

GLOBAL SUPPLY CHAIN REVIEW

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LEADER PROFILE:
INTERVIEW WITH
LINDA CANTWELL

PLUS:
FROM HIGH TECH
TO GREEN TECH

SPECIAL:
COMPLIMENTARY
IMPORT AND
EXPORT
TRAINING
PROGRAMS



Linda Cantwell
Vice President
Client Services Procurement at IBM

Message from the President of GSCLG

This month, the *GSC Review* is delighted to present an interview with Linda Cantwell.

Linda Cantwell is responsible for Client Services Procurement at IBM. She is an extraordinary supply chain executive with tremendous sourcing, procurement, and supply chain experience for one of the largest corporations in the world. Linda's extensive procurement and sourcing background showcases one of the important cornerstones of the modern supply chain. Linda also leads the Talent Team for IBM's Integrated Supply Chain. In this role, she is responsible for expanding knowledge and implementing best practices across the organization. She is a great role model not just in the industry but also in education as she is involved with universities in the development of future generations of supply chain executives. Linda holds a Bachelors Degree in Finance from Penn State University.



Executives like Linda are tasked with keeping sourcing going even when volcanoes, earthquakes and political unrest challenge a company's supply chain. Get more insight into how Linda thinks by reading our interview. Get insight into other supply chain leaders by revisiting our past issues at http://www.gscreview.com/home_com.php.

In the past months, we have introduced the very top leaders in supply chain to our readers. We hope our readers have enjoyed the interviews. We have an excellent lineup of individuals in the months to come. At the *GSC Review*, we are always open to receive names of those individuals that deserve recognition for their achievements in supply chain.

We celebrate supply chain leaders with vision, passion, and care for their customers and employees. These leaders provide the value shareholders' deserve; they ensure that their customers keep moving forward while dealing with global challenges affecting the day-to-day operations.

If we recognize great performance and leadership potential, we will promote our capacity to lead both operationally as well as at the C-level. As senior-level supply chain leaders, the senior executives featured in our magazine should be recognized by their peers and by the industry. We hope to see them grow and become the future CEOs that we all deserve and admire.

We are honored to present Linda Cantwell, Client Services Procurement for IBM and look forward to honoring many more like her in the *GSC Review* in 2010.

Sergio Retamal

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Interview with Linda Cantwell, Vice President, Client Services Procurement at IBM

By Nancy Ellen Dodd, MPW, MFA

Linda Cantwell's career spans 28 years at IBM where she has had a strong focus in supply chain management, with a specialty in Procurement across all disciplines. She has been in leadership roles throughout her career, having joined IBM management in 1986 and executive management in 1998. She has held key roles driving business and organizational transformation as IBM evolved from a hardware-based business to services leadership. She drove business changes allowing the transformation of procurement teams and policies to bring expertise and leverage to IBM's Global Services business. Linda also leads the Talent Team for Integrated Supply Chain, applying her passion for personnel development to the need for rapid skills transformation to build stronger cross-functional supply chain professionals with expertise in delivering client solutions. She is a frequent IBM speaker at external conferences and an executive advocate in IBM's partnerships with global universities.



How important is supply chain management to IBM's overall business strategy?

The Integrated Supply Chain (ISC) is an integral part of the IBM's overall business strategy. The ISC continues to consistently perform well and contribute to IBM's overall profitability. We lead by delivering sustainable results, real client value and global optimization. We believe that smarter innovations set us apart from our competitors and help increase sustainability throughout the supply chain for both IBM and its clients.

What are IBM's primary Supply Chain Management focus areas?

Our strategic priorities are client and shareholder value and operational excellence. These priorities serve as guide posts to help us maintain and extend IBM's competitive advantage, increase our market share, boost client satisfaction, and help us adapt to dramatic changes in the marketplace. For example, our aim is to:

- Lead the industry in client satisfaction by driving client success, which helps create client loyalty which drives client value for IBM.
- Continue to place laser focus on enhancing shareholder value and continually fine tune what we believe is currently one of the world's most efficient and agile business models. We are convinced that in today's terms, our success is measured in part by our ability to deliver value to our customers and in turn develop significant shareholder value. The ISC is at the forefront of IBM's efforts to achieve its overall business commitments to all its constituencies, employees, business partners, clients and shareholders.
- Excel through a high-performance global culture that is open and highly networked, which helps us in our efforts to be the world's premier globally-integrated enterprise. Executing this vision has allowed our strategy, management and operations to be shaped primarily by the needs of the overall business as opposed to individual locations or business units. It has allowed us to eliminate a number of operational redundancies, and to structure organizations to ensure we have the right skills, in the right place, at the right time, at the right costs.

