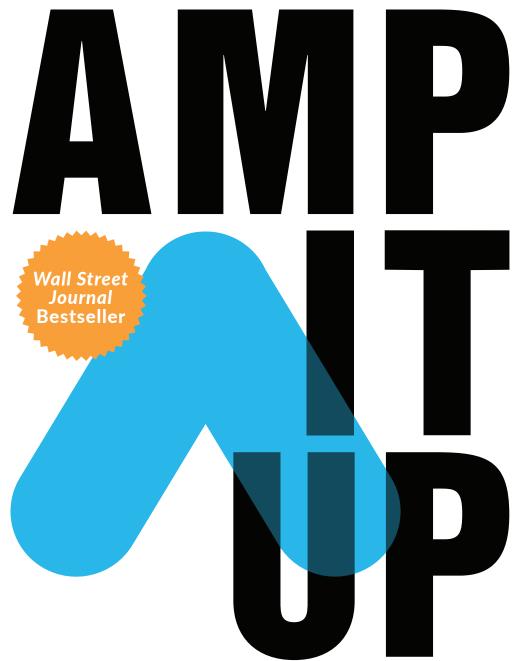
FRANK SLOOTMAN

Chairman and CEO of Snowflake, Inc



Leading for Hypergrowth with High Expectations, Urgency, and Intensity

WILEY

Praise for Amp It Up

"In my 30+ year experience as a venture investor I have never seen anyone rival Frank's operating know-how. With Frank, it all starts and ends with hardcore and focused execution. 'Get comfortable with being uncomfortable', 'hope is not a strategy', and 'the best way to build a brand is to get more customers' are some of the mantras by which Frank has taught us to live. There is no doubt that he has made many of us better board members, as we assist other CEOs along their journeys."

—Doug Leone, Partner, Sequoia Capital

"Frank Slootman is one of the best performing CEOs there is. This book is essential reading for every leader who aspires to motivate teams, inspire excellence, and deliver beyond expectations."

—Bill McDermott, President and CEO, ServiceNow

"Amp It Up is a terrific read for leaders and future leaders, whether they are at a start-up, an SMB, or a big company. As a CEO, Frank exudes total clarity on what to do, and equally as important what not to do. . . so if you are looking for a must-read about leadership, being focused on your mission, and executing at the highest levels, this is the book!"

—Joe Tucci, former Chairman and CEO, EMC

"Over the past 15 years, I've had a front-row seat to watch Frank Slootman's operational excellence on display at Data Domain, ServiceNow, and Snowflake. What makes Frank the best technology CEO on the planet: he sets and then beats unreasonably high expectations; he is a high-integrity people leader; he makes the strategy clear to all; and he is a fearless leader willing to do whatever it takes to win. Amp It Up is a must-read book for anyone looking to take their team and organization to the next level."

—Mike Speiser, Managing Director, Sutter Hill Ventures

"Frank worked for me as Data Domain became EMC and – wow! – what an incredible leader. He built an intensity around clear business priorities and the customer value proposition and drove it through the organization daily. Amp It Up tells that story and how it can be recreated in other organizations."

—Pat Gelsinger, CEO, Intel

"Frank Slootman brings his experience of delivering success into plain sight for all of us to learn and be inspired by: simplify the value proposition, focus on the customer, take away distraction and confusion, relentlessly drive execution with excellence, faster. . . Amp It Up is a recipe we can all apply."

—Frans van Houten, CEO of Royal Philips

FRANK SLOOTMAN

Leading for Hypergrowth by Raising Expectations, Increasing Urgency, and Elevating Intensity

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To the Man (and Woman) in the Arena:

"It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat."

—Theodore Roosevelt, 1910

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PART Amping Up

1

Introduction: The Power of Amping Up

Amp It Up

A few years ago I wrote a popular LinkedIn article, "Amp It Up," whose main premise was that organizations have considerable room to improve their performance without making expensive changes to their talent, structure, or fundamental business model. My basic advice was to keep playing your game but amp things up dramatically. Raise your standards, pick up the pace, sharpen your focus, and align your people. You don't need to bring in reams of consultants to examine everything that is going on. What you need on day one is to ratchet up expectations, energy, urgency, and intensity.

That article triggered thousands of likes, shares, and comments. It also led to a flood of incoming requests for sit-downs and speaking engagements. While I love speaking to other leaders, especially

entrepreneurs, and while I speak at conferences and business schools from time to time, I couldn't possibly accommodate everyone who wanted to learn more about my Amp It Up philosophy. I believe it's incumbent on leaders to share our experience with others, but doing so in small groups (let alone one-on-one) isn't efficient or scalable, especially when you have a consuming day job. That's why I'm writing this book: to summarize my convictions, observations, and beliefs about how to lead a mission-driven, high-performance company.

