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Cornerstone ONDEMAND



RINGO H.W. CHIU/LABJ

Seated: Adam Miller, chief executive of Cornerstone OnDemand, in the lobby of the human resource services company's Santa Monica headquarters.

Birth Sign

Cornerstone Chief Executive Adam Miller credits becoming a father in 2005 with spurring him to refocus and re-evaluate his HR services company.

By **NATALIE JARVEY** Staff Reporter

ADAM Miller took Cornerstone OnDemand Inc. public in March. It was the result of nearly 12 years of hard work for Miller, Conerstone's chief executive, who co-founded the company in his New York apartment in 1999. Today, the company, which sells human resources software to corporations around the world looking for technology to help hire, train and evaluate their employees, has 450 employees and offices in several countries. In addition to being an entrepreneur, Miller is passionate about education. He has two bachelor's degrees, a J.D. and M.B.A., and is a certified public accountant. After finishing school, he took a two-year trip around the world that he said taught him the foundation

for leading an international company. Miller met with the Business Journal at Cornerstone's headquarters in the Water Garden, a Santa Monica office park and explained why he once fired himself, described his extreme travel experiences in Peru and Nepal, and remembered what he learned from his summer as a bartender.

Question: You've got a lot of degrees. Have they helped you?

Answer: The legal background has always been very helpful, especially in the beginning. At the end of the day, most of what I was doing was negotiating contracts. The M.B.A. is helpful in understanding strategy and business management. Being a CPA has been helpful in understanding the accounting and finance.

Adam Miller

TITLE: Chief Executive

COMPANY: Cornerstone OnDemand Inc.

BORN: 1969; New York.

EDUCATION: B.S., economics, B.A., European history, University of Pennsylvania; J.D., M.B.A., UCLA.

MOST INFLUENTIAL PEOPLE: Father, an accountant, and mother, a teacher; Cornerstone's management team; teachers.

CAREER TURNING POINT: In 2005, when he had his first child, took some time off, then returned with a new approach for the company.

PERSONAL: Lives with his wife, Stacey, and their three children, 6, 4 and 1, in Westwood.

ACTIVITIES: Writing, playing tennis, spending time with friends, volunteering.

How long did it take you to get all those titles?

I did the J.D. and M.B.A. early in three-and-a-half years. It was very busy.

Did you want to be a lawyer?

By the end of my first semester of law school, I'd decided that I was not going to be a lawyer and that I would start a business.

Who are some of the most influential people in your life?

It's definitely my parents and my teachers. In business, I haven't really had a single mentor. For me, it was the management team that really helped me with the whole business. None of us had ever run a company. We've been in the trenches together figuring it out.

What did your parents do?

My dad's an accountant and my mom's a teacher. My grandfathers were actually pretty entrepreneurial. One grandfather had a jewelry business. The other was very senior in his lodge.

So when did you get the entrepreneurial bug?

In high school there were the first seeds of it, more so in college. By graduate school I was fully an entrepreneur. I was a minority shareholder in a restaurant that I helped manage.

How did you get involved in a restaurant?

I came out to Los Angeles for the summer to see if I wanted to go to grad school in California. I'd never been. My friend and I got jobs bartending. By the end of the summer, I'd been made assistant manager. I went back to Philly to finish school and while I was in my senior year, the restaurant became available. We ended up buying it with a group of people. I learned a tremendous amount.

Like what?

You tip better. It's cost me a lot.

What prompted you to take a trip around the world?

When I was in grad school I got a job at a boutique law firm. I met a woman there who was an author working on a writing project and she asked me to help her. We ended up writing and publishing two books. I took the proceeds from those books and figured if I



Public Presence: At top, Adam Miller with Cornerstone OnDemand employees March 17 at Nasdaq Marketsite in New York on the day the company went public. At bottom, Miller volunteered at Charles Drew Middle School in South Los Angeles as part of Teach for America day April 2010.

ever had a chance to travel, now was the time.

What were the books about?

The first book was called "Managing Your Inheritance." The second one was "Business Capital for Women." It was about helping female entrepreneurs get capital and get their businesses going.

Would you write another book?

Definitely, if I could just find the time. I have about six ideas that I'd like to do, but no time.

Tell me about the trip around the world.

I thought it would be a one-year trip. It ended up being two years. I went to six of the seven continents.

What were some of your favorite places?

The most beautiful place I visited was Nepal. One of my favorite countries is Chile. I loved my time in Australia and New Zealand. And in Israel, I ended up getting a job in banking and working there for a while. It was really interesting.

Did you have any crazy adventures?

I almost died twice, once in Nepal when I was trekking without the right equipment or shoes. And once in Peru when I got really bad food poisoning and I was on an overnight bus. They basically threw me off of it. I was literally in the middle of nowhere at night.

