



Complacency is the Enemy. Here's How to Defeat It.

- Steve Sanduski: Hello everybody and welcome back to On Your Mark, Get Set, Grow. This is the podcast coaching of CEO international and I'm your host, Steve Sanduski. I'm very excited today to have as our guest, Feyzi Fatehi. He is the chairman and CEO of Corent which is the emerging leader in cloud migration technology. Feyzi, it's great to have you on the show.
- Feyzi Fatehi: Steve, likewise. It's a pleasure to be on your show.
- Steve Sanduski: You spent, I think, a lot of time in Silicon Valley, a long distinguished career working for Hewlett Packard and other software companies up in the Valley, but now I think you're down in southern Cal, is that right?
- Feyzi Fatehi: That is very true, yes. In Orange County to be specific.
- Steve Sanduski: Yeah, how'd you make the migration from Silicon Valley down to Orange County?
- Feyzi Fatehi: Right, so it was basically the being attracted to the brand new ecosystem. I looked at southern California as a new startup trying to recreate robust ecosystem, a dynamic place for bringing new ideas and not being so tied up to the "proven formulas" in Silicon Valley, give ourselves a chance to try new models and existence of a lot of technology companies and even much more diverse than Silicon Valley such as life sciences and bio industry medical technology combined with significant number of research universities and a lot of the diversity of California branches down here from UC Santa Barbara to UC San Diego created a phenomenal unlikely ecosystem, the same thing that made Silicon Valley happen, decided to be here from the beginning and early days. That was 15 years ago and I'm very happy to report that it's a very energetic robust and dynamic innovation and entrepreneurship ecosystem here. Proud to be here.

Steve Sanduski: Yeah, and maybe the weather is a little bit better down in Orange County huh?

Feyzi Fatehi: Yes, great beaches. The weather is great, but please keep the secret. Only let good people know. Silicon Valley is an hour away, by southwest so it's very accessible. Very pleased to be here.

Steve Sanduski: Yeah, great. All right. Well, lots of things we want to talk about today. You're coming at this from the leadership, from the executive role. You're running this company, chairman, CEO, so we're going to talk about a number of question related to the leadership role in the company, but before we start jumping into some of those questions, let's talk about what does it mean to be the emerging leader in cloud migration technology? What is it that your company does?

Feyzi Fatehi: Right. Great question Steve. We are the emerging global leader in cloud migration technology. Our software platform helps corporations and also software vendors to transition and migrate hundreds, if not thousands, of their software applications to the cloud in a ten times faster, ten times cheaper way, saving them years of effort and millions of dollars in costs and eliminating a lot of risks. That is what we do.

As you know, cloud computing's a new and improved form of computing, and for people to be competitive, they have to migrate their software in an intelligent, smart and meaningful way to the cloud. That transition is not easy to be done manually. It takes time, a lot of money, risks, lack of consistency. The platform that we have built over the years was in anticipation of when the cloud becomes mainstream. The next big problem would be, how do we migrate our software? Because the way computers are used, of course as we all know, is true using software. If you build the most sophisticated computers, but your software doesn't work on it, it would be unutilized, so we are solving that problem. We're bridging that gap.

Steve Sanduski: Now, you are chairman, CEO of this company. You've got well over 100 employees that you're overseeing there. Now, I can't imagine that early in your days, you're a teenager and you're thinking, "Hm, I want to be chairman and CEO of a technology company in southern California," so was there some turning point in your career where something happened and you said, "This is really the route that I want to go"? What was that or was there one?

Feyzi Fatehi: Yes. Since I was a kid I wanted to become a solar expert, solar ... translated to be the first solar engineer, so first total solar engineer, graduated from the University of Texas when I was attending initially as a mechanical engineer. When I graduated, figured out the drop market wasn't really open minded to solar engineering. We were way ahead of our time and computers and software was emerging, so out of necessity I got my Master's degree in software engineering and something that today's called software architecture.

In doing so, I fell in love with software. It allowed artistic expression creativity as well as the scientific pursuits that I had in mind, so I was hired by HP in Silicon Valley and appointed to work on inventing the fastest database in the world. Three years later we delivered the first commercially available real-time database that was about a thousand times faster than Oracle and leading databases. That gave me the technology confidence that if you can imagine something, you probably can make it happen.

When it came to the beginning of cloud computing, and I was having an exponential growth in my career at HP after 14 years and I was enjoying that accomplishment, I felt that it was time to declare myself a graduate of big corporation, and specifically HP, and leave and join this new movement in a new brave world of cloud computing and be one of the pioneers there. I basically took more than 50% cut from the package that I had worked for 14 years to build, and left and joined a group of five, six people who were visionaries in the area.

