

When Cris Conde was elected chief executive officer in 2002 it was the culmination of a succession plan that began in 1987 when SunGard acquired Devon Systems, a business that he co-founded. In this interview, Cris Conde talks about SunGard today and the story of the LBO that took SunGard private.



Tell us the story of the LBO that took SunGard private.

It all started in November 2004 when we were initially approached by Silver Lake, a private equity firm. From the outset, I was impressed by the questions they asked. They clearly had some insight into our business.

Over the next seven or eight months, we engaged in an exhaustive process of due diligence. We reached an agreement on a price. We built the consortium of firms that was needed, and we raised the debt.

I've been involved in about 100 M&A negotiations over the years, and I know that the vast majority of deals never happen. So it wasn't until about five days before we signed that I realized it was actually going to happen.

At \$11.4 billion, it was the largest deal of its kind at the time, ultimately involving seven private equity firms. It changed people's views about the size and kind of business that can be taken private. More important, it left SunGard a much stronger company than it was before the LBO.

You mention the insights the senior partners of the private investors brought to the table. What were they?

One of the things they offered early on was their perspective on the way organizations structure their professional services operations. That led us to a new approach to our consulting services.

Another idea was to accelerate growth in Asia-Pacific, which has turned out to be an incredible story for us over the past year. We now have some 2,300 employees in 14 countries, a very strong presence.

A third example is R&D. Since going private, we have radically increased the number of new projects underway. That requires a more sophisticated mechanism for managing and monitoring those projects.

The senior partners have a very strong track record in this and helped us tremendously in developing that mechanism.

What's been the biggest impact of the LBO on the company?

The most important change is that we are now able to focus more strongly on the long term. When you are running a public company, you are forced to focus on the volatility of earnings. You spend a lot of time worrying about being able to predict results quarter-to-quarter, which by itself adds no value to the business. Now we focus on growth and can tolerate volatility.

Can you give us an update on SunGard's strategy for growth?

Our strategy builds directly on what we've been doing these past few years. We will continue to innovate and will put even more focus on innovation. We will continue to acquire companies, looking for those with great management teams and great products that we can leverage across the company. We will expand the possibilities for this kind of leveraging through our collaborative development approach—the Common Services Architecture. And we will continue to deepen our relationships with our customers.

Why is a collaborative approach so important?

To tell you the truth, too much is made of collaboration as a good thing in and of itself. In reality, it's one of the hardest things a company can attempt. One of the main success-factors for making collaboration work is peer-recognition, which is one of the strongest human emotions. It's far easier to run a business in silos and ignore your far-flung associates than to collaborate with them. In the dark of night, we may even acknowledge that it can be fun to compete against them.

However, at SunGard we happen to have some very valid reasons to focus on collaboration. One is the large organizations who are our top customers. It's critical for everyone at SunGard working with those organizations to understand what else is going on with them. Their purchasing managers and IT executives are looking for a coherent overall relationship with SunGard. To deliver that, we need to collaborate.

Collaboration is also key on the technology side with our component architecture. We live in a time when products are vetted and tested as never before, compliance requirements are very stringent, and, as a result, customers are asking for solutions that reuse components already approved. At the same time, we are looking to leverage work done in one business unit in other areas so that we can bring products to market faster and do a better job of testing and enhancing them.

What place does innovation play in SunGard's plans?

Innovation is more important than ever. Our customers are investing heavily in a handful of priorities they deem will differentiate them and make them more competitive, and they are applying huge cost pressures on everything else. We need to participate in the growth of those verticals where organizations are putting their money. To do that, we have to continually invest in R&D and we need to make sure our product managers are empowered to look for opportunities that don't fit squarely within the existing scope of their products.

Do you still meet with customers every day?

Yes, I still meet with, on average, one customer a day. I find it to be extremely rewarding for two reasons. First, I value the contact with customers. Many times they will tell me things that they may not tell someone else in the organization, and in a sales situation, I may be able to tip the balance in our favor. Second, I value the contact with our account managers. The travel time to and from the customer with our account manager is invaluable. I get to ask all kinds of questions and get to hear just as many viewpoints. Visiting customers is very grounding. I think I add a lot of value to the interactions and I definitely take a lot of value away. I believe I make better decisions as a CEO because of my frequent customer and employee contact.

Give us your take on SunGard's culture. What are the values that drive the company?

Our culture is about respect for the individual and their contributions and about doing a good job. We encourage cross-examination but we always treat each other kindly and with deep respect. We take pride in the success of our customers, in seeing our solutions go live and seeing our customers achieve their goals. That's not an official statement of corporate values. It's a description of how people here really feel.

How would you describe your leadership style?

My approach is very simple: agree on objectives with individuals and then leave them to achieve them. And if you do have things to contribute, limit them to a small number of important priorities. As to everything else, offer help when it is requested as opposed to when you think it's needed.

It's vital for senior leadership to focus on the handful of things that really matter and to simply not intervene in the others. That's sometimes difficult. I like to think there are many things I could do well at different levels of the organization, but that's not my role. My role is to create a structure where people can contribute their best and take pride in what they are doing.

What do you say to a candidate considering employment with SunGard?

I ask them to think about more than the details of the job description when they weigh the offers open to them. They are considering a choice that will shape their professional life for years to come. I ask them if an organization looks like a place that is going to be fun, if they are going to be learning from their colleagues and their customers. These are things people often don't give enough thought to, and they're things that we do extremely well at SunGard.

Joining a great team is incredibly rewarding. Being given power and independence, being held accountable for the results, being recognized for success—this is a liberating experience. These are things that bring satisfaction in one's life and that keep people here at SunGard for years.

Work and Home Life

What are your priorities away from SunGard?

"My kids. I'm a single parent of one teenager and two pre-teens. They are inspiring and all-consuming. They give me grief for running a technology company and not always being able to debug the wireless network at home."

What do you do in your spare time?

"I read. I started with all the Romans and Greeks. I've made my way through most of Shakespeare, a lot of Latin American literature, and some great writers of the American South. I started off chronologically. Then somewhere in the middle of the Russian novelists, I decided to jump around."

Any less serious reading?

"I like Dilbert. For people outside the U.S. who may not know, it's a cartoon about a nerdy engineer whose life is ruled by his boss and the moronic memos he sends. It's a classic case of a manager with a misplaced sense of his importance. Very instructive."

You are a long-time resident of New York City.

What was the impact for you of 9/11?

"I was on the 33rd floor of the World Trade Center that day. I lost many colleagues and friends, and there's no question it changed my life. I don't like focusing on this because there are so many others that suffered so much more. The experience brought me a new sense of perspective. I value each day. I absolutely refuse to let little things bother me. If the subway's late, it's late. And I will never leave important things unsaid again. Shortly after 9/11, I threw a party for my parents to let them know how I feel about them. I have the same philosophy with co-workers and friends. If I have praise or a problem, I tell them."

Why the bow tie?

"First, it's practical. You roll it in a sock, put it in a suitcase, and it comes out perfect on the other end. Second, it's unconventional. I've always been wary of convention. Do you know how I learned to tie it?"

How did you learn to tie it?

"From a James Bond movie I saw as a kid. He did it with such panache I was in awe."