I go to the dinner. And I'm at the restaurant called Evvia in Palo Alto. And I walk in, and, you know, it's just a normal restaurant.

And then Steven walks in, Laurene walks in. And then another friend of mine actually walks in – Dean Ornish, who's an alternative medicine doctor – and then one other person walks in. And I'm like, well, what's happening? And they, we're having dinner. You're joining us, right? And I go, and I had my girlfriend at the time, who's now my wife, with me. And I'm, like, well, I guess I am. And Laurene had forgotten to make a reservation. And it was packed. So, Steve's, like, I'm not leaving until a table opens. Now, I won't go into the aspects of his personality – [laughter] – but just know we weren't leaving. [Laughter.]

So he is, like, you want to see something cool? I'm like, well, yeah. So, he takes this out of his back pocket. And he goes, well, I just introduced this last week. It's the iPod. And he had an iPod. And I'm like, well, that's pretty cool. And he's like, yeah. I got 1,000 songs in my pocket. What do you think about that? I'm like, I like it. [Laughter.] He's like, yeah, you can turn it like this, and all the while you click this. And I'm like, that is really cool. And then I said to him, you know, it's kind of like a computer. You could probably build a little application there, and that screen could be color. You could probably even have movies. And it probably wouldn't be that hard. And, you know, it would be really awesome. And he goes, we'll never do that. That's the dumbest idea I've ever heard. [Laughter.]

And that's kind of an insight into his personality, is he never actually told you what he was thinking. In fact, he would even kind of feign you off, or kind of say no, that's not exactly – but, of course, he was thinking that way. He was brilliant. [Laughter.] And so, he was – had the beginning of what would be the iPod and the iPhone. So then at the end we have this nice long dinner. It goes on for hours. And at the end then he says: Well, Marc, do you need some help running Salesforce? And I go, well, maybe. And he goes, well, if you really need help you better come and see me in my office. And I will help you.

And that was very scary, because being around him, for me, was scary. It's like – you know, it's like a guru type figure. And I'm really like even being able to say something like what I said to him, it's like it took everything to say that. So, then I kind of got my courage up, and we went down there. And I took my two cofounders with me. And before we walked in the room, I said to them: Let me tell you what this is going to be like. Don't say anything. [Laughter.] Do not open your mouth. Do you understand me? Yes. What are we going to do? Take notes. Write down every single thing that he says. We're going to meet somebody who's truly prophetic, visionary, and we're just going to listen. That's the only thing to do in this situation. All right. Fine.

So, then we walk in and he's like, well, you know, I'd really like to see a demo of this. And we're demoing Salesforce. And he goes, well, this is shit. And I'm like, well, it's the best I can do. He's like because you're building it in HTML. And you shouldn't be doing that. And you should be building it this way. And whatever. And I'm like, well, we have to build it like this, because it's going to run on the internet. No, you have to build it natively. And I'm like, all right. And then he's like, you know what, Marc? There's three things you better do, and you better do it right now. And I'm like, OK. What are they? Number one, you better go get the biggest customer you possibly can get, somebody like Avon. And I'm like, Avon? Yes.

So, at the time, the CEO of Avon was on his board. She's an amazing CEO. And Avon was really on his mind. So, for him, that as the ultimate enterprise account. Avon it was. Two, he said, now I want you to really understand this. You are going to be 10 times larger in 24 months, or it is over for you. Do you understand what I'm saying? Yes, sir. Ten times larger in 24 months. And one last thing. Yes? You need to go build an application economy. Well, what does that mean? I don't know, but you better go figure it out. [Laughter.] And I said thank you very much. And we walked out of the building, and got in our car, and drove home. And my cofounders' mouths were open. We were all, like, we had had, like, a – it was like being in that ashram. It was like that type of experience because we had been with the guru.

And I took the notes, all the notes back, we all did. And I read them every day for maybe 18 months. And I could not figure out that last – the first two were easy. I could not figure it out. Then I kind of had a dream where I saw that we could have in our application a marketplace where other developers could maybe build on our platform, and then insert things in it. And then we could, you know, have a catalogue of things. And I'm like, this is like an app store. And I called up our lawyer at the time. And I registered the trademark App Store. I bought AppStore.com. And we built it. We released in 2005, three years before even the iPhone really kind of got going with everything and the store and all that.

And then what happened was is we got a call. Steve Jobs wants us to come down for a major announcement on the Apple campus. Now, all my employees know the story. And we didn't end up choosing App Store as our name, because when we tested it in focus groups all the customers said: This is not an app store. You've built an app exchange. So, you should call it an app exchange, because you're exchanging apps. Fine. So, we called it App Exchange. So, you could go to AppExchange.com. You'll see what we built.

