

SWISSQUOTE

ePRIVATE BANKING MAGAZINE

PORTRAITS

Jeff Bezos
AMAZON

Dick Costolo
TWITTER

Marissa Mayer
YAHOO

Robert Kotick
ACTIVISION BLIZZARD

Elon Musk
TESLA MOTORS

Jeremy Stoppelman
YELP

Eric Schmidt
GOOGLE

Marc Benioff
SALESFORCE.COM

Reed Hastings
NETFLIX

Godfrey Sullivan
SPLUNK

Lanham Napier
RACKSPACE

Jeff Weiner
LINKEDIN



EXCLUSIVE INTERVIEW

Avi Reichental
CEO OF 3D SYSTEMS

THE
LEADERS
SHAPING
THE
FUTURE





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Succeeding Steve Jobs

Who will take Steve Jobs' place as the star CEO of the new economy? To that question, regularly bandied around in the press, the answer is anything but clear. Not because of a dearth of candidates, but because emblematic company leaders are in such great supply at present, it is a tough task choosing between them.

What the CEOs portrayed in this issue have in common is their astounding ability to innovate. Visionary, charismatic, audacious – even recklessly so – they have developed new products and uses that are changing our everyday lives, from e-tailing and 3D printers to cloud computing and streaming movies.

A good number of these company heads also have no qualms about launching projects left, right and centre. The best example here is Elon Musk [see portrait on page 42], who, after successfully launching PayPal at the age of 30, established Tesla Motors as the benchmark brand in electric sports cars, before setting his sights on planet Mars with the SpaceX company. Musk is also behind the pharaonic Hyperloop project, in which a train in a tube will link Los Angeles and San Francisco in just 30 minutes.

A résumé like Musk's could even inspire envy in Amazon boss Jeff Bezos, widely considered the best CEO on the planet [see page 36]. Bezos outpaces

and exhausts his rivals by systematically reinvesting the company's profits. That is, when he isn't busy buying *The Washington Post* as a "personal investment".

The new heroes of Silicon Valley may wear their self-importance on their sleeves, but their feet are firmly on the ground. Most of them are seen as remarkable staff motivators, including Netflix CEO Reed Hastings, who rather than having his own office works shoulder to shoulder with his employees [page 50].

These CEO portraits make for a refreshing and inspiring read, perfect for getting down to some motivated work before the end-of-year holidays. Those looking for dreamier inspiration would do well to check out the travel section of the new issue, which explores the Indonesian island of Florès, a kingdom of volcanoes and dragons.

Happy end-of-year holidays to you, your family and friends.

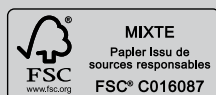


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CEO of Swissquote

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GLOBE



DKSH

FLORES



AVI REICHENTAL

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DR / SIMONOUR / BOB LEVERONE / CECILIA BOZZOLI

INNOVATION

Thirteen CEOs who are shaping the future

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I N T E L L I G E N C E

AN ARCTIC FEAT FOR ABB



Switzerland's ABB has won an order to equip two icebreakers for the Russian government. The vessels will be used for search and rescue operations in offshore oil and gas fields. ABB will supply the marine propulsion system and electric power plants for the vessels. As part of this project, ABB had to develop systems that could work in arctic climates, break a layer of ice up to one metre thick and resist oil spills. The icebreakers will be built in Germany by the group Nordic Yards. The contract is worth \$25 million.

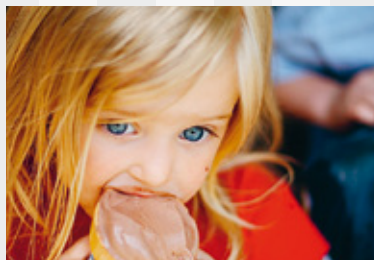
ABB

NOVARTIS GETS GOOD NEWS

The United States has banned imports of drugs produced by Indian firm Ranbaxy at its new plant in Mohali, in the Punjab region. The measure, which was taken for quality reasons, will delay the market launch of a generic version of Diovan. The decision is excellent news for Basel-based Novartis, which makes the original. This blockbuster drug, which treats high blood pressure, generated \$6 billion for Novartis in 2010 but lost its patent a year ago. Ranbaxy had obtained exclusive rights to sell a generic version in the US for six months. Patients will have to continue to make do with the original.

NOVN

CALLEBAUT MAKES HEALTHY CHOCOLATE CLAIM



The European Commission has authorised chocolate maker Barry Callebaut to include a health claim for its cocoa flavanols with its products. The company says that these flavanols help maintain the elasticity of blood vessels, thus contributing to a normal blood flow, based on a daily intake of 200 mg, the equivalent of 2.5 grams of cocoa powder. Barry Callebaut will have exclusive rights to the claim for five years. After this time, other chocolate makers will also be able to use it. The Zurich-based group plans to launch a new line called Acticoa, with products preserving up to 80% of their flavanols.

BARN

DIRTY WATER BOTTLES



The association Médecins en faveur de l'Environnement (doctors supporting the environment) conducted a survey on the bottled water sold in Switzerland. They found one in every two bottles to be contaminated by undesirable foreign substances. Badoit brand water contained 16,299 nanograms of BHT (a hormone disruptor) per litre, more than three times the normal limit. Badoit was followed by Valser and Henniez. The brands Coop Prix Garantie, Migros M-Budget and San Pellegrino were found to be cleaner, as was the tap water in Bern. Overall, the dirtiest water was in bottles made of glass – no doubt contaminated during recycling – or with printed bottle tops, another source of contamination.

KUONI CUTS OUT THE MIDDLE-MAN

Swiss tour operator Kuoni has initiated a broad refocusing of its activities, shutting down loss-making operations in several European countries (France, Belgium, Netherlands, Spain, Italy and Russia). The company is now focusing on direct online sales, at least for basic stays, cutting out travel agencies. The portals Kuoni.ch and Helveticotours.ch reported a 50% rise in reservations over the first six months of 2013. Lastminute.ch, which also belongs to Kuoni, reported an increase of 161% over the same period. The countries with the highest levels of success were Greece, Turkey, Cyprus and Spain. In contrast, agency sales stagnated between January and July 2013.

KUNN

KUDELSKI'S CHINESE AMBITIONS



Switzerland's Kudelski is continuing to expand in China. The group recently signed an agreement with Shandong, a cable operator with 20 million subscribers in the province of the same name, located halfway between Beijing and Shanghai. This makes it the world's third largest television distributor. Kudelski will supply Shandong with access solutions, such as decoders and its Open TV 5 IT platform to be deployed in 17 cities in Shandong. Last year, the Swiss company already signed a contract to supply video on demand to eight cities in Guangdong, another Chinese province. Operators in Taiwan and Mongolia also recently opted for Kudelski systems.