That was, on one hand, a very painful decision. A recruiting friend of mine said, "Feyzi, you're committing a financial suicide." I never heard that term before. On the other hand, it was really exhilarating and exciting that you are restarting and shifting tracks from a big corporate career development, which was fantastically great, to an entrepreneurial track that has proven to be equally fantastically great. I'm very much enjoying it.

Steve Sanduski: Well, you and I are both graduates of Hewlett Packard. I spent a brief period back in 89, 90 working for HP at their headquarters there in Palo Alto so yeah, I spent some time with the big companies and then also went to smaller companies entrepreneurial route. I want to ask you though, you said you took a 50% pay cut when you left HP and you and several other people decided to go on this entrepreneurial venture. Tell me about the mindset. What's the thinking behind that? I think a lot of our listeners, I know a lot of our listeners are entrepreneurs, and I'm always interested in the psychology behind, you had a really nice, I'm going to call it a cushy job, at Hewlett Packard, probably great benefits.

Feyzi Fatehi: I was in Cupertino-

Steve Sanduski: Cupertino-

Feyzi Fatehi: -like 10 miles away from you in Palo Alto.

Steve Sanduski: Yeah.

Feyzi Fatehi: It was a cushy job, yeah.

Steve Sanduski: Yeah, so nice benefits and you decide, "Hm, I'm going to check on that. I'm going to take a 50% pay cut and I'm just going to go for it," so take me back to

that time. What's the mindset? What are you thinking? What are you hoping to achieve by leaving the cozy corporate world for an entrepreneurial-type venture?

Feyzi Fatehi: Well, that's a complex question. I'll do my best to address it. For me, learning, developing myself, and personal growth always has been a value. When I get to plateaus somewhere that it feels comfortable, that's the major alarming signal for me. I was feeling that the learning content has gone down and the comfort level has gone up. That was a bad combination for me from a personal development and growth perspective, so that made me a little bit, created some unrest and anxiety.

Finding something that I was excited about, inventing the future, creating the future of computing and being one of the pioneers there, well compensated for the financial, lack of the financial immediate rewards there. Another mindset was, at some point you've got to shift from income generation to wealth generation by having a significant equity in a new endeavor versus having a very small equity and mostly focusing on income, so that was another paradigm shift but mostly was driven by enthusiasm, by vision, by being part of creating something different and new, disrupting an existing market and being a game changer, that at least drove my decision and some of my colleague's decisions.

Steve Sanduski: Well, we talk to a lot of people on the podcast that are what we would call "serial entrepreneurs". These are people that start one company, they build it for a while, they sell it, they start another company, move on, so on and so forth. I want to get back to this thing about talking about learning, personal development, and that was sort of the mindset that you had. How long have you been with Corent now?

Feyzi Fatehi: Just over 10 years.

Steve Sanduski: 10 years, okay. What are you doing now? You've been there for a decade, you were at HP for 14 years or so, you've been at Corent for 10. What are you doing now from that learning standpoint, from that personal development standpoint, that enthusiasm that is enabling you to still stay excited about what it is that you're doing? Is there any new mindset now or what are you doing now after having been at Corent for 10 years?

Feyzi Fatehi: That's a great question nobody asked me before, Steve, so I'm thinking on my feet here. I have a favorite definition of success. You are successful if you like who you are, if you like what you do, and if you like how you do it. Earlier in life and career, I was focusing on liking who I am by developing myself, by growing to get to a point that you say, "Okay. At the high level, I like who I am, and I like what I do," meaning leading an endeavor, inspiring people, and bringing ideas, people, and finance together, so I like what I do.

Now, the focus turns into, "I want to like how I do it." The last several years of focus was mostly on how, improving how we do every day. Shifting to mastery of the art of leadership, the art of making things happen, so basically that has, probably that's a lifetime endeavor focusing on improving your mastery in what you have already found that you like and also with that, improving who you are.

Steve Sanduski:

Yeah. I like your use of the word "mastery". I love that word. I just love the idea of mastery because to me it implies that it's something you can always strive toward. We are never going to reach "mastery" and say, "Okay, I've hit mastery. I can stop now." It's almost like a vision where there's always more of the vision or it's like a direction. North, there's always more of north, sort of thing, so I like that. I think all of us entrepreneurs, leadership executives, all of us have to have something like that that we can strive toward that makes us feel like we're continuing to make progress, so I like "mastery".

Now, let's look at your 14 year career at Hewlett Packard, your 10 years here at Corent. Obviously as an executive, as the leader, you've had a lot of situations and circumstances that you've had to get through in your career. Tell me about one situation, a big business challenge that you've faced. What was it and how did you overcome it?