So, then we are down there. And we're in this big Apple auditorium. And it's a big production. And the videos are going. And Steve walks out in his jeans and the black t-shirt and the whole thing. And he says: Ladies and gentlemen: I'm here to announce my greatest invention of all time, App Store! [Laughter.] And my employees who are sitting around me, you can hear them have an audible gasp. Ah! They were, like, they – it was, like, a moment. And time stopped. And then we, the production went on. And at the end the whole auditorium emptied out. And Steve was down at the stage at the bottom.

And the whole room was empty. And Steve was down there. And I walked down there. And I said, great to see you. Thanks for inviting me. Great to see you. Did you like it? Yes. I said, I'm going to give you a gift. And he goes, well, what gift can you give me? I said, I'm

going to give you the trademark for App Store and the URL for no charge, because thank you for everything you've done for me. And he goes, well, it's not going to be anything. You know the App Store is never really going to work out, right? [Laughter.] It's not going to be that big.

And I'm like, I know, but just in case. You know, you should have this. And so that was a very powerful story. Like it was a close – it gave me closure on that thing where I really realized, like, working with somebody like a Steve Jobs, that's very much the process. Like it's a kind of continual epiphany.

MR. RUBENSTEIN: Recently you've been very involved in things other than running Salesforce.com. Salesforce.com has done very, very well. Company's market cap is quite high, as we've mentioned, and so forth. But you've been a leader in certain issues. For example, when Indiana decided to change its laws relating to lesbians, bisexuals, gays and so forth you –

MR. BENIOFF: We call this LGBTQ.

MR. RUBENSTEIN: Right.

MR. BENIOFF: Yeah.

MR. RUBENSTEIN: I know. [Laughter.]

MR. BENIOFF: All right.

MR. RUBENSTEIN: And you did something about that. What did you do and why were you so concerned about it?

MR. BENIOFF: OK. Well, it wasn't – look, I'm in San Francisco, OK? And what has happened is we actually acquired a company in Indiana. And we're not just the largest employer in San Francisco, and the largest tech company in San Francisco, but we're actually the largest tech company in Indiana and Indianapolis. And if you go to Indianapolis, you'll see a gorgeous Salesforce tower. Call me ahead of time. Unbelievable view. And I love Indiana. Hoosiers, you know, it's a great place. And I know Mike Pence<sup>2</sup>, because I'd already been there. He's the governor of the state. And I know the mayors. I know everybody there because we're doing economic development. We're, you know, reskilling, we're retraining, we're growing a huge company in Indiana. This is very important to us.

And my employees call me, and they go, well, we have a problem. And I said, well, what's the problem? And they're like, there's this law that's about to get signed by Mike Pence. You know Mike? I said, yeah, a great guy. Well, they're going to discriminate against our gay employees, and everyone here is having a freak out. What are you going to do about it? I'm like, what am I going to do about it? I don't know, what am I going to do about it? [Laughter.] And they said, well, you know, you have to do something about it. And I'm like, I do? Yes. You do. And I'm kind of listening to them, and it just feels inside that they're right. So, I'm

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<sup>2</sup> Then-governor of Indiana; now vice president of the United States.

like, don't worry, Mike Pence is never going to sign a law discriminating against gays. I met him. He's great.

Well, I –

MR. RUBENSTEIN: He did.

MR. BENIOFF: He did. And I was reading on the internet. I was driving home on 280. I actually – it was late at night and I actually had a driver. And I'm on my, you know, Twitter, or whatever. And all of a sudden it says, Mike Pence signs this law. And I'd already sent him a couple letters and talked to him. And I was really surprised and maybe a little upset. And I tweeted: Well, this is going to force us – if Indiana is going to discriminate against our LGBTQ employees, then we are going to disinvest in Indiana, because how am I going to bring my customers there, and my employees there, and how am I going to hire and make a great tech company there if they're discriminating against LGBTQ employees and customers, and everybody else?

And that opened a door. And by the next day, every other company, like Cummins and Eli Lilly in Indiana, and hundreds of other companies, even companies all over the world, said: We agree with Marc. We're also going to disinvest. And Mike Pence called me and said: Well, what are we going to do? And I'm like, I think we're going to have to issue rolling economic sanctions against the state of Indiana. [Laughter.] And he's, like, well, what does that mean? I'm like, I don't know, but I think it's going to be bad. And he's like, well, what should we do? I said, why don't we just resolve this? You know, we know each other. This is not that hard. And in fact, I sent two of my employees to his office. And within a couple days it was worked out. He changed the law, and it was all behind us. And by the way, I think that's how it should work anyway. You know, very easy. [Applause.]