✂ KUD

A SWISS COMPANY BUILDER EXPRESSES AN INTEREST IN BITCOINS

Centralway, a Zurich-based company builder, has set up an investment arm in London. The new entity will invest \$50 million each year in 20 or 30 start-ups in the field of new technologies. The first to benefit will be Buttercoin, a company that has already received funds from Google Ventures and that aims to put in place a system enabling immigrants to send money to their home countries in the form of bitcoins, a virtual currency. In this way, they would save on transaction fees and cross-border currency conversion costs. Buttercoin has already raised \$1.6 million.

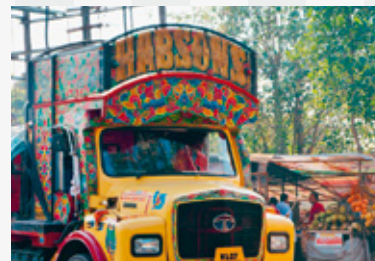
GIVAUDAN DEVELOPS A PERFUME WITH BUBBLES



Givaudan is working with French start-up Capsum to develop a new perfume formula. The new formula will contain bubbles of one millimetre in diameter suspended in an aqueous solution with the texture of a serum. The process, called Néobulle, will make the fragrance last longer on the skin. It also eliminates the use of alcohol. An essential ingredient in any perfume, alcohol is used to stabilise the essential oils. However, it makes the skin photosensitive when exposed to the sun and may cause a rash.

✂ GIVN

OC OERLIKON EXPANDS ITS PRESENCE IN INDIA



Swiss group OC Oerlikon has started building a third plant in India, in the state of Gujarat. The new plant will serve two brands from its Drive Systems segment, Graziano and Fairfield. The new production site, which will employ a workforce of 500, will make drive belts, gearboxes and other vehicle parts for trucks and off-roaders. Some 60% of the current output from this segment in India is for the local market and the rest for export. When the plant is finished, this division, which is also headquartered in India, will generate 20% of the group's global revenue and employ half of its workforce.

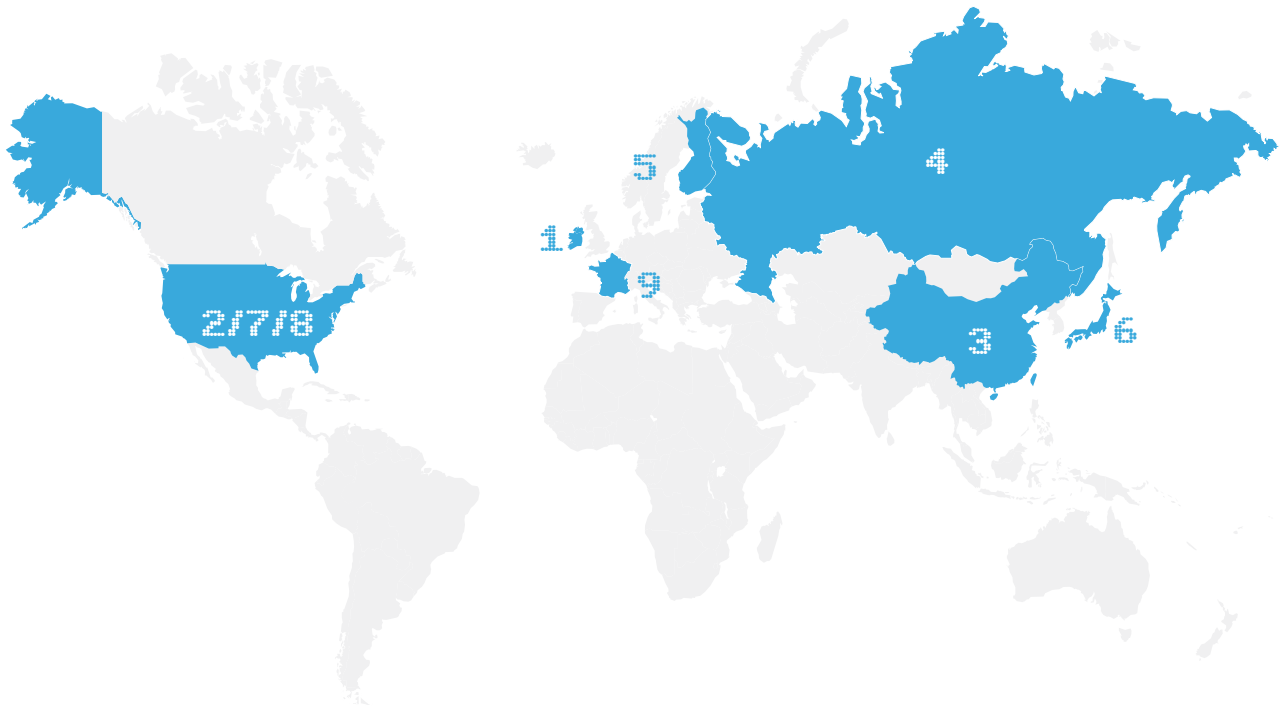
✂ OERL

UBS OPENS OFFICES IN NASHVILLE

Swiss bank UBS is to move part of its US business activities to Nashville, Tennessee. The bank plans to invest \$36.5 million in Nashville, the capital of country music, to build a new Business Solutions centre supplying operational and technological support for the wealth management business. UBS will receive financial incentives from the central government and the State of Tennessee, depending on the number of jobs created and the investments made in construction. The bank plans to hire 1,000 employees to work in this new centre. It already employs more than 200 in Nashville.

✂ UBSN

WORLD WATCH



1

RYANAIR AIMS TO IMPROVE CUSTOMER TREATMENT

Customers of Ryanair, an Irish low-cost airline, complain incessantly about its “minimalist” approach to service. This negative press is beginning to worry shareholders. The management of Ryanair has therefore been pushed into promising to review various aspects of its somewhat “terse” corporate policy. Passengers will no longer be fined if their hand luggage is a few millimetres over the maximum authorised size. Ryanair also plans to reorganise its website for a better user experience and to create an ad-hoc team to reply to customer e-mails.

RYA,GB

2

“HEALTHY” FAST FOOD



Fast-food chains are accused of causing an obesity epidemic with menus full of bad fats. Today, they are in a battle to prove themselves healthier than their competitors. Burger King recently launched a “light” chip with 40% less fat and 30% fewer calories. At the same time, McDonald’s has announced that customers will be able to replace chips with salad or fruit.

BKW

MCD

3

PIRACY, CHINESE-STYLE

Heineken is involved in a legal wrangle in China. Wujiang Xili Machinery, a small sewing machines firm with fewer than 50 employees, has filed three versions of the logo and name of the Dutch beer brand. Heineken is seeking a cancellation since it could otherwise be accused of infringing copyright, in which case it would be unable to sell its products in China. Apple faced a similar situation last year, and ended up having to pay \$60 million to Proview Technology, a local firm that was using the iPad brand name, in order to regain exclusive rights for its tablets.