Feyzi Fatehi:

Right. Let me expand this question from a tactical answer to a broader answer. When I left HP, when I was at HP, and you have experienced that yourself, HP had a great strong culture. It had standard of business conduct. They hired people based on phenomenal screening. The HP way, the 10 commandments of HP, was their strong culture. People had great pedigree. All of a sudden, when I left that environment driven by enthusiasm for creating the future innovation entrepreneurship, one shocking area Steve was that that cohesive strong culture didn't exist in the context of the startup that I joined.

It was truly a wild, wild west. That was the biggest shock in my overall career. I said, "Wow." We were so protected, so isolated in a company that created a phenomenal culture and standards of business conduct that none of it now applied to the outside world. Learning, not only the arts at the start, but also learning the wild wild west of being out there. The rule is, there are no rules. Dealing with people who did not share your value is not necessarily bad or good, it's just different.

Adapting to it, adjusting to it, and using that word "mastery" again and master the art of having no rules and still live by your values and make outcomes come true was probably the biggest obstacle that I gladly managed to overcome in my career.

Steve Sanduski:

How did you do that then? How'd you overcome that? How did you master the art of no rules?

Feyzi Fatehi: Okay, so basically driven by two forces. One, the force of, "Okay, I love to learn. I love to learn and grow and address an adverse situation," so the learning capacity of how to overcome adversity was one driving force. The other one, to tell you the truth, I had to master it. I had to learn it in order to survive and to thrive. One was a force, a former boss of mine at HP said, he said, "I gladly will do whatever I have to do," so in a sense, we did it because we had to do and also we put a very positive framework around it that by doing it, by learning it, by mastering how to overcome challenges, that makes you a better person. Those two elements come to mind as the driving forces to get through the challenge.

Steve Sanduski: Now, at Hewlett Packard, as you mentioned, they had the HP way. They had a very defined culture and when you were at Corent, it was kind of the wild wild west, as you said, "The art of no rules here." Do you have some kind of culture? As the chairman and CEO of the company, you must've created some type of culture in the environment so that even if there are "no rules", there may be some norms of behavior and expectation. Tell me a little bit about that.

Feyzi Fatehi: Right. What I was referring to the wild wild west was I went through three startups before starting with Corent. One was a high-flying startup in Silicon Valley, got to a billion dollar in valuation. Another one down here to a hundred million and so on, so it was a transition. When I was introduced to Corent and joined Corent, what I was impressed was the great values and mindset of the co-founders and the small amount of team of few people in the company.

In order to help that company, to help this company, we set up by example the key values that would drive behavior. In my mind, the foundational values of a good culture is honesty and integrity that overcomes everything else. The next one is expectation of competence and excellence. If somebody's in a role, whatever the role is that there is an expectation that they have to be competent and excellent in what they do. Then as a leader, you have to be forward-looking.

You have to set that vision, inspiration, the goal that everybody can align and adjust the activities to serve that bigger purpose and the goal of the company. Expectation of integrity and honesty, expectation of competence, and then striving towards the bigger goal has been the moral, cultural and operational compass for us at Corent.

Steve Sanduski: Now, beyond putting those words down on paper or having those words on a plaque on the wall, how do you incorporate honesty and integrity, your expectation of honesty and integrity and expectation of competence and being forward-looking, how do you integrate those values within the organization? How do you communicate those so that people embrace those and embody those?

Feyzi Fatehi: Right. Great question. Number one, as Gandhi once said, "You have to be the change you want to see in the world." As a leader, you have to be the role

model for what you're asking other people to do. If you're asking to work hard, you have to show you're working harder than them and so on and so forth. One is by role model, and the other one is a very simple philosophy I've learned through my career is catching people doing something right.

When people show exemplary instances of living the culture, I just drop whatever I'm doing and immediately acknowledge and recognize them and highlight it to their attention that I'm noticing it and I'm recognizing it, and it in a sense becomes the art as a positive reinforcement of the culture.

Steve Sanduski: Yeah. We all like to be recognized for things that we're doing. Sometimes we like that recognition more than a pay raise, so I think that's a good point there about catching people doing something right and recognizing them for that, and just reinforces that good behavior. Let's talk about your decision-making process. Chairman, CEO of the company, lots of decisions that you have to make. When you are faced with a difficult business decision, what is your process for making that decision?

Feyzi Fatehi: My decision-making philosophy, whether I explicitly remember it or it's unconsciously in action, is a principle Steve called "minimizing regret". I learned this from my decision science professor at Santa Clara University when I was in business school there. He said, "Look. The two leading decision-making philosophies, one is minimizing loss. The other one is maximizing profit. That's how decisions are made in the business world."