How has outsourcing enabled IBM's success with these initiatives?

IBM has been very vocal about its strategy. Central to the IBM vision is to deliver value to clients. We are convinced that the best way to do that is to focus on our core capabilities, things that we do best, and outsourcing other areas as required. Given the appropriate situation, outsourcing, mergers, acquisitions, and divestitures are all effective tools to help us focus on core IBM supply chain operational competencies. Outsourcing has long been an important part of our overall strategy. The most recent example was the outsourcing of our global logistics operation. IBM evaluates its operations on a regular basis with the intent to continually consider and implement various innovative approaches that allow us to deliver the best possible value to clients.

How important are the Contract Manufacturers (CMs) to IBM's overall strategy?

Contract Manufacturers are a key part of IBM's hardware procurement strategy. Over time, the role of the CM has evolved from a simple PCBA assembler, to a system integrator, to a design partner and, at times, a direct fulfillment provider. As the partnership evolves, it becomes increasingly important to identify the required skills and build strong partnerships beyond the traditional buyer / seller relationship. Engineering, test and supply chain skills are becoming critical differentiators.

What are some of the key factors that ensure a successful CM relationship?

Successful relationships require a commitment from both parties to invest, evolve to meet changing business needs, and continue to drive competitiveness and efficiency across the product set. Successful contract manufacturers must be willing to grow their skills as the line between IBM and CMs merge. In our successful relationships with key CM partners, IBM employees work side by side with engineers and other professionals to decrease time to market and drive cost out of new products before they are announced. These relationships are critical for continued success in a highly competitive market.

How important is trust in the IBM/CMs relationships?

Obviously, trust is paramount in the relationship. When the industry experiences supply or material cost challenges, it is important to work across enterprises to continue to drive value to IBM's customer base. Trust and communication between IBM and the CM allow the teams to focus on execution.

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Client: Large West Coast contemporary clothing retailer
Concern: The client company was concerned that its global transportation expenditures were escalating and they could not pinpoint cost savings opportunities. The company also desired to establish a best-practices import compliance program to eliminate non-compliant entries and subsequent risk of fines and penalties.

Results: Global4PL conducted a post-audit of recent freight invoices and shipments, and discovered transportation cost savings totaling over 27% net cost savings. Global4PL reviewed the company's import compliance program and documented required changes to achieve best practices status, and identified classification changes to comply with US CBP regulations.

CBP BS, and SOI Compliance
We offer a comprehensive set of services to ensure compliance with import / export regulations and to improve the efficiency of your compliance processes. We develop and document a comprehensive import / export program, prepare to participate with CBP and / or SOI in the event of an audit or error. We will correct our errors to avoid costly fines. We will identify any duty savings opportunities.

1. Review existing operations
2. Set up compliance program
3. File rulings
4. Review products, classification, create databases
5. Free trade agreements - qualifications / reviews
6. Create policies and procedures
7. Draft disclosures

Client: Mid-size computer company
Concern: The client company had a small logistics staff with limited import/export compliance expertise and a potential risk of non-compliance in import/export operations.

Results: Global4PL compiled a best practices import/export compliance program that detailed compliance procedures, documentation formats and record retention methods and requirements. Global4PL reviewed all product HTS commodity codes and reviewed a classification error. Then, to rectify the past errors, Global4PL conducted thorough documentation of the errors, classified duties owed to US CBP and prepared the post-entry filing for submission to US CBP. The audit findings were accepted by US CBP with no assessment of penalties and no further action.

Logistics Strategy
We conduct a complete review of your supply chain management that spans all movement and storage of raw materials, work in process inventory, and finished goods from point of origin to point of consumption. We provide a complete assessment of your product's national distribution, warehousing and reverse logistics functions, both domestically and internationally. We identify efficiencies and opportunities for cost savings.

Client: Large telecommunications manufacturer
Concern: The client company modified its supply chain footprint as the market and strategies shifted over time.