HEIA

4 THE KALASHNIKOV IN PRIVATE HANDS



The state corporation Russian Technologies has sold 49% of its holdings in Izhevsk Machine Works, the company making the Kalashnikov, the world's most famous and most widespread assault rifle. The buyers are Aleksei Krivoruchko, who runs a suburban train network in Moscow, and Andrei Bokarev, who owns a number of mines in Siberia. The deal was worth 2.5 billion roubles (\$75 million).

5 NOKIA HANGS UP THE PHONE

When it was founded in the 19th century, Finland's Nokia made boots for fishermen. The group only moved into mobile phones in the 1990s, quickly becoming world No. 1. But Nokia recently sold its telephone division to Microsoft, and plans to refocus on its other activities, such as network equipment, an activity generating \$18.4 billion a year. However, it is in competition with Sweden's Ericsson and China's ZTE.

☑ NOK1V

6 "INFLAMMABLE ICE" IN JAPAN

In the wake of the Fukushima disaster, Japan needs to find other, non-nuclear, energy sources. It recently announced that it had successfully extracted methane from an offshore "inflammable ice" field, located around one hundred kilometres east of Osaka. This hydrate-bearing sediment is a potential source of fossil energy, but its extraction raises a number of difficulties, since it requires high-pressure drilling.

7 ALL-INCLUSIVE HYPERMARKETS



After getting its fingers burned in an unsuccessful foray into the US, UK supermarket chain Tesco has decided to focus on the local market and to improve its brand offering. It has opened three hypermarkets under the name Tesco Extra, with traditional bakeries, cafés and restaurants. Customers can also do yoga, attend an IT class or have a manicure. Six more stores of this type are in the pipeline. Tesco, the world's thirst biggest supermarket chain after Wal-Mart and Carrefour, has invested £1 billion in the project.

☑ TSCO,GB

8 STARBUCKS LAYS DOWN ITS ARMS



Starbucks, the Seattle-based coffee company, is currently a haven for gun enthusiasts in the US. But all that is about to change. The company has announced that customers carrying pistols or guns will no longer be allowed to enter its coffee shops. The decision follows a shoot-out in Washington in mid-September, which left 13 dead. Starbucks joins a small number of US firms that have already banned weapons from their premises, including Peet's Coffee and Tea, California Pizza Kitchen, Disney and Costco.

☑ SBUX,U

9 SHARING ELECTRIC CARS

Bolloré and Renault recently joined forces to create an electric car-sharing system, based on the model of the Autolib network launched in Paris by Bolloré in 2011. The scheme would provide a new outlet for the electric vehicles built by Renault, while enabling Bolloré, which already manufactures electric batteries, to make the most of its expertise. The two companies could also cooperate on the development of a three-seater electric car with a range of over 200 kilometres.

☑ BOL

☑ RNO

SECTORS

ELECTRONICS STOCKS

Fujitsu gets smart

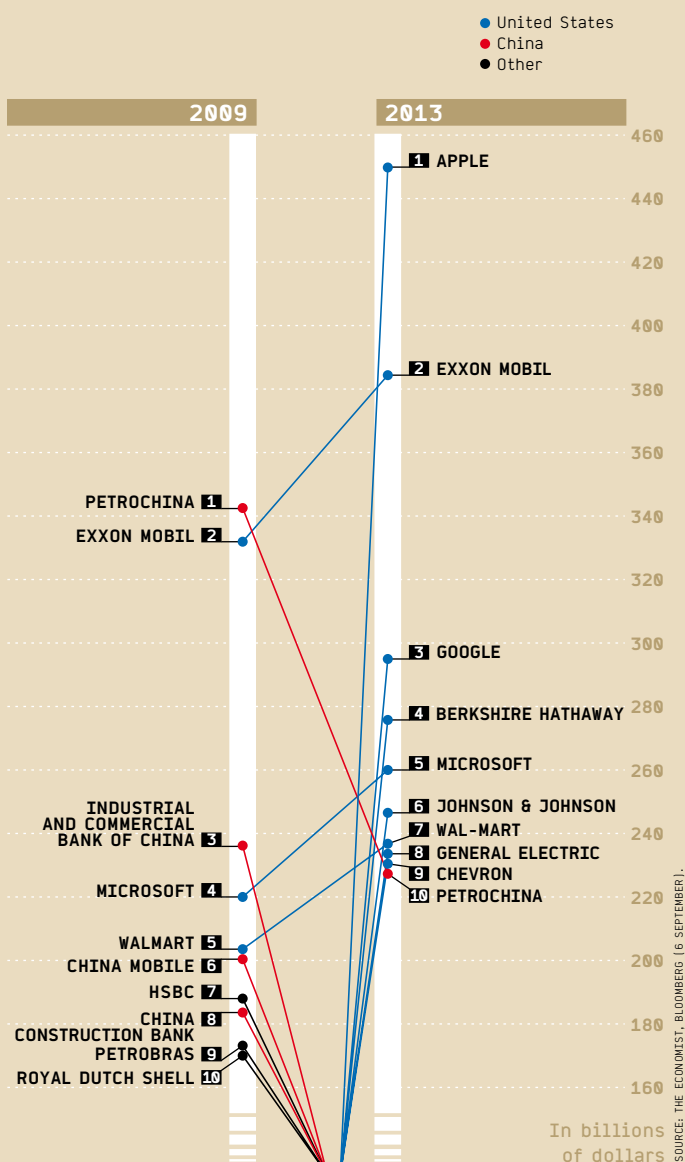
Japanese electronics firms completely missed the smartphone boat. But rather than trying to catch up with the two giants, Apple and Samsung, some firms are now moving into niche markets. This is the case of Fujitsu, which recently launched a line of smartphones for older people. Featuring so-called Raku-Raku technology (from the Japanese for «easy»), these phones have larger keys, a brighter screen and a function to slow down the voice on the other end. They also include an emergency button that sends out a message to the user's family with his/her GPS coordinates.

Kobo can't keep up

Japan is lagging behind not only in smartphones but also in electronic book readers. Launched in July 2012 by Rakuten, Japan's biggest e-commerce portal, Kobo was rapidly overtaken by Amazon's Kindle, even though it arrived in Japan four months later. The first sales figures give the US firm 38% of the market, compared with 33% for its Japanese competitor and 26% for Sony. The reason for the failure? The Kindle online store, which has 140,000 books in Japanese, is far more intuitive and easier to use than Kobo's, which has 130,000 titles.

Top 10 market capitalisations

In 2013 nine of the ten largest market capitalisations were US companies. In 2009, in the wake of the subprime crisis, the list was still dominated by state-owned enterprises, including four Chinese firms.