He said he has the alternative to those two proven decision-making criteria. That was minimizing regret. We are sitting in a room, 20-some year old kids, and said, "Well, what is he talking about?" He explained that regret is a very complex multi-dimensional word and it has to do with emotion, with psychology with the facts and figures and everything as a 360 way of looking at something. It's very personal as well.

You don't want to regret why you didn't do something or why you did do it, so basically it cuts both ways. The main criteria of minimizing regret and that is a philosophy that is in action for me in life as well as at work.

Steve Sanduski: Can you give me an example of that? Maybe frame the situation for me and say, "Here's what I ... I could've made this decision, gone this direction to maximize profit, but I actually went back to this minimize regret in terms of how I made the decision." Can you think of an example that would fit that framework?

Feyzi Fatehi: Yes, I'll give you the biggest example in my life. We just talked about it, leaving HP as a point of exponential career growth and cutting 50% cut from my cash package to join a startup. The driving decision Steve was, "If I don't do it now, would I do it three years from now, five years from now, ten years from now? What would be my regret if I don't do this?" I could've said, "I wish I had done it,

and sometimes I wish I had done it two, three years before," but that was the time that I said, "If I don't do this, I would regret not doing it."

To tell you the truth, a few times after leaving such a lucrative position and getting to wild wild west of new startups, you go back, I said, "Wow, maybe I didn't do the right decision." "Wow, what a quagmire I got myself into," but then five minutes later you snap out and said, "That is part of the course." If you want to accomplish something bigger, better with much more consequential results, it's part of the course to have dark days, to have difficult times, to have nightmares and then you wake up, pull yourself together, and make it happen.

At the end of the day, my thinking is, "I am so glad that that decision was made," and it's truly minimized regret in a sense that I would have been really regretful. Some of my friends who were my colleagues, they said they wished they had done this before, based on their personalities, and some others based on their personalities, a life dream and goal, they made the right decision not to make such a dramatic move. For them, that decision was minimizing, the decision not to make such a move minimized their regret.

Steve Sanduski: To some extent, it's trying to think to the future and say, "Okay, ten years from now, twenty years from now, looking back on my career, am I going to regret if I don't go this direction with the potential fork in the road that I have right now?" It's kind of putting the end, begin with the end in mind I think is maybe another way to phrase that.

Feyzi Fatehi: Exactly. That's another great way to phrase it, yes.

Steve Sanduski: Really, along those lines, you said, "I wish," you look back and say, "I wish I had done it." Well, now that you have two, three decades into your career, looking back on something that did happen, knowing what you know today, what is a business lesson or a learning that you have that you say, "Gosh, knowing what I know today, I certainly would've done a different decision and here's what I learned from that circumstance that is really applicable to running businesses today"?

Feyzi Fatehi: One big lesson that I've learned through my career is when we decide on a major initiative, major endeavor, including starting a new company or starting a product line, start it by writing the draft press release for when you achieve the ultimate outcome. Building a company and you want to sell it at some point, write the press release for the day that you are selling the company. Put a date on it, put an amount on it as much specific as possible and then reverse engineer that articulated written press release to today.

As you said a few minutes ago, start with the end in mind but be very specific as much as possible. That is what I would do in the future if I want to start and initiate something major. Start with writing a draft of the press release with as much specificity as possible day one.

Steve Sanduski: Let me take a contrarian angle on that. I love the idea of the press release, but do you think that when an entrepreneur is starting a new company, do you think that they should be thinking the end game at the beginning of starting and say, "My end game is I want to sell this company to a private equity firm," or "I want to go public with it"? Do you think they should go into the business with that idea or should it be, "I'm going into this because I see an opportunity. I love this. I'm energized by this," and then, "We're going to do the best job we can and if we build a great company and satisfy our clients and customers that we're going to have a liquidity event that's going to be wonderful"? Do you have any thoughts on the state of mind that you go into the business with?

Feyzi Fatehi: Yes. I have a very clear opinion regarding that. I've developed and it's not an academic pontificating, it's just real life learning. My answer would be, clarity counts. To be as clear as possible about the outcome counts. For example, there is a fallacy in my world of building technological innovative companies that you have to build a company and grow that company. That should be your intentions. You should never think of an exit, or this and that.

To me, that is one way to think about things. I respectfully disagree. I believe there are different ways to add value. One way to add value is build a specific technology or a component and not necessarily turn it into a company, not necessarily turn it into a business. Example, you can invent the next jet engine and not get into the business of running an airline.