Results: Global4PL executed the project to rationalize the company's logistics strategy and to optimize the revised supply chain strategy. Global4PL's assessments (including geopolitical and process risks) and solutions improved the company's intra-Asia shipping efficiency. Global4PL set up customized import / export compliance programs, having met with officials at contract manufacturers and conducted packaging operations which resulted in 50% overall cost savings without compromising engineering requirements. Global4PL reviewed transportation provider relationships, resulting in 20% reduction in transportation costs. Global4PL developed and implemented an operational strategy to minimize EU VAT charges (including reverse logistics considerations). Last, but not least, Global4PL provided a supply chain visibility tool (IPO Horizon™) that tracks product movement at the part number level.

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JB Delaney
Director, Supply Chain
Infineon Corporation

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What are the supply chain challenges of which IBM should be paying more attention?

Historically IBM's position is to transform our challenges into opportunities. This goes hand-in-hand with our external challenges.


- IBM has always been recognized as a leader in environmental affairs. Realizing that exponential population growth will have a monumental impact on resources, we continue to pay more attention to our sustainability efforts.
- Our supply chain and corporate responsibility strategy incorporates key initiatives targeting environmental compliance, supply chain social responsibility and green initiatives.
- Our professionals worldwide work hand-in-hand with product development to design, manufacture and deliver products that not only meet governmental requirements, but also voluntary objectives set by IBM.
- Through our actions we have learned that doing good earns great returns which differentiates us in the market place and delivers sustainable growth.

What do you expect to be the most important priority for the IBM Supply Chain during the next 2-3 years?

In line with a major corporate initiative, one of the most important overall priorities is to become a smarter supply chain -- more instrumented, interconnected and intelligent. Specific focus areas include:

- **Cost Containment** is a traditional area of strength where rapid, unrelenting change has been a disruptive force that is stripping the supply chain executive's ability to adapt. It will be important that we continue to look for smarter ways to run our operations, to do more with less while delivering even greater value to clients.
- **Customer Intimacy** is getting to know our customers as well or better than we know ourselves. Today, most companies are better connected to their suppliers than to their customers. In the years ahead, we will continue to work closely with customers to ensure that we understand their business issues and offer real solutions designed to help them grow revenue and win in their respective markets.

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<p>SCM Training</p>  <p>We emphasize best practices in customer-oriented, solution-based training programs. Global4PL brings top organizational development experts to meet your company's goal of building a high-achieving supply chain team. Global4PL provides award-winning supply chain training online, on-site, and on-demand. Global4PL also offers a unique train-the-trainer program designed to accelerate system adoption and lower overall training costs.</p>	<p>Consulting Services</p>  <p>Global4PL is an award-winning supply chain consulting firm with its own unique suite of services helping companies rapidly evolve and implement global supply chain programs. Our consulting and implementation services yield an effective and efficient integration of process, systems and training. Our clients include high-tech, retail, and manufacturing companies.</p>

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- Visibility is how we are being flooded with more information than ever before, supply chain executives still struggle to "see" and act on the right information.
- Risk Management continues to be a major challenge for senior supply chain and other executives. Risk must be managed systematically.

Contrary to initial rationale, globalization has proven to be more about revenue growth than cost savings. IBM will continue to leverage global opportunities, build future capabilities and transform economies that help us and our clients meet inevitable challenges we will face during the next 3-5 years.

What are the key Supply Chain Management priorities for the coming 5-10 years?

The current set of priorities we have identified should really be viewed as both short and long term. While we anticipate making significant progress on these priorities, the reality is there is much work to do.

How is IBM addressing the market's increasing focus on 'green' supply chains and reducing a company's carbon footprint?

IBM's efforts to protect the environment go back nearly 40 years, long before many of the regulatory requirements in this area. Our first formal environmental and energy corporate policies were established in 1971 and 1974 respectively, and programs supporting them have been embedded within the company's corporate wide environmental programs and global environmental management system since then. We have comprehensive and multifaceted programs focused on energy efficiency and climate protection. They include:

- Reducing greenhouse gas emissions associated with the company's operations by:
 - Conserving energy
 - Reducing perfluorocompound (PFC) emissions
 - Procuring and fostering renewable energy
 - Supporting alternate employee commute options
 - Increasing the efficiency of the company's logistics
- Developing energy efficient products and providing diverse solutions for energy efficient data centers
- Collaborating with its clients and others on innovations that help protect the world's climate

Between 1990 and 2008, IBM saved 4.9 billion kWh of electricity consumption, avoided nearly 3.3 million metric tons of CO2 emissions (equal to 48 percent of the company's 1990 global CO2 emissions) and saved over \$343 million through its annual energy conservation actions.