AVIATION

A light aircraft for Airbus Airbus is to sell a lighter version of the Airbus A330-300. The new model will have 400 seats in an all-economy class configuration and a range of 3,000 nautical miles. This makes it ideal for medium-haul flights. Airbus is pitching first and foremost to the Asian market. Airbus has already taken 62 orders for the new aircraft from Vietnam's VietJetAir and 68 from Qingdao Airlines, Zhejiang Loong Airlines and BOC Aviation, three Chinese companies. The new model will be ready in 2015.

✉ EAD

Bombardier targets the medium-haul market

Canadian aircraft maker Bombardier is seeking to position itself in the intermediate segment, and to challenge the duopoly of manufacturers, Airbus and Boeing, in medium-haul flights carrying between 100 and 230 passengers. Bombardier expects this market to double between 2013 and 2032 to \$4.8 billion dollars. The latest model from Bombardier, the CSeries, recently made its maiden flight. The company hopes to sell 3,500 units of this model for between \$5 and \$8 billion. It has already booked 12 firm orders and 18 options from Canada's Porter Airlines.

✉ BBD.B

SCREEN

SWISSQUOTE JANUARY 2014

UPS

Suntory



Suntory Beverage and Food of Japan is continuing its interna-

tional expansion by acquiring drink brands Ribena and Lucozade from UK firm GlaxoSmithKline as part of a £1.35 billion deal. The acquisition is the latest in a long series. The company has also acquired Orangina Schweppes and a majority stake in PepsiCo's Vietnamese operations.

✉ 2587

Hilton



The Hilton hotel chain has seen revenue rise by 15% since 2010, reaching \$9.3 million

in 2012. It has also increased the number of rooms by 34%, bouncing back after the crisis of 2008. Blackstone, the owner of the chain, is now planning an IPO for early 2014. The hotel chain is expected to be valued at \$30 billion.

Vestas



Denmark's Vestas, world number one in wind turbines, is joining forces with

Mitsubishi to develop its offshore fields. Hit by cheap competition from Asia and the end of state subsidies in recent years, Vestas is in real need of the fresh money promised by Mitsubishi. The Japanese firm has agreed to invest €300 million in the project.

✉ VWS

DOWNS

Johnson & Johnson



Johnson & Johnson has been forced to recall several lots of two of its leading

drugs. The company has recalled 200,000 bottles of liquid Motrin for infants, a cold medicine, over fears that the drug could contain tiny particles of plastic. At the same time, Janssen, the group's pharmaceutical arm, announced that it had found mould in Risperdal Consta, an injectable anti-psychotic drug.

✉ JNJ

Panasonic



Following a loss of 754.3 billion yen (\$7.5 billion) in 2012, Japan's

Panasonic has been forced to sell its health-care business, one of its few profitable units. The company has sold an 80% stake to US private equity firm KKR for \$1.67 billion. Panasonic has been hit by falling TV sales, cheap competition from other Asian countries, and the strong yen.

✉ 6752

Merck



Pharmaceutical group Merck is to axe 8,500 jobs, 20% of the workforce,

in order to save \$2.5 billion by 2015. The group has suffered several setbacks recently, with the refusal of the US Food and Drug Administration to authorise two new products, an anaesthetic drug and an insomnia drug.

✉ MRK



“Today, everybody’s talking about Africa and wants to go there (...). It reminds me of China in the 1980s. Nobody wanted to take the risk and then, suddenly, everybody did.”

Alexandre Vilgrain, CEO of agro-industrial group Somdiaa, in an interview with the magazine *Jeune Afrique* on 7 October.



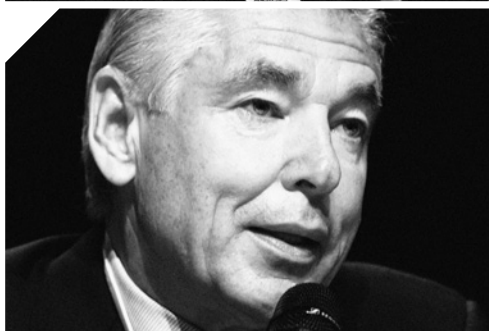
“And if we can inspire young women, if we can give the message that ‘yes, girls can do that’, that’s brilliant. Because yes, they can do it!”

Christine Lagarde, IMF managing director, a guest on “Meet The Press” on NBC.



“The young generation don’t want to work in factories. They want to work in services or the internet, or another more easy and relaxed job.”

Terry Gou CEO of Foxconn, a Taiwanese manufacturer of electronic goods (iPhone, Playstation, etc.) talking to the *Financial Times* about the lack of labour in China.



“The media praise you to the skies one day and then drag you through the mud over the next ten days for the slightest slip-up.”

Peter Brabeck, chairman of the board of directors of Nestlé, at a presentation during the Foire du Valais trade show.



“It’s still too early,” to market a smart watch. “It has to meet a need, otherwise, it’s just a gimmick or concept.”

Peter Chou, CEO of HTC, in an interview with the *Financial Times* on 20 October.

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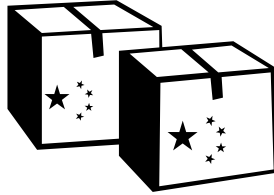
A STAR ALLIANCE MEMBER 

Our sign is a promise.



45%

The fall in China's trade surplus between August and September. The drop in exports resulted mainly from the national holidays in mid-September and the strengthening of the yuan.



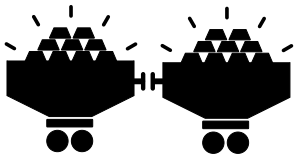
800,000,000,000

In dollars, the cost of the Arab Spring between 2010 and 2012, according to an HSBC estimate. The bank is forecasting a global 35% fall in the GDP of the countries concerned between now and 2014 compared with the forecasts made before the revolutions.



6,339

The number of high net worth individuals living in Switzerland with more than \$30 million in assets, according to the financial news site 24/7 Wall St. The country has the seventh-largest population of "ultra rich" in the world.



70%

The percentage of the world's gold stocks that passes through Switzerland every year. Switzerland has five of the world's largest refineries, one in Bienne (Cendres+Métaux), one in Neuchâtel (Metalor Technologies) and three in Tessin (Pamp, Valcambi and Argor-Heraeus).



9,000,000,000

In euros, the annual loss incurred in Europe due to the gender imbalance in the digital sector, according to the European Commission. Only 0.4% of women with a post-graduate degree work in this field.

UP

«Made in the USA»

The US textile sector is making a comeback. After largely relocating to China, India, and Mexico in the 1990s, the industry is starting to return to the US. In 2012, US exports of clothes and textiles totalled \$22.7 billion, up 37% on 2009.

Audio headphones

The market for luxury audio headphones grew by 73% in 2012. In the US, the market is dominated by the Beats brand, launched by Dr Dre, which generated \$1 billion in sales last year. But other brands such as Bose and Sennheiser, are also doing well. Sennheiser reported a 10% rise in sales in 2012, to €584.4 million.

