

Against the Grain

Software billionaire **Tom Siebel** isn't afraid to use shock and awe to scare kids away from hard drugs and toward a more meaningful life.

By **Wendy Helfenbaum**

“The original goals were to provide a vehicle to give back to the community, and find areas where we might be able to help—just like everybody else, I guess,” recalls Tom Siebel, 56, who, along with his wife, Stacey, created the Siebel Foundation in 1996 to generate positive and lasting change in local communities across the U.S.

And the billionaire software developer's fearless approach to funding charitable projects has meant tackling big problems in innovative ways.

Siebel, who is chairman of First Virtual Group, a Palo Alto, California-based holding company with interests in commercial real estate, agribusiness, and global investment management, rarely goes with the grain—and the way he chairs his foundation is a testament to that unorthodoxy. Unlike traditional foundations that receive hundreds of grant requests each year, and then study them to decide which projects will be funded, the Siebel Foundation invests primarily in projects it creates and operates.

Photos courtesy of Thomas Siebel





“We don’t do business in a way that other people do business in the foundation world,” Siebel admits. “What we do is a little bit different. We engage in strategic philanthropy, and we try to find areas where we might be able to have a significant impact.”

The foundation accomplishes its goals in two ways: by making generous donations—like awarding more than \$4.5 million this year to the Salvation Army, and \$1 million to New York-based poverty and hunger organization the Robin Hood Foundation—or by developing its own programs.

The Siebel Foundation funded over \$35 million in projects and organizations in 2007. It supports programs that benefit the homeless and underprivileged; educational and research programs; methamphetamine prevention; and alternative energy solutions.

And few hi-tech CEOs can match Siebel’s success, both in business and philanthropy.

Born in Chicago in 1952 to Harvard trained lawyer Arthur Siebel and housewife Ruth, Tom was the sixth of seven children. He grew up in the North Shore suburb of Wilmette, and attended a military academy for high school before studying history at the University of Illinois at Urbana-Champaign.

Upon graduation in 1975, Siebel worked as a ranch hand in Idaho for six months before returning to Chicago, where he worked simultaneously toward his M.B.A. and a mas-

ter’s degree in computer science. In Michael S. Malone’s book, *Betting It All: The Entrepreneurs of Technology*, Siebel recalls thinking while he was in graduate school that “information technology might change the world.” And he was right.

Siebel innately understood technology, and more importantly, he had a gift for translating complex jargon into simple terms that people could grasp. This talent served him especially well after he joined Oracle Corporation in 1983, where he quickly became the company’s top salesperson.

Siebel’s meteoric rise from his years at Oracle, to CEO of mul-

timedia software company Gain Technology, to founder, chairman, and CEO of his own company, Siebel Systems, is legendary. In 1993, he founded Siebel Systems, which became a multibillion-dollar global leader in Customer Relationship Management (CRM) software, with more than 4,500 corporate customers and 8,000 employees in 32 countries. The company merged with Oracle in 2006.

The highly sought-after industry spokesman is also the author of three books: *Taking Care of eBusiness*, *Cyber Rules*, and *Virtual Selling*.

With his credo to always raise the bar, Siebel’s well-known status as a tireless workaholic has waned just a bit in the past few years. Although he is devoting more time to his family, Siebel doesn’t hold the trendy work-life balance philosophy in the highest esteem. “I think this balance in life thing is way overrated,” he says. “I wanted to accomplish something professionally, and I paid the price for that. I would say that what we’re doing now has a little bit more balance in it, because I am fortunate to have a number of very talented people that make things happen. That being said, I’m eminently involved in the creation and formation of all these things, in assembling the ecosystem of partners, and in the decisions that we make related to what we’re going to do and what we’re not going to do.”

For more than three decades, Siebel has split his time between a Woodside, California home, which he shares with Stacey and their four children, and the family’s properties

in Montana, which include two working cattle ranches. Dearborn Ranch, located in Wolf Creek, and N Bar Ranch, in Grass Range, are home to many species of native wildlife on their combined 140,000 acres, and produce several thousand naturally raised Black Angus cattle that supply 1.5 million pounds of premium beef each year.

The Siebels have strong community ties in Montana and it was there in 2005 that the foundation launched one of its flagship success stories, the Meth Project, a groundbreaking program aimed at significantly decreasing methamphetamine use through public service messages and grassroots community action.

“At that time, methamphetamine addiction and its consequences were the number one cause of crime problems in America, a devastating epidemic that was overcoming states like Montana, Wyoming, Idaho, Arizona, New Mexico, Missouri, Illinois, Colorado, and Georgia,” explains Siebel. “The overall cost of methamphetamine addiction and use in the United States on an annual basis is probably about \$10 billion to \$20 billion.”

Inspired by the American Cancer Society and the American Legacy Foundation’s renowned research-based marketing campaign against cigarette smoking, Siebel reasoned that in order to convince his target audience of 12- to 17-year-olds to never try the drug, messages had to be bold, in-your-face, graphic portrayals of addiction.