In addition, IBM is committed to doing business with environmentally responsible suppliers. As part of its global environmental management system, the company conducts environmental evaluations of a relevant subset of its suppliers, including all of its hazardous waste services suppliers, certain production-related suppliers and all of its product recycling and disposal suppliers. To address concerns about recycling in the extended supply chain, the company also evaluates certain subcontractors its suppliers may use to handle recycling or disposal operations.

The company remains committed to environmental leadership in all of its business activities, from its operations to the design of products and its use of technology.

How do you grade IBM's supply chain overall performance in client satisfaction?

Obviously, client satisfaction is of utmost importance to IBM, and overall results from our customer feedback programs show very strong IBM performance year-to-year. However, when it comes to serving customers, there's always more that can be done so we continually look for areas where we can improve. One such area is Ease of Doing Business. We didn't see the progress we wanted, so that has become a focus area for us. An area where we exceeded expectations was in client delivery experience, something we achieved while executing a major transformation of our delivery processes.

Who is responsible for planning your company's business continuity when facing natural disasters, major disruptions or other geopolitical issues?

IBM has a Crisis Management Team that sets policy and provides direction to all IBM business units. The Emergency Planning program is intended to provide procedures that aid in the protection of people, property, and the environment in the event of an emergency. Every IBM location has an Emergency Plan that reflects local needs and conditions. The Senior Location Executive (SLE) has the responsibility to develop, maintain and implement the plan, with support from the local security organizations.

What are the biggest INTERNAL challenges for manufacturers to achieve supply chain excellence?

One of the biggest challenges is trying to manage multiple manufacturing strategies based on product type (build to plan, build to order, hybrid systems, etc.). There's also the challenge of product complexity, multiple product options, demand & supply variables, constraint management, capacity optimization, unique customer requirements and managing across widespread global operations. These challenges, and others not mentioned, preclude any thoughts of a "one-size-fits-all" supply chain. Not only must today's supply chain be integrated, but it must be flexible.

A flexible supply chain system allows you to react and adjust to ever-changing scenarios. It enables a management system that allows constant communication and process feedback between decision makers and stakeholders, and enables the extensive use of IT tools to process information for decision support and execution.

Among the ways IBM leverages its flexible supply change include tactically shifting production across all geographies to meet demand and to optimize available component inventory and manufacturing capacity, strategic involvement of business partners in product development, and by working to reduce product complexity throughout the product life-cycle management.

What are the biggest EXTERNAL challenges in achieving supply chain excellence?

The answer to this question is pretty consistent with the previous question on what our priorities are going to be for the next 2-3 years. We have identified several key challenges (Cost Containment, Supply Chain Visibility, Risk Management, Customer Intimacy, and Globalization) and made them our priority for the next few years.

Are most companies moving to a more integrated supply chain or do you find that many companies are still siloed?

I think IBM tends to be ahead of many in terms of how extensive we view supply chain as a discipline. We really look across the business spectrum to our customers on one side and our suppliers on the other side. The integrated supply chain in IBM has touch points all the way through that process. A lot of companies, and also some universities, tend to look at supply chain in a more traditional sense as it relates to manufacturing and products and warehouses and logistics, where we essentially take the view that any solution that we provide to our external clients enters our end-to-end supply chain. More and more services and full-scale solutions are part of what we must provide to our clients and essentially what differentiates IBM.

Over the last few years what have you learned that has surprised you or changed the way you do business?

What has been reinforced to me out of the last two years' experience is that often culture change associated with the transformation you are trying to drive is the toughest part. We have a lot of very smart, very independent-minded, somewhat siloed approaches to how we do our business at IBM. In end-to-end business process transformation we often have to ask people to step back, shift gears, and change the way they do things for the greater good. So, if you have a set of cross-functional players that really need to be part of the success, it's better to involve them early and make them part of the process if you can. I think that helps to mitigate some of that natural resistance to change.

During this economic downturn, how do you keep your organization motivated?