DOWN

The semi-conductor industry

Falling PC sales have hit the semi-conductor industry, giving rise to a wave of consolidations. In the latest transaction to date, US firm Applied Materials has acquired its rival Tokyo Electron for \$9 billion, placing it in a stronger position to negotiate the prices of its machines.

The European carbon market

The European carbon market is on a continuous downward slide. The price of a tonne of carbon has fallen from €25 in 2008 to just €3 today. With the crisis in Europe, none of the players involved wants to see a rise in the price of emissions.

LE CLICHÉ

Barge buzz

For weeks, people were asking themselves what was going on inside Google's gigantic platform – four storeys high, 76 m long and 22 m across – floating in San Francisco Bay near Treasure Island. Was it a waterborne data centre? A huge party venue? After a lengthy period of conjecture and artfully nurtured buzz, Google put an end to the rumours on 6 November with a laconic, tongue-in-cheek statement announcing that the two barges in question (an identical structure is under construction in Portland, Maine) are home to interactive spaces focusing

on new technologies. "Google Barge... A floating data center? A wild party boat? A barge housing the last remaining dinosaur? Sadly, none of the above," Goggle said. "Although it's still early days and things may change, we're exploring using the barge as an interactive space where people can learn about new technology." The US trade press quickly qualified the move as an attempt by Google to compete with Apple stores. The Mountain View-based company will use the new venues to showcase its own products, including the upcoming Google Glass wearable computers.



SCAN

CLASS CONSCIOUSNESS



LUKE MA

A study by the International Labour Office looked at the emergence of a middle class in the Asia-Pacific region. In 1991, 80% of the working population in this region was living below the poverty threshold and only 5% were able to sustain all the members of their family with at least \$4 daily. This proportion had risen to 38% in 2012, and should total 50% by 2017. However, significant regional differences exist. In Eastern Asia, particularly in China and South Korea, 60% of workers have joined the middle classes, compared with just 9% in Southern Asia.

SOVEREIGNS OF GOLD

The 15 main gold-producing countries extracted 4,477 tonnes in 2012, a 48% rise on the previous year, according to a study by PricewaterhouseCoopers. The value added totalled \$78.4 billion, of which \$12.6 billion for China and \$9.3 billion for the US. However, the country reporting the strongest increase in gold production was Mexico, which posted a rise of 118% between 2007 and 2012. Moreover, this activity employed 527,900 people in the 15 countries last year.

Kindle Paperwhite 3G (2nd generation) VS Sony Reader PRS T3



IN BRIEF

While continuing to invest in tablets, e-reader pioneer and market leader Amazon is also renewing its Kindle range. This new model is lighter and faster than its predecessors, but does not revolutionise the genre.

Released in early October, Sony's latest model features a smart cover and an attractive design. It also answers the criticisms made of previous models by incorporating a dictionary and a quick charging system.

SPECIFICATIONS

Screen: 6 inches
Built-in memory: 2GB
Connectivity: 3G
(also available with WiFi)
Battery life: 8 weeks
Weight: 206 grams

Screen: 6 inches
Built-in memory: 2GB
Connectivity: WiFi
Battery life: 6 weeks
Weight: 200 grams

VERDICT

With improved contrast and a built-in backlight system, this e-reader delivers optimal reading comfort by night and day. Equipped with a smart search feature, it includes definitions not only from the built-in dictionary, but also from Wikipedia. Nevertheless, this latest model is no exception to the Kindle rule: it can only read proprietary formats, i.e. books purchased on Amazon.

This e-reader combines style and user-friendliness more successfully than its competitors, with a built-in smart cover that switches the device to stand-by mode when closed. It is available in three colours and allows users to download content from a wide range of download stores. However, this model still doesn't have a built-in backlit screen, which makes reading at night difficult. Users have to invest in an additional cover with a lamp.

PRICE

About \$180

About \$170

FIGURES

| AMAZON  AMZN,U | SONY  SNE,U |
|---|--|
| FOUNDED | FOUNDED |
| 1994 | 1946 |
| CEO | CEO |
| JEFF BEZOS | KAZUO HIRAI |
| REVENUE | REVENUE |
| \$61 BILLION (2012) | \$72.3 BILLION (2012-2013) |
| CAPITALISATION | CAPITALISATION |
| \$140 BILLION | \$19.86 BILLION |
| EMPLOYEES | EMPLOYEES |
| 97,000 (2013) | 146,300 (2013) |

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Fuel consumption urban/extra-urban/combined: 17.1/8.6/11.9 l/100 km; CO₂ emissions combined: 279 g/km. Efficiency class: F.

Figures do not relate to any individual vehicle, do not form part of any offer and are intended solely to aid comparison between different types of vehicle. The vehicle shown features optional equipment. Provider: Daimler AG, Mercedesstraße 137, 70372 Stuttgart, Germany



A DKSH-orchestrated promotion in a supermarket in Burma for the Ovaltine brand.

A woman with dark hair, wearing a red dress and black flip-flops, stands in a store aisle. To her left are shelves stocked with Ovaline products, including boxes and tins. A ceiling fan is visible above her. In the background, other store shelves are visible. A large yellow circle with a white border is overlaid on the right side of the image, containing the title and introductory text.

DKSH, Switzerland's Asian market expert

The Zurich-based company DKSH specialises in serving companies looking to set up in Asia. A newcomer to the Swiss exchange, it boasts a unique business model and phenomenal growth.

By Sophie Gaitzsch

The DKSH name is more familiar on the streets of Hong Kong than on the banks of the Limmat or Lake Geneva. And with good reason: although the company is Swiss, it generates almost all of its more than 8 billion Swiss francs in revenue in Asia, where it has been active for nearly 150 years.

DKSH's niche is "Market Expansion Services," a concept of its own invention. It advises companies that would like to penetrate the Asian market or grow their business there, offering to conduct market research for them and manage their product registrations as well as their marketing, sales and distribution activities. The idea of serving as "door opener" was the brainchild of DKSH President and CEO Jörg Wölle, who is seen as the main architect of the group's success in recent years.

"There's no question that DKSH is in a unique position," says Marco Strittmatter, an analyst with Zurich Cantonal Bank (ZKB). "The company has a one-of-a-kind business model and is the only one providing this type of service. It has no direct competitors, except maybe one company based in Hong Kong, Li & Fung, which has some similar activities."

In just a few years, this innovative business model has found its audience and driven DKSH's results to new heights. Revenue and staff have more than doubled since 2002. Last year, the group generated revenue of 8.83 billion Swiss francs, up 20.4% year on year. Profit rose 21.3% to 184.7 million Swiss francs. Building on this success, DKSH orchestrated a well-received IPO on

the Swiss exchange in March 2012 and turned heads with the immediate surge in its stock. The share rose 70% in its first year, before falling slightly.