MR. RUBENSTEIN: Now, you did a similar thing – you did a similar thing not long ago when in San Francisco there was a tax that was proposed to help pay for homelessness, which is a big problem in San Francisco. Most CEOs in the tech world said: This is crazy. We're against it. You said you're supporting it. And you lobbied for it. And it actually passed. Why did you get so involved?

MR. BENIOFF: Well, when I was in business school, it's very simple. You know, it's like a Pavlovian reaction. You probably have it yourself. If you're a CEO and you hear the word "tax," you're supposed to say no. If someone says, do you want this tax? You say no. Do you want lower taxes? Yes. How much? Zero. You know, it's like, zero? Zero. We want zero taxes, and the lowest possible. Well, anyway, where I live in San Francisco it's a bit of a nightmare right now, because our safety net has kind of fallen out of the bottom. As we have had massive economic success, kind of those who need things like extremely low-income housing, high levels of social services, and the ability to stay alive, they're not getting the services that they need.

So, when I walk to my office, which we have this gorgeous new tower in San Francisco called Salesforce Tower.

MR. RUBENSTEIN: Tallest building west of the Mississippi.

MR. BENIOFF: Tallest building west of the Mississippi. It's a black water building, which means that – not that kind of Blackwater<sup>3</sup>. It's a – it means the water is recycled; you know? It's like environmentally friendly. It's a great building. Gorgeous. Come visit to the top of the tower.

MR. RUBENSTEIN: And your office is on the very top floor, right?

MR. BENIOFF: I don't have an office.

MR. RUBENSTEIN: Oh.

MR. BENIOFF: I don't have an office anywhere. I just had that question yesterday. That's so interesting.

MR. RUBENSTEIN: Well, what did you do with the top floor?

MR. BENIOFF: Somebody asked me if I have an office in the new Time offices. And I'm like, I don't have an office anywhere. Should I have an office? I just think that wherever I am, that is my office. This is my office right now.

MR. RUBENSTEIN: All right. But you did something unusual with the top floor that usually people don't do with the top floor.

MR. BENIOFF: The top floor really, we said, this is so gorgeous – we did this also in Indianapolis. This is so gorgeous that everybody should have access to this. And we're going to work here during the day, but at night nonprofits and NGOs can use this for free. They all need amazing event space and they never can get it, especially in San Francisco. Even in Indianapolis. So, we've been able to give back at scale and millions and millions of dollars because they just come and use our facilities when we're not using them. And that just seems so easy. So, we call it the Ohana Floor. Ohana is the Hawaiian word, Steve will tell you, for family. So, they come to the Ohana Floor, that means it's a community service. We're giving back. Of course, during the day we need it for meetings and so forth. But at night, you know, they can have it, and on the weekends, and so forth.

MR. RUBENSTEIN: But during the – now, in the tech world – you're a little different than some tech CEOs. You're a little more outgoing, I think you would say.

MR. BENIOFF: Oh, we didn't finish our Prop C story.

MR. RUBENSTEIN: OK. Well, go ahead and finish it.

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<sup>3</sup> Blackwater was an American private military company founded in 1997 by former Navy SEAL officer Erik Prince. It was renamed Xe Services in 2009, and has been known as Academi since 2011 after the company was acquired by a group of private investors.

MR. BENIOFF: OK. So, I'm on my way to this gorgeous building. And, you know, when I'm walking there, and I'm looking into the eyes and hearts of all of these homeless people, I feel really bad. You know, like, very, like, what are we going to do? I'm not the mayor of the city or anything but, like, what are we going to do to help these people? So we've been working for years to do homeless services, and private philanthropy, and some have been very successful, where we've been able to move hundreds of families off the streets, especially mother-led families where we figured out a program called Heading Home, where these families basically get scholarships, where they get a place to live, and they get services to get back in society. And hundreds of families have moved off the streets.

But we have 8,000 homeless people on the streets in San Francisco. So, I can see we need a lot more money. And so, all of a sudden, a group of people who are the top homeless advocates and most brilliant people in homelessness, including the University of California in San Francisco, and scientists, and medical doctors, come up with something called Prop C. And that is to direct a certain amount of money to the homeless. But it is a tax on business, a half of 1 percent of revenue. But only for the top 50 companies. And the top three you may have heard of – Salesforce, Facebook, and Google. We can afford it.