Employee morale is always a top priority for IBM. Talented, highly motivated employees help drive a successful, high-performance culture like IBM's. However, I do believe it's important that we become even more vigilant during economic downturns.

As I'm sure you are aware, keeping employees motivated is a real challenge at any time. Employees differ in what motivates them to their highest levels of performance. It is important that managers know their individual employees well enough to understand what motivates them and the kind of support they need to be successful. It takes open communications, and sometimes specialized training for management and non-management employees to maintain effective levels of motivation. IBM has a number of initiatives and education programs in place that help our efforts.

Turbulent times can be the best times to implement changes, but sometimes companies get paralyzed when there's uncertainty in the market. What is your advice to maximize the opportunities to implement changes during tough times?

You really have to recognize that business events are truly cyclical. Number one, you're going to come out of it; and number two, you're going to see another one. To some extent, it's both recognizing that you can't freeze everything, certain so-called discretionary activities need to be maintained; and you need to keep investing a little bit during the period of a downturn. Further, to really recognize that we as a supply chain have the opportunity to exploit what's going on, so how can we get our internal clients working with us, brainstorming with us as to how we make the best out of a bad situation. And finally, make sure that you are pulling the levers that are now available to you because of the business climate.

What attracted you to supply chain management?

For me the attraction to supply chain management, and in particular the procurement discipline inside supply chain, is the feeling that the business that I drive has a high visible impact on overall business results. Inside IBM, in particular since we created what we call our integrated supply chain organization, a number of years ago, we have been a visible seat at the table in terms of senior management recognition of the power of supply chain. There is an appreciation for the results that the supply chain brings to the business quarter after quarter. The other thing I like about this discipline is that it is always evolving. As things change in the marketplace, the products and the services that we offer to our clients continue to evolve, get more sophisticated and grow more global. It's essential that you are proactive and have a road map for where you think the next couple of years are going, or you'll be left on the sidelines as irrelevant. To me, that's exciting.

What does it take to build the kind of career you have had?

When the services business started to grow at a rapid pace in IBM, I saw that, from a procurement perspective, we weren't yet in the position where our procurement leaders were ready to support the services business. We were really good at supporting the hardware business, we'd grown up that way, but services was a different discipline, a different set of players. If we could not run as fast as our services colleagues and bring supply chain skills to the table, they were going to do what they needed to do without us. Rather than being scared by that, I saw that as an opportunity to really be somewhat self critical of ourselves in procurement, and adapt ourselves for this new set of opportunities. I've been confident and willing to take those kinds of risks, and it's been rewarding from a career perspective. Certainly the privileges that I've had of leading very skilled teams and of growing the careers of the people who've worked for me have been really rewarding.

Is there an experience you feel has been especially rewarding in your career?

In the last two years, I've had the opportunity to drive a set of hardware and services transformation plays. We asked our hardware colleagues to make sure that the level of complexity is something that the customers appreciate. Complexity is okay as long as the customer finds value in it. What we found is that we were sometimes driving a level of complexity that was not valued by our clients. By focusing on that improvement opportunity, together the supply chain team as well as the hardware brand leaders were able to eliminate a level of complexity and therefore speed up and also simplify our end-to-end processes.

You have relationships with universities and curriculum development. Why is this important to you?

One of the things that I've enjoyed about my supply chain career is the opportunity to work with university partners. I want to make sure that we are promoting how exciting supply chain management is as a career. In some cases curriculum might still be looking at supply chain in its traditional sense and perhaps that's more dry and less interesting to some. Essentially, all of the business solutions and services, as well as traditional product manufacturing, can be enhanced with supply chain disciplines. Supply chain careers are so multi-faceted and so fast-paced that young people getting their under-grad or graduate degree have so much potential for a diversity of experiences in selecting supply chain management as a profession. I like to continually remind people to not overlook supply chain management in the business school curriculums and to recognize how much we've grown and how significant supply chain is to the enterprise's success.

How do you balance your personal life with your work life?