Of the group's 680 branches, 660 are in Asia, as are the vast majority of its 26,300 employees.

But it is the company's extraordinary knowledge of the Asian continent that sets it apart, with roots dating back to the 19th century. In 1868, Eduard Anton Keller left his native Thurgau at the age of 20 to seek his fortune in the Philippines, where several years later he bought an import-export business. At the same time, unbeknownst to each other, two other young men from Switzerland followed the same route: Hermann Siber-Hegner settled down in the Japanese city of Yokohama and Wilhelm Heinrich Diethelm in Singapore. Their companies expanded, weathered the decades and crises, and continued to reinvent themselves until 2002, when, through a series of mergers, they formed the global group DKSH, whose name stands for the initials of the three pioneers.

Because of its long-standing local roots, the company has a presence in difficult-to-access markets, such as Thailand, Cambodia and Malaysia. Of the group's 680 branches, 660 are in Asia, as are the vast majority of its 26,300 employees. In a fast-growing

.....Analyst's recommendation.....

"Ideally positioned in a niche market"

Marco Strittmatter, an analyst with Zurich Cantonal Bank (ZKB), believes that DKSH is an attractive long-term investment. The stock surged after its IPO in early 2012.

It has edged down in recent months, but is expected to recover. "The lights are green. The company is ideally positioned in a niche market. Its growth has been impressive

until now and it still has a lot of potential." Success has a flipside, however. Marco believes the stock's valuation, at 75 Swiss francs, is currently too high.

region, where millions of people join the middle class each year, DKSH promotes itself as a well-established intermediary for Western manufacturers whose traditional opportunities are nearing saturation point. An Asian presence is a must for any company looking to expand. "What was obvious to multinationals now also holds true for SMEs active in engineering, pharmaceuticals, food services, luxury goods and consumer goods, provided they are able to overcome the traditionally high barriers to entry in the region and find their bearings in a foreign culture," writes German consultant and professor of business management, Roland Berger, in the preface to a book on DKSH's history.

Against this backdrop, DKSH says that companies of all sizes are increasingly outsourcing activities such as marketing, sales and distribution. "Globalisation requires a greater division of labour and companies are more focused on their core competencies," explains Gilgian Eisner, the group's spokesperson. "Working with an external partner to penetrate a new market means they don't have to establish a subsidiary, a distribution department or an on-site team. The approach enables them to minimise their risks and save money."

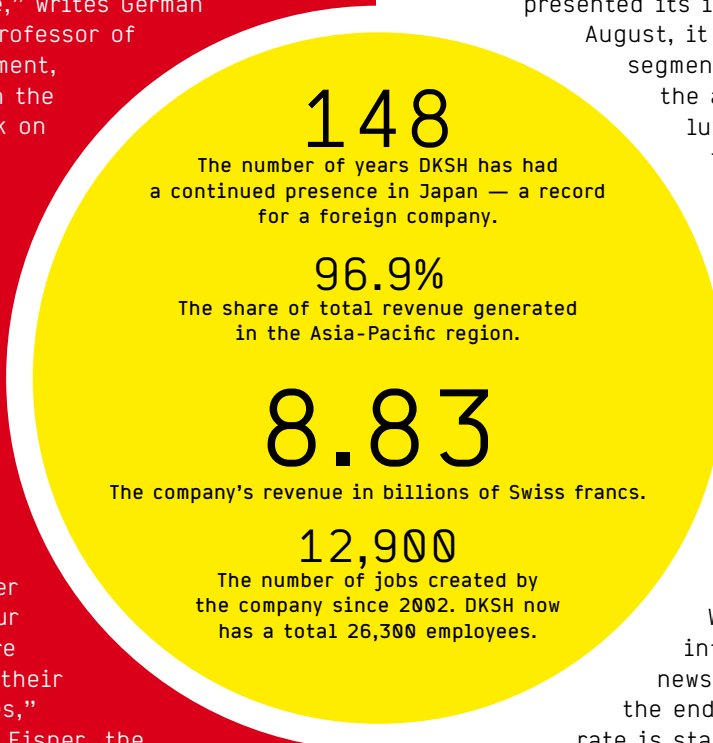
DKSH counts heavyweights such as Nestlé, Roche and Bayer among its 5,500 clients. The group is helping Lindt & Sprüngli expand into Singapore, for example. It is handling the marketing, sales, merchandising, distribution and administrative services for the Swiss chocolate maker, with which it has worked for over 50 years. On a more industrial note, DKSH is managing sales

and after-sales service in China and Taiwan for Oerlikon Systems, Oerlikon's semiconductor and nanotechnology arm. But DKSH's offer is not limited to Western companies. It also attracts Asian firms, which now account for one-quarter of the group's major clients. The Zurich-based company is, for example, handling the entry into the Thai market of Japanese rice snack manufacturer Kameda.

And what will the future bring? All eyes are now on the Asian economy. When DKSH presented its interim results in August, it noted that some segments, including the automotive and luxury goods industries, had been adversely affected by the slowdown in Chinese growth. The company nevertheless remains upbeat. "It's not a catastrophe if China's annual growth rate falls from 10% to 7.5%," Jörg Wölle said in an interview with the newspaper *Le Temps* at the end of August. "This rate is starting from a much higher base than before." And he pointed to the emergence of "new tigers" such as Burma, Laos and Cambodia, where the economies are booming.

ZKB analyst, Marco Strittmatter, also believes that "DKSH has significant potential, with fundamental trends that include the development of a middle class eager to access Western products, the growing needs of its client companies and increased trade between Asian countries." The group expects double-digit growth to continue in full-year 2013. ▲

DKSH



ANALYSIS

ADVICE FOR INVESTORS

“Africa is starting from scratch, but the sky’s the limit”

Africa is a commodity-rich continent with a budding services and industrial sector. Grégoire Clerissi, Africa specialist at Banque de Gestion Edmond de Rothschild Monaco, talked to us about investment opportunities in this region.

SWISSQUOTE MAGAZINE ►

Is Africa an attractive market for investors?

GREGOIRE CLERISSI ► Yes, and for any number of reasons. The continent is seeing a massive population and urban explosion: by 2020, it will have 500 million people of working age. And in 20 years, Africa will have the largest labour force in the world. The middle class also continues to grow. According to some estimates, it may already include some 300 million consumers.

Social and political stability is also improving. Leaders in some countries, including the Democratic Republic of Congo (DRC), are rooting out corruption, and trade has become more stable. A great deal of work lies ahead: it is thought that only 15% of ores mined in the DRC are currently declared. Africa is starting from scratch, but the sky’s the limit. Things can move very quickly on the continent, with some people becoming multimillionaires in just a few years.

Which sectors and countries are worth investing in at the moment?