So, all of a sudden, I'm like, you know what? This probably makes sense. Probably about \$10 million a year for us, but it's going to be a negative factor on our business if this gets worse. So, I just said, let's support it. And when I did that, that was like heresy, that people could not believe that a CEO would support a tax. And in fact, some CEOs of other tech companies got really upset with me, very upset with me. And it became kind of a nightmare for me, where all of a sudden, I got on the front page of The New York Times where it's Benioff versus this CEO, and so forth. And I'm like, this is a very small amount of money, and we are making billions.

Like you mentioned, \$130 billion. We can take a tiny amount and help clean up our city. This is what we're doing in business. We can have a great shareholder return and we can have a great stakeholder return. We can do both. We have a lot of economic power. We have a lot of resources in our company. And if we're constantly maximizing, you know, shareholder return, then we may actually impact our business quite negatively because what happens if the homeless situation goes awry? What happens if our public schools go awry? What happens if the environment goes awry?

What happens if there's massive discrimination against different classes of people? Or even, you know, another key stakeholder, our female employees. You know, they came to us and said: You know, you pay female employees less than male employees here at Salesforce. I'm like, well, that's not possible. And then we did the audit, and it was true. And then we said, you know what? All right. We will pay men and women the same for the same work, that men and women should be paid the same for the same work. [Cheers, applause.] And we have a regular audit.

But all of these things – our female employees, the homeless, the public schools, the planet, the LGBTQ employees – they're all our key stakeholders. So, it all has to work together.

It has to be a beautiful fabric. Businesses – you know, you’re like a knitter. You’re knitting a beautiful fabric and a beautiful quilt. And if you can bring it all together, you can have a fabulous shareholder return and a fabulous stakeholder return.

MR. RUBENSTEIN: OK. Now most CEOs in the tech would are not probably as outgoing as you are? Do you think that’s fair to say?

MR. BENIOFF: I’m not outgoing. I am a supercomputer nerd. [Laughter.]

MR. RUBENSTEIN: OK. But recently you said: Facebook is cigarettes. What do you mean by that?

MR. BENIOFF: Well, it is. Facebook is the new cigarettes. It is bad for you. It is addictive. They run – they do advertising that’s not true. There is – you know, they should be regulated very aggressively. There’s a lot of bad stuff that has happened on Facebook, that’s been – a lot of stories have been written about, by the very people in this room, about what is happening to the world. You can also see social media, how it’s impacting, you know, mental health issues, especially with teens. You saw suicide rates are, I think, up 56 percent. It’s all linked back to social media. There is a lot of bad stuff associated with that company.

MR. RUBENSTEIN: Have you heard from Mark Zuckerberg<sup>4</sup> about your statement?

MR. BENIOFF: Sure. I’ve talked to him. I’ve talked to his management team. And what I say is: Trust has to be your highest priority. If trust is not your highest priority, and if you’re not thinking about all your stakeholders, and you’re only focused on money, then what kind of business are you building? You have to actually articulate, like, when you do a speech like he did yesterday. He said that the highest value of their company is just free speech. That’s all they care about. People should be able to say whatever they want. Well, is that the highest value? Or is it trust? You know, it’s a very subtle thing.

Now, they agree, for example, that pornography should not be on their site. And so, they have built the technology and it cleanses their site of pornography. They’re very careful about that. They have AI. It’s advanced. But there’s other things that they allow, and where they could look for truth, where they could actually work to have great integrity, you know, and make sure that everything is accurate and clear. They don’t do that. And that, I think, you know, is a problem, and it needs to be directly addressed.

MR. RUBENSTEIN: So – [applause] – as a result –

MR. BENIOFF: Thank you. And by the way, the people who should directly address it are all of us. We’re – we have to all be mindful of where – by the way, Steve Jobs is the one who always said this to me. Be mindful, and project the future that you want. We should all be mindful, knowing these things about social media, we can see what’s going on, we should be mindful. And we should make sure that the things that are in place – you know, it’s kind of like Time Magazine. Time Magazine, I’m held responsible for the content on the site. So hopefully

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<sup>4</sup> Mark Zuckerberg is a co-founder and the chairman and chief executive officer of Facebook.

Molly is doing a great job, and writing true stories, and everything. You know? And then also, they're a publisher. Facebook is a publisher too. They should be held to the same standards as NBC, CBS, CNN, MSNBC, The New York Times, The Wall Street Journal, and every other media organization we have on the planet. [Applause.] It's no different.