As I get more mature in my career, I get better at that balance, although it depends on the roles that I've played. I've allowed some roles to be more demanding of my personal time. For example, the closer I am in my role to the IBM client, the more pressure there is to make sure that you're dropping everything to satisfy a client need. The flip side is knowing when certain things are pressing and important, but not necessarily worthy of dropping everything. It's important to keep in mind that one's personal happiness makes you a happier employee as well. One of the things that helps is the ease of technology connectivity, which can sometimes be a curse, but I've tried to use it for my advantage. For example, in the summertime if I'm going to be somewhere for the weekend, maybe Friday afternoon I'll drive there at lunch time. I still do calls and email in the afternoon, but I feel like I've started my weekend. It's sort of a pick-me-up, but it's no less effective- I'm sitting there getting my work done. I think it's important to find those types of balancing tactics.

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We are a group of the most influential, accomplished, and renowned executives from some of the better known corporations worldwide. We continue to seek those individuals who have made the most significant contributions to the advancement of the supply chain industry at the same time helping their companies' bottom lines. In other words, the Top 25 Global Supply Chain Leaders LinkedIn group seeks individuals that will inspire both veterans and new hires in supply chain. These are the individuals people would like to be when they reach their professional goals.

Our group of leaders come from various industries such as: Automotive, Aviation & Aerospace, Computer and Network, Security, Computer Chips, Computer Hardware, Computer Industry, Computer Networking, Computer Security, Computer Software, Consumer Electronics, Consumer Goods, Cosmetics, Food, Furniture, IT and Services, Leisure, Travel, Medical Devices, Oil and Energy, Pharmaceuticals, Renewable & Environment, Retail, Semiconductor, and Telecommunications.

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From High Tech to Green Tech

By Ronald M. Lloyd

A number of people have asked me to document my transition from a high tech career to a green tech career, as many are considering or are actively pursuing the same change. I could make it sound mystifying and complex, but it's really not. In fact, the observations below could apply to transitions between any two major industries.

A brief background: I spent 20+ years in high tech, the formative years as a manufacturing engineer and manager at Hewlett Packard, and the bulk of my career in a very exciting run at Sun Microsystems. In 2001 – and in no way related to the economy – I wanted to take a break, which turned out to be fortuitous for several personal reasons as well.

Throughout my time at HP and Sun, I kept having a gnawing feeling that high tech manufacturing consumes great quantities of resources from the planet, without putting enough back. Talk of global warming, global population, air pollution and the negative effects on humans and various wildlife species had a big impact on me. So, I began to search for a way to help – to “get in the game”. Circumstances (and Sun stock) made it possible for me to take a couple of years to search out my own opinions on these topics, and I was fortunate to be accepted as a 43-yr-old Masters candidate at Stanford's Civil and Environmental Engineering department, receiving a MS in Environmental Engineering and Science in 2003. It was an exceptional experience, and I learned a great deal. After that, I joined the Board of an excellent nonprofit named Grid Alternatives, joined the Tesla Motors team for two years as head of the White Star program (now Model S), then one and a half years at Fat Spaniel as VP Operations and COO. All of these great experiences have helped me frame some perspective on how to make a major career change.

So, how did this transition work, what were the keys to making the leap? Below, are my observations, loosely in priority order:

1. **You need to believe.** The vast majority of the people I've run into in greentech believe in the mission of the company – that was nowhere more true than at Tesla Motors. The audacity of this startup company building exciting and electric cars gave tremendous courage and energy to the troops. If you aren't a real believer, you may not get hired, and probably won't last. But honestly, isn't that true of most startups – don't we all have to “drink the Kool-Aid”?
2. **You DO need a network.** Both at Tesla and Fat Spaniel, my personal network knew of my passion for the space, and connected me to the founders. However, the network I'm really referring to is to others in that industry. That network helps to identify who the key suppliers are, where the business is headed, where the talent is. In Tesla's case, I hired a great lieutenant in Detroit, because – frankly – I didn't know much about building cars. Without John Thomas' contacts and connections in the automotive industry, it would have gone nowhere. (John is now CEO of his own company – Alte LLC). You should begin building your network before you attempt to make this transition, so you can be more informed about what's happening in that space. It will help you identify where the action is, and demonstrate that you have some relevant knowledge in interviews.
3. **Grow your knowledge base.** Go to seminars, mixers, and tradeshow. Not only do you need a network, but you need to work it and put some serious time into finding out what's current and relevant in these industries. The technologies change rapidly, and employers are always looking for employees who care enough to stay connected to what's happening out there.