Gabon is looking very attractive. Politically and socially, it is one of the most stable countries on the continent. Its economy is based on three major areas: oil, logging and growth in tourism. Oil company Maurel & Prom, which has operations in Gabon and the Congo, and Total Gabon, a subsidiary of the Total group, have reported good results. Total Gabon’s share price rose 36% in the last year.

However, estimates for Gabon’s oil reserves indicate they could dry up in 30 years. The government is therefore actively preparing for the “post-oil” era by focusing on its two other economic priorities. On the logging side, it will create jobs and develop local industry. Another of Gabon’s attractions is its new free trade zone, also known as “Olam,” after the Indo-Singaporean group with a global presence

in the foodstuffs trade.

Tax exemptions are enabling the zone to attract investment and build the country’s industrial fabric.

What other countries should we be watching?

The Democratic Republic of Congo is very attractive. Although it has one of the world’s highest levels of corruption, the government is actively combating the problem. With its cheap workforce, the country has the potential to become “a little China in Africa.” It has the world’s largest reserves of coltan, an ore commonly used as a semiconductor, particularly in cell phones. And while we’re on the subject, Kilo Goldmines, a gold exploration company operating in the DRC, could be of interest to investors. Another country worth watching is Zambia, and more specifically Denison Mines, a uranium exploration company. This southern African nation has promising reserves.



TON KIRKWOOD, REUTERS

An African employee in the Twangiza open-pit gold mine in eastern Democratic Republic of Congo.

Africa remains politically and socially unstable. What do investors need to be careful of?

You can't take the same approach as you would for "conventional" investments, that is, relying mainly on statistical data. Investing in Africa means going there and meeting the right people on the ground. Private investors will naturally be more comfortable going through an investment fund. The "Africa Opportunity" fund is an attractive option. It plans to invest in a variety of listed and unlisted companies active in insurance, mobile telephony, food distribution and oil and gas development.

Who are the major investors in Africa? What are the top sectors today?

The United States and China are the two largest investors in Africa. Bill Clinton's message of "not aid but trade" sought to put an end to poorly organised aid that did not reach its intended targets, and to develop trade instead. The United States has therefore invested mostly in the private sector.

China is making massive investments in infrastructure and often takes on a quasi-governmental role, building hospitals, schools, roads and dams. China is hungry for commodities, which is why it

has invested so much in infrastructure in Africa. In return, it gets the natural resources that it so badly needs. The country has a great deal of freedom of action on the African continent, which does not make life easier for investors in Europe, which has lost some ground as a result of the crisis. But now it seems that Africa's leaders are beginning to see the flip side of the coin: the substandard quality of the Chinese infrastructure built in their countries. ▀



Grégoire Clerissi
Relationship manager,
Africa Desk at Banque
de Gestion Edmond
de Rothschild Monaco

“The biotech industry has gained in maturity”

The big players in biotechnology, almost all of whom are based in the USA, have posted record stock-exchange performance levels this year. According to Silvia Schanz from Zurich-based investment company BB Biotech, the trend is likely to continue.

SWISSQUOTE MAGAZINE ►

What exactly does “biotech” mean?

SILVIA SCHANZ ► Unlike the pharmaceuticals industry, which produces synthetic medication using chemicals, biotech uses living organic organisms (human cells, bacteria) to produce drugs such as antibodies.

How can we explain investors' growing interest in this sector?

The biotech industry has gained in maturity. Today, more and more companies are capable of bringing products to market, or have solutions at a very advanced stage of clinical development. Just a few years ago, the situation was more difficult: many firms encountered financing problems. Some have even disappeared. It should also be noted that the regulation now in place is more favourable. Cooperation between the regulatory authorities and the companies active in biotechnology has also improved.

What are the leading biotech companies?

The big players in the sector are based in the United States and include Californian firms Amgen and Gilead, Celgene in New Jersey, Regeneron in New York State and Alexion in Connecticut. At BB Biotech, American companies make up 75% of our portfolio. We also invest in companies in Europe and emerging markets such as India, but the opportunities are less obvious. The biotech sector is also quite volatile, as the risk of products under development never becoming profitable must always be taken into account. Investors must accept this risk, but they also get an excellent return on their investment.

The Nasdaq Biotechnology Index (NBI) is breaking records at present.

How do you interpret this performance?

It's true that the NBI has outperformed the general bond markets in recent months, and we think that this trend will continue. The fundamentals are good: there are a large number of products in the pipeline

and the regulatory environment has become a lot more accommodating.

Since 2012, we have seen many mergers and acquisitions in the pharma and biotech sectors.

Will this trend continue?

Yes. The big pharmaceutical companies are losing patent protection for many of their star products. As soon as they find themselves short of innovation, the acquisition of smaller, more innovative biotech companies becomes an appealing prospect. This should strengthen the trend for mergers and acquisitions. To give a few examples, in the third quarter of 2013 alone, Onyx Pharmaceuticals was taken over by Amgen, while Trius Therapeutics and Optimer Pharmaceuticals were bought by Cubist Pharmaceuticals. ▲



Silvia Schanz
Director Investor Relations
BB Biotech
Zurich

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RENE RUTS

A serial entrepreneur focused on tourism and new technologies

Philippe Willi, age 29, is co-founder and CFO of several Swiss companies, including TrekkSoft, a start-up founded in 2010, with offices in Interlaken, Zurich and New York. In September, the company raised 750,000 Swiss francs for its development, thanks in particular to the confidence of private investors such as Armin Meier, the former CEO of Kuoni. TrekkSoft offers a B2B solution for tour agencies so they can sell their products online and on mobiles. The software, which can be integrated into any site,

manages the entire payment and reservation process for all types of activities. TrekkSoft already has 200 clients and offers more than 3,000 outdoor activities. In 2012, the company's revenue stood at 5 million Swiss francs. With a degree in Business Administration from Université de St-Gall, Philippe Willi also works for Outdoor Interlaken, the country's largest activity company; Bus2Alps, a student travel agency; and Divio, a Zurich-based company that creates websites and web applications.

START

Is over 40

No

Yes

Did an
internship
with UBS
in Zurich

No

Yes

Marissa Mayer
Yahoo!

p. 39

Jeremy Stoppelman
Yelp

p. 46

Lanham Napier
Rackspace

p. 53

Programmed
and sold a
video game at
the age of 12

No

Yes

Has a
MBA

Yes

No

Actively
supports gay
marriage

No

Yes

Elon Musk
Tesla Motors

p. 42

Tried a
career as
a comedian
in his
youth

No

Yes

Dropped out
of college on
the advice of
Steve Jobs

No

Yes

Sets aside
two hours
every day
to walk and
think

Dick Costolo
Twitter

p. 38

Has a fortune
of over
\$10 billion

No

Yes

Jeff Bezos
Amazon

p. 36

Robert Kotick
Activision Blizzard

p. 40

Eric Schmidt
Google

p. 47

Comes from
the East Coast
of the US

No

Yes

Was once
a ride and tie
runner

No

Yes

Avi Reichental
3D Systems

p. 30

Has no
permanent
desk

No

Yes

Marc Benioff
Salesforce

p. 48

Reed Hastings
Netflix

p. 50

Godfrey Sullivan
Splunk

p. 52

Jeff Weiner
LinkedIn

p. 54



Thirteen CEOs who are shaping the future

Charismatic, visionary, bold, and often uber-confident, the leaders of the new economy are redefining the role of CEO. They include Jeff Bezos (Amazon), Elon Musk (Tesla Motors), Marc Benioff (Salesforce.com), and Reed Hastings (Netflix). Revered as stars, these executives have the ability to successfully take on a wide range of roles and projects. Their companies, based for the most part in Silicon Valley, are transforming our daily lives. Here, we profile these preeminent CEOs.