The concepts, strategies, and tactics you will find here were developed over my entire career but especially at the three very different companies where I served as CEO: Data Domain from 2003 to 2010, ServiceNow from 2011 to 2017, and Snowflake from 2019 to the present. At various times I've also been a venture capitalist, a board member, and a corporate executive, but no experience in business compares to being CEO. I love being fully accountable for a company's leadership, strategy, culture, and execution in an ultracompetitive marketplace.

Things can go bad very quickly in an organization when the leadership team is weak or gets distracted. Human nature being what it is, many people will slow their output to a glacial pace and adopt "good enough" as their standard. Without focused leadership, millions of conflicting priorities compete with each other. Then the best people in the organization get frustrated and start to leave, as talent and energy go untapped and dormant. At this point you're on the path to catastrophic decline—unless you amp things up immediately.

Leadership changes can yield immediate impact long before you can carry out more structural changes in talent, organization, and strategy. You can engulf your organization with energy, step up the tempo, and start executing the basic blocking and tackling with a

lot more focus and higher expectations. It will feel like busting a log jam. All of a sudden, everything is moving and shaking.

This phenomenon is not limited to business. We often see sports teams go from losing to winning from one season to the next without dramatic changes in roster. When Vince Lombardi took over as head coach of the Green Bay Packers in 1959, the team had just come off a 1-10 season, not to mention 11 losing seasons in row. The next year, the Packers improved to 7–5, their first winning season in many years. Then they started winning one division championship after another. Leadership really matters. It's no coincidence that to this day, winners of the Super Bowl receive a trophy named for Lombardi.

My goal for this book is to provide not merely tactical advice but also context and ways of thinking about situations. You can try these ideas on for size and see if they fit. I'm not on a mission to convince the world to agree with me. If you choose not to amp it up, that's up to you. But I believe the chapters ahead will help you stiffen your spine and fight the good fight—not just if you're a CEO but if you're a leader at any level, whether at a start-up, a big company, or a nonprofit.

I also believe that you can only get these insights from a fellow traveler. No offense to my VC friends, but they often think that their investments give them the right to lecture entrepreneurs at board meetings, even though many VCs have never been in the combat seat themselves. Having seen things done is not the same as doing them.

The media have praised the results that my three companies have delivered over the past two decades, as we ramped up to three successful IPOs and generated hundreds of billions of dollars in market value. It's hard to argue with results. But outsiders have also questioned, if not criticized, the ways in which we achieved those

results. So let's start with an overview of the five key steps in the Amp It Up process: raise your standards, align your people, sharpen your focus, pick up the pace, and transform your strategy.

Raise Your Standards

The late Steve Jobs was only inspired by "insanely great" things. He set a high bar for seemingly everything, and anything that didn't meet his standards was summarily rejected. Try applying "insanely great" as a standard on a daily basis and see how far you get. People lower their standards in an effort to move things along and get things off their desks. Don't do it. Fight that impulse every step of the way. It doesn't take much more mental energy to raise standards. Don't let malaise set in. Bust it up. Raising the bar is energizing by itself.

Instead of telling people what I think of a proposal, a product, a feature, whatever, I ask them instead what they think. Were they thrilled with it? Absolutely love it? Most of the time I would hear, "It's okay," or "It's not bad." They would surmise from my facial expression that this wasn't the answer I was looking for. Come back when you are bursting with excitement about whatever you are proposing to the rest of us.

We should all be thrilled with what we're doing. So channel your inner Steve Jobs. Aim for insanely great. It's much more energizing!

Align Your People and Culture

Alignment becomes a more important concept as a business grows and there are many moving parts. The question is, are we all pulling on the same oar? Are we all driving in the same direction?

When I joined Snowflake, the company was being run as what I would call a pseudo-SaaS company with a subscription model.

But it's basically a utility company for cloud computing with a consumption model. As with your local electric company, you pay only for what you use. Yet, like a SaaS company, our sales force was completely focused on bookings, or sales contract value, even though Snowflake did not recognize a single revenue dollar on bookings. Only actual consumption causes revenue to be recognized. Consumption drove bookings only indirectly; as customers ran out of capacity, they would reorder. This lack of alignment was everywhere: reps only marginally cared about consumption, and many customers were oversold on bookings, which led to smaller renewals, or what we call down-sells, in future periods. The cost of commissions was out of whack with revenues because there was no direct relationship between sales compensation and revenues.

It took a few quarters to transition the company to consumption. Consumption became our middle name. We now looked at everything through the lens of consumption. We got better alignment.

Where alignment matters further is in incentive compensation. We pay everybody the same way on our executive team, and we have a very select, focused set of metrics that we pay bonuses on. Our sales exec does not get paid on a commission plan if the rest of us aren't. Everybody knows what we are aiming for.

Another source of misalignment is management by objectives (MBO), which I have eliminated at every company I've joined in the last 20 years. MBO causes employees to act as if they are running their own show. Because they get compensated on their personal metrics, it's next to impossible to pull them off projects. They will start negotiating with you for relief. That's not alignment, that's every man for himself. If you need MBO to get people to do their job, you may have the wrong people, the wrong managers, or both.