4. **Learn the policy landscape.** Most of us take the regulatory and public policy landscape for granted in high tech – it's well-established and not very volatile in comparison to greentech. However, just the opposite is true for green companies. What will the state and federal feed-in tariffs be for alternative energy? Will there be carbon credits for EV's, and how will they be valued? What grant monies are available for alternative energy development? What development dollars are available for factory siting, and from which jurisdictions? All of these issues have a great impact on business strategy and the mindset of investors. Understanding these topics can be vital to the company's success. As with the network – the time to start is not after you've found a job, but all the way along.

5. **You don't need a green education – but it doesn't hurt.** Martin Eberhard liked that I had shown conviction by getting an Environmental MS, and that was some small factor in him hiring me at Tesla. However, most of the greentech firms I've gotten to know need functional expertise that's not very different from industries with related processes (mechanical, chemical, software, service, finance). At the end of the day, the functional skill set applied to the company's mission are what really makes it work.

6. **There is, in general, less money.** Get over it – the heady days of tech in the 80's and 90's are not with us anymore, and green companies don't usually see the market growth and valuations that those tech companies saw (or wanted to see). Salaries are still typically consistent with competitive wages for similar roles in the region, but green companies are often fighting for revenue by reducing costs for their customers – there's a limit to that, which holds down the large valuations. There are exceptions – Smart Grid, the PV industry, and some battery companies will see some serious wealth, in my opinion. Nevertheless, you shouldn't make this transition because you're looking to leap the next two rungs on the wealth ladder. If you're fortunate, you'll get to work on worthwhile products and projects, with talented people, and make a good living do it.

7. **Get involved.** As I stated above, I'm on the board of a non-profit named Grid Alternatives. Along with the joy of seeing their growth and contributions to society, and good karma from “doing the right thing”, that experience added to my knowledge of the PV industry, and to my network of folks who are also connected to that industry. There are no end of non-profit opportunities from which to contribute to society and expand your network of knowledgeable individuals.

In summary, this list of actions isn't very different than it would be for an outsider to get into any other industry – you just need to get to know the players and learn the space. While most of the people in greentech firms believe in their causes, they're not all experts in that technology. All of these companies require competent skills in the basic functions: Engineering, Operations, Sales, Marketing and Finance. Having great experiences and references within those functions, and a passion for where the greentech markets and industries are headed will get you a long way!

About the Author:

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Ronald M. Lloyd is an award-winning VP of Operations and COO with 25 years of experience from early stage up to Fortune 150 companies. Most recently, Ron was COO of Fat Spaniel Technologies, and prior to that VP of the WhiteStar program at Tesla Motors. He spent 13 years at Sun Microsystems in VP roles in Operations and the Network Storage Division. Ron moved from "high tech" to "green tech" in the early 2000's, and has managed and led all aspects of product development, new product introduction, material sourcing and procurement, factory siting and construction, manufacturing, subcontractor management, and quality system management. He has managed systems implementations ranging from full ERP's to shop floor controls systems, to workflow systems piggybacked on CRM's. Ron has a BSE from Harvey Mudd College, and a MS Civil and Environmental Engineering specializing in Alternative Energy from Stanford University.

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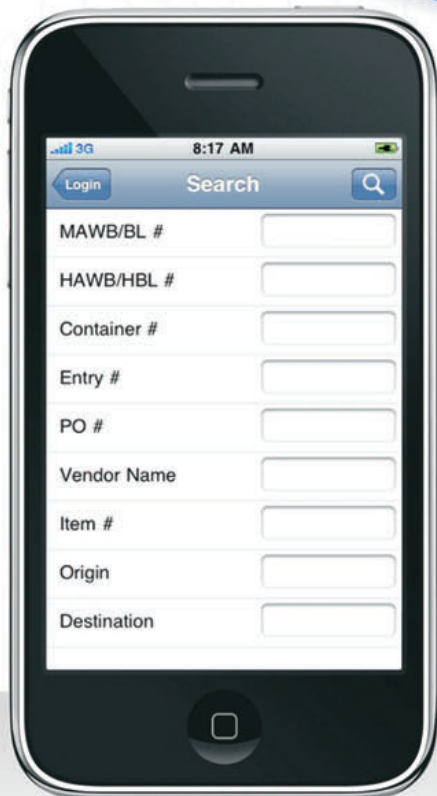
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