How'd you find your way to where you were going?

People helped. That restored my faith in humanity.

What was it like to be away from friends and family for two years?

I went home once to see my grandparents. And I would meet friends in different parts of the world. This was before there were Internet cafes everywhere. So the way I'd communicate with everyone is that I'd write a letter home to my friends and my mom had a mailing list and would send it out.

What did you learn from the experience?

That trip really gave me a better understanding of the world. When you see that many different parts of the world in that compressed a time, you really start to get an appreciation of the similarities and differences of the different places. I think that is a significant reason that we have a successful global company today.

Where did the idea for Cornerstone OnDemand come from?

I had a really strong interest in education and technology and wanted to bring the two together. When we started the company, we focused on this idea that we should give adults access to education wherever they were, at home as individuals, inside small businesses or as part of large corporations.

Cornerstone doesn't work with individuals at home or small businesses, though, mostly with corporate clients. What changed?

After the bubble burst in the spring of 2000, we decided to just focus on adults inside of large corporations. We built up a pipeline of financial service provider customers primarily because myself and Steven Seymour (a co-founder and now the company's vice president of strategic accounts) worked in financial services. Immediately we began to diversify into other industries.

Was it hard to transition from the finance world to starting a company?

For me, the more natural thing was definitely the entrepreneurial route. I had a really hard time working in a big company. Back when they were building the Water Garden, I thought it'd be really cool to have a company in that building, which is of course where we are now.

You founded the company in New York. Why did you move to Los Angeles?

I started the company in my one-bedroom apartment. Three months later, I decided it was not fun starting a company in your small apartment. I realized it would be much more fun to do it out here.

What are some of the challenges you've had building the company?

We built up our customer pipeline in financial services and then Sept. 11 hit. We had this situation where we were like, how will we survive as a company? There was a lot of pressure to cut staff, but on Sept. 15, I decided to keep hiring. We actually closed three of the four deals we were working on at the time. They became our first three clients and we built our business from there.

What was your career turning point?

One of the turning points for the company and my career was definitely when my first child was born.

Why's that?

It was 2005, and I remember being home with the baby and thinking, either we've got to do something (to start growing) or stop doing this. So, I like to say that I fired myself and brought in a new CEO – who was me. And I really re-evaluated the business. We decided we were going to go for it. By 2006 we had a much more substantial business. And in 2007 we raised money and the business really took off. That was really an inflection point in the business and in my career.

How would you describe your leadership style?

I try to lead by example. I try to never ask people to do things that I wouldn't do myself. The other thing is that we're very focused on teamwork. We try to operate the business as a

meritocracy. We're constantly promoting from within. If people are doing well, they can move around and move up.

What's your favorite part of the job?

My favorite parts are working on strategy, closing deals, designing a product and working with great people. And I don't mind the financial part. I know a lot of CEOs can't stand it.

And the worst part?

Anytime I feel like we're starting to get bureaucratic, all the legal and compliance things we have to deal with – dealing with minutiae. There are a lot of little things you have to deal with that get in the way. I still try to interview most people in the company. It gets harder to do.

What do you do in your free time?

I like writing and playing tennis. Now most of my time is spent going to little kids' birthday parties. The other thing is I spend a lot of my time with non-profits. A lot of people assume that you can do that when you're retired or unemployed. I just don't buy that. You need to make time to do these things, time to find a balance.

What non-profit work do you do?

A few years ago, we started the Cornerstone Foundation. It's focused on three sectors: education, work force development, and disaster relief. We give our software away to non-profits and bolster it with consulting and support.

What's something your employees don't know about you?

I never understood that show "Undercover Boss" because I feel like everybody knows who I am. They don't all know that I was a bartender for a while. That's really the only transferable skill I have. I feel like bartenders are always needed.

How did it feel to take Cornerstone public?

To me, it was really the graduation of the company. But it wasn't the end, just like graduation's not the end.

Did you celebrate when you rang the Nasdaq bell on the day the company started trading?

We simulcast the bell-ringing and had a virtual company party in all our offices at the same time. In California it was early, so it was a champagne breakfast. In Paris and Tel Aviv it was late. We watched the stock open on the trading floor at Goldman Sachs, then we rented out the Thompson Hotel and that party went all night.

Has the IPO changed how you do business?

What's been most surprising is that there's very little difference. The IPO, for us, is a point in time where we have the resources and people to execute on the things we want to do. We have a lot of ideas and a lot of things we want to do. It's very exciting. It keeps you invigorated in the business. It keeps it interesting.

How has your role changed over the years?

At the beginning, I had to do lots of small operational things. For a couple of years I was basically the vice president of sales, and then for a couple of years I was basically chief technical officer. Now that we've built out the management team, I can focus on being the CEO.