Just build that component, at some point sell it to another company who would sell it to a lot of airline industry companies so they will have a business but for you, that could be a technological invention and you sell it to someone and then go and build the next technological invention and not necessarily get into the ups and downs of commercializing your invention. That should be a very, very acceptable model.

If somebody builds a house and sell it to a family to come live there, sell it to someone to rent it, but you cannot say anyone who build a house, they have to turn it into a business or move in it, live in it, or rent it. Those are very specific mindsets and I respect people who believe in it. I simply have a much more open mind and I believe the clarity about what you are doing, intentionally what you are doing, that matters a lot in the success of your endeavor.

Steve Sanduski: I think that gets back to what I mentioned a moment ago about the serial entrepreneurs. There are people who just love starting businesses, who love inventing things, who love finding niches that haven't been filled yet, filling those niches, selling the business and moving on to something else. They love the starting part, they don't necessarily love the managing part.

Feyzi Fatehi: Managing and operating part.

Steve Sanduski: Yeah, exactly.

Feyzi Fatehi: To me that's very legitimate and some people have strong opinions about those people. To me, it's just the freedom to discover your passion where you're totally energized and with extreme, being intentional about it, do it and then declare success and move to the next step. There is absolutely nothing wrong about it.

Steve Sanduski: Yeah. I've been asking you a number of questions here about your advice, your experience. What is some advice that you've been given that you've really incorporated and learned from and you think has been very beneficial for you or for your career?

Feyzi Fatehi: One of the biggest, most consequential advice I received was, "If you think you can or you can't, you're right." If we set our mind into making something happen, within the realm of possibilities we can make it happen. That confidence in our ability, in our attitude to pursue and make things happen is really the biggest asset for an entrepreneur, for someone who is trying to make something big happen, to believe in yourself and go make it happen versus coming up with 16 different reasons why you can't and then just put the idea aside. It's good to do planning. It's contingency planning, overcoming obstacles, but that enthusiasm, that energy that is behind driving, making things happen, is the essence of success. That clear advice and guideline has been a shining light for me in my career.

Steve Sanduski: Yeah. It's all about making big happen, is the name of Mark Moses' book and also execution that it's one thing to have an idea, but we actually have to follow through and make those things happen. Let's jump into a few rapid fire questions here as we get ready to wrap up. Let's just start with, who has had the greatest impact on you as a leader?

Feyzi Fatehi: Great question. My executive coach, Marshall Goldsmith, bestseller author has probably made most direct impact in helping me with my mastery of my leadership. He is a famous book, "What Got You Here Won't Get You There," has been a daily manual. It's about 20 things we should've stopped doing as successful leaders in order to get to the next level of success.

Steve Sanduski: What would be one of those 20 things?

Feyzi Fatehi: One of them is, "Don't start a sentence with 'No'." Very simple advice. Don't start a sentence with "but" because it eliminates everything you said before that. All the way to, "Don't try to add too much value," or "Don't try to win too much." 20 things that you can practice them every single day, every single email or conversation you have and that in a big way differentiates successful leaders and highly effective and successful leaders in my opinion.

Steve Sanduski: What about a daily behavior? What would be an example of a daily behavior that you think helps leaders grow?

Feyzi Fatehi: Make sure you do at least one thing that is outside of your comfort zone on a daily basis.

Steve Sanduski: Can you give me an example of one that you've done here recently?

Feyzi Fatehi: Yes. If you believe it's not ... you don't feel comfortable picking up the phone and make that phone call to that individual, whether it's closing a deal, raising money, or anything along those lines, before time creates anxiety and fear, just pick up the phone and make that call. You know it's outside of your comfort zone, just do it. You will be very happy you did it, most of the time.

Steve Sanduski: Excellent. All right. Well Feyzi, I think this is a good place to wrap up here today. I very much appreciate your time. You shared some great lessons here and told us a little bit about your story and how you got to the leadership ideas and principles that you live by today, so very much appreciate that. Look forward to-

Feyzi Fatehi: By the way, you mentioned the book "Make Big Things Happen". I'm reading the book for the second time by Mark Moses. It's a phenomenal book. It's like a recipe for successful life and career, overcoming adversities and making a great life happen, so I strongly recommend that book.

Steve Sanduski: Great. All right. Well Feyzi, again, thank you and we'll look forward to watching the continued success for you and Corent.

Feyzi Fatehi: Thank you very much Steve. Much appreciated. Bye bye.

Steve Sanduski: Bye bye.

To inquire about our coaching services and programs, please call **1-866-622-9583**.

CEOCOACHINGInternational.com