MR. RUBENSTEIN: So, as a result of your success at Salesforce, and other things, you've obviously made a fair amount of money. Is your goal in the future to make more money, to give it away? Would you consider running for office?

MR. BENIOFF: I am – would never be a politician. I will never run for office. I wouldn't know how to run for office. I don't think – I cannot see how I could do that. I like to go to Hawaii, like where Steve is, enjoy myself. That doesn't really work with that model. [Laughter.] You know, I think that business is the greatest platform for change. I think that what I'm doing, I can have more impact doing what I'm doing with 45,000 employees and all my partners, and my trailblazers all over the world, and inspiring them, and other CEOs. Like, Arne and I are on the Business Council and Business Roundtable. And say, we can do it. We can change the world.

Oh, because, by the way, if you and I don't change the world, no one else is going to. You know, we have to repair the world. We have to improve the world. You know, we're on the board of the World Economic Forum together. We're trustees of the World Economic Forum. You know, our tagline is: Committed to improving the state of the world. Isn't that everyone's tagline? That's why we're here. That's why we're on this planet, is to improve the state of the world. We're not here just to make money. We're not just here to manipulate other people or to get our way. We're here to improve the world, and to love each other. And that's what it's all about.

MR. RUBENSTEIN: Well, I would say – [applause] – you seem like a pretty happy person, though, for all the things, the burdens you have. You're a pretty happy outgoing person, would you say?

MR. BENIOFF: I'm happy, yeah. [Laughter.]

MR. RUBENSTEIN: And so, we don't –

MR. BENIOFF: Happy enough, you know.

MR. RUBENSTEIN: So, we don't have enough time to go through everything that's covered in this book, but it would highly recommend it because it's very well done. It goes through your life and your philosophy of running the company. And –

MR. BENIOFF: Thank you.

MR. RUBENSTEIN: Congratulate you on your success.

MR. BENIOFF: Well, thank you, David. Thank you for having me here. I really appreciate being with you.

MR. RUBENSTEIN: All right. My pleasure. Let me give you a little gift.

MR. BENIOFF: Yeah, great. [Applause.]

MR. RUBENSTEIN: This is a Currier and Ives of Washington, D.C.

MR. BENIOFF: Oh, great. Thank you.



Marc Benioff is Chairman, co-Chief Executive Officer and Founder of Salesforce and a pioneer of cloud computing.

Under Benioff's leadership, Salesforce is the fastest-growing top-five enterprise software company and the #1 provider of Customer Relationship Management (CRM) software globally.

Benioff founded Salesforce in 1999, and it is now a Fortune 500 company with more than 30,000 employees, guided by four core values — trust, customer success, innovation and equality. The company has been recognized as the Most Innovative Company by Forbes, the #1 Best Place to Work by Fortune, and the 15th Most Admired Company in the World by Fortune.

Benioff was named “Innovator of the Decade” by Forbes, ranked #3 on Fortune's 2017 "Businessperson of the Year" list, and recognized as one of the World's 25 Greatest Leaders by Fortune and 15 Best-Performing CEOs by Harvard Business Review. For his leadership on equality, Benioff has been honored by GLAAD, the Billie Jean King Leadership Initiative and Variety Magazine with its EmPOWERment Award.

Building a different kind of company, Benioff created Salesforce to not only develop great products, but also to have a positive impact on the world. On day 1, Benioff created the 1-1-1 model of philanthropy, which leverages the resources of Salesforce to improve communities around the world. Today, more than 5,000 companies have adopted the 1-1-1 model through the Pledge 1% movement.

Benioff and his wife, Lynne, have focused their philanthropy on children's health, the environment, public education and homelessness. The Benioffs have given more than \$250 million to the University of California, San Francisco to build UCSF Benioff Children's Hospitals in San Francisco and Oakland. In 2016, they created the Benioff Ocean Initiative at the University of California, Santa Barbara, to study and solve ocean issues around the world.

A member of the World Economic Forum ("WEF") Board of Trustees, Benioff serves as the inaugural Chair of WEF's Forum Center for the Fourth Industrial Revolution in San Francisco.

Before launching Salesforce, Benioff spent 13 years at Oracle Corporation, where he was the youngest vice president in company history. When he was 14 years old, he sold his first piece of software, "How to Juggle," for \$75. He founded his first company, Liberty Software, which created video games, at the age of 15.

Benioff received a B.S. in Business Administration from the University of Southern California, where he is on its Board of Trustees. In 2014, USC awarded Benioff an honorary degree of Doctor of Humane Letters.