Feature by: Sophie Gaitzsch, Benjamin Keller, Serge Maillard, Jean-Christophe Piot, Audrey Ramat, Armelle Vincent, Julie Zaugg

Photos: Bob Leverone
Illustrations: Cecilia Bozzoli

"3D printing is set to trigger a third industrial revolution"

3D printing is one of today's most radical innovations. Avi Reichental, head of the market leader 3D Systems, talks about his role as CEO and the new technology's enormous potential. Our exclusive interview was held at the company's US head office.

By Julie Zaugg

The big white building housing the head office of 3D Systems sits flying saucer-like in the lush green hills of South Carolina. The man at the bridge of the intergalactic craft is Avi Reichental. The Israeli-born CEO has been at the helm of the Californian firm for ten years. Under his guidance, 3D Systems, founded in 1986, has grown from a small outfit selling 3D printers to a giant company with over 1,000 employees. The group posted revenue of \$354 million in 2012, up 53.5% year on year.

Several 3D printers are at work in the head-office building. An object begins to take shape in a tray filled with an amber-coloured liquid. Its contours are illuminated every 30 seconds by a blue

laser so powerful it solidifies the resin particles, each time adding a further layer of material. "The degree of precision is extremely high," says Avi Reichental, holding up a red shoe with a heel featuring myriad interlacing forms. "You couldn't make a product like this with conventional equipment." After finding a seat amid a multitude of multi-coloured plastic objects, the 56-year-old CEO, dressed casually in a black polo shirt and jeans, takes to the interview with relish.

in a few days rather than several months. It can also be used to manufacture highly complex shapes in one piece and to the highest quality standards, which is a crucial advantage at a time when objects are getting smaller and smaller and consisting of more and more components. 3D printing also stimulates competition, by enabling small and mid-sized businesses to manufacture extremely complex products.

Can you give us some examples?

Made in Space, a start-up founded by three entrepreneurs, recently sold NASA a printer that will be set up in the International Space Station to produce spare parts. That kind of contract used to

SWISSQUOTE MAGAZINE ▶ How does 3D printing change the way we manufacture objects?
Avi Reichental ▶ By speeding up prototype production, 3D printing enables us to go from idea to finished product



**3D
SYSTEMS**

Age: 56

Workforce: 1,000+

Revenue:

\$ 353.6 millions (2012)

Avi Reichental

**Passionate
about
innovation**

Avi Reichental, 56, joined 3D Systems in September 2003. The Israeli-born CEO previously worked for the packaging company Sealed Air, notably as vice-president and head of the packaging film division. Reichental personally owns 25 patents, and is passionate about innovation and manufacturing processes. He is also co-chair for Nanotechnology and Digital Fabrication at Singularity University, an advanced learning institution for entrepreneurs.

“The possibility of failure should be built into the business culture”

Over the last decade, Avi Reichental has marketed a number of innovations and increased the size of his company. He let us in on his management secrets.

SWISSQUOTE MAGAZINE ▶ How do you manage your teams?

Avi Reichental ▶ I am the architect of our strategy. As such, my job is to build a team of enthusiastic and skilled people. I have to encourage my employees to surpass themselves, to do things they didn't think they were capable of. To do so, I have to remind them that what they do every day changes lives. When people see themselves as having a mission to accomplish, they are more eager to push back their limits and give it their all.

What's your take on innovation?

It happens across the company, as much with receptionists and accountants as with engineers tasked with inventing the next generation of printers. In this respect, improving your business model is just as important as innovating on a technological level. Each employee has an important role to play in ensuring the success of the company.

What's your management philosophy?

You shouldn't be afraid of making mistakes, or of sharing your mistakes with all of your team. The possibility of failure should be built into the business culture, because the faster you make a mistake the faster you hit on your next success. The smartest boss isn't the one with the best answers but the one with the right questions.

be the exclusive realm of huge companies like Lockheed Martin or Boeing. The automotive and aviation industries are the ones that will benefit the most from 3D printing. General Electric has already said that it will invest \$3 billion in 3D printing in the next few years and that half of all its products will be produced using the technology by 2020.

What role did you play in the advent of the 3D printer?

We invented the technology! The founder of 3D Systems, Chuck Hull, was the first to file a patent to produce a 3D printer, in 1986. Thirty years later, we continue to lead the sector, in terms of revenue, patents and the size of our product and service portfolio. We sell seven types of printer and over 100 types of printing material, including metal, plastic, nylon, wax, rubber and even sugar.

.....The analyst's opinion.....

“The market is dominated by 3D Systems”

When asked about the strengths of 3D Systems, John Baliotti, analyst at Janney Capital Markets, doesn't think twice: “They were the first to move in to the 3D printing market, enabling them to build up a wealth of expertise and gain a real strategic advantage.” Numerous acquisitions in recent years have also given the company from South Carolina a means to “diversify its sources of revenue”. It can now offer

solutions at every stage in the product chain, from modelling and producing finished parts to selling printers, printing materials and software. Today 45% of its revenue comes from printers, 25% from materials and 30% from services. “But the margins on materials, at 75%, are much higher than those on printer sales, which stand at 45%,” says the analyst. “By manufacturing machines that work exclusively with its own

materials, 3D Systems has also managed to secure the loyalty of its clients.” Another factor is the lack of competition. “Other than a few smaller competitors such as ExOne and voxeljet, the market is dominated by 3D Systems and Stratasys,” says John Baliotti. “But as the sector is booming, these groups are not at each other's throats. For the time being there is enough room for everyone.”



A Lotus F1 model being tested in a wind tunnel. Using 3D printed parts makes it much simpler and faster to test a range of technical solutions.

What advantages does 3D printing have over conventional production methods like injection moulding? With 3D printing, the cost of complexity is no longer an issue. You can create objects in complete freedom, unfettered by the usual constraints such as the number of parts or the size of the object. Mass personalisation has become a reality. Objects previously manufactured on a single-model basis can now be adapted to the personal needs or preferences of each person, and without inflating