Four waves of award-winning TV, print, and billboard spots with the slogans “Not even once” and “This isn’t normal, but on meth it is” featured harrowing glimpses of kids attacking their parents, a young girl selling her sister’s body for drugs, and terrifying scenes of drug overdoses.

“If you’re not 12 to 17, you might think some of the messaging is over the top, because it’s loud, it’s graphic, it’s kind of edgy,” Siebel notes. “But this has been tried, tested,



and proven through hundreds of hours of focus groups and field research. The messages are credible, they’re perceived as of value to the audience, and they’re getting through. The ads have won a stack of industry awards, but more importantly, they work.”

In April 2008, the Montana attorney general’s office reported that teen meth use had dropped nearly 45 percent since 2005; meth-related crime was down by 62 percent; and the number of employees testing positive for meth fell 72 percent. Since the project began, Montana dropped from fifth in the country for meth use to 39th.

With an initial investment of about \$5 million, “we were able to get an organization started that is having a very, very substantial impact upon reducing methamphetamine use, not just in Montana, but now also in Arizona, Idaho, Illinois, and Wyoming,” Siebel states proudly.

And now, the Siebel Foundation has leveraged enough funds, Siebel adds, so that operating budgets for these meth projects will soon come entirely from other sources. “We tend to focus our energy on a limited number of projects, and the goals for those projects are very aggressive,” says Siebel. “When we go into these states with the meth projects, we’re trying to reduce methamphetamine use by half. That’s unheard of.”

There was one thing the detail-oriented Siebel was not prepared for. “When I got into the Meth Project, I looked at it initially as a very interesting marketing problem that I thought might be solvable,” he recalls. “However, I found myself getting to know and spending time with people who had lived these unbelievable human

tragedies, and a lot of them were young girls. I was really not prepared for that side of it. I wasn’t planning on getting emotionally involved.”

Siebel gets particularly enthusiastic discussing the Siebel Scholars program, created through the foundation

in 2000 to support and nurture the 50 most exceptional computer science and business graduate students at 10 leading universities; each institution received a \$2.6 million endowment to support the Siebel Scholars program in perpetuity. Students are chosen based on academic excellence and leadership, and each receives a \$25,000 award for their final year of graduate studies.

“The Siebel Scholars program is an almost unbelievably exciting program,” Siebel says. “Today, there are more than 450 Siebel Scholars around the world; I run into them all the time. They’re highly intelligent and highly motivated, and will go on to be some of the world’s greatest leaders. To be able to participate in a community like that is a very fulfilling activity, and a unique experience.”

Siebel notes that the annual Siebel Scholars conference, where past and current Siebel Scholars get together with some of the world’s foremost experts to discuss and debate global issues, is not only a vital part of the program—it’s also a creative way to develop future Siebel Foundation initiatives.

“The Siebel Scholars serve as a brain trust for the Siebel Foundation,” adds Siebel. “Much of what we do in terms of strategic philanthropy has been conceived, strategized, and wrestled with by the Siebel Scholars. The Meth Project came out of conferences we had on the criminal justice system and on methamphetamine.”

Another foundation program, the \$10.5 million Siebel Stem Cell Institute, was jointly established in December 2007 with the University of California, Berkeley, and Stanford University following a Siebel Scholars conference on how stem cells could target and treat devastating diseases such as Parkinson’s and diabetes.

The foundation’s latest venture, which emerged from a Siebel Scholars

conference, is the Energy Free Home Challenge. It may sound like the title of a new reality television show, but it’s actually a \$20 million contest launched this fall to inspire teams to focus on alternative energy. Their challenge: to design a house that achieves net zero nonrenewable energy consumption, at the same cost as a conventionally built home.

“The objective there is to see if we can use this prize money to facilitate a great deal of innovation around the world focused on dramatically improving the energy efficiency of housing,” Siebel explains. “They’re trying to get it done on a 2012 or 2013 time frame. If they pull that off, the world will never be the same. That’s a very aggressive goal.”

Siebel is equally aggressive in supporting his alma mater, the University of Illinois at Urbana-Champaign. Last year, he pledged an astounding \$100 million to establish the Thomas M. Siebel Fund for Excellence in Science and Engineering for the study of alternative energy, bioengineering, and stem cell research.

Although Siebel is rightfully proud of his substantial contributions to society, he doesn’t expect his four children to blindly follow

in his footsteps. “I hope they will all go to college, get jobs, and realize their professional aspirations. The most important thing to me is that they be fulfilled by what they do, and that they be good at it,” he says. “If they’re so fortunate that they have some extra money at the end of the day, then I hope it becomes important to them to give it away. Perhaps by the example of their parents, they’ll decide that that’s something they want to do, but they have no involvement in the foundation; I suspect that they will. Their job is to go get educated, get jobs, and do whatever they want to do.” Just like their father. **LM**



Siebel, who spent time as a ranch hand after graduation, now owns two ranches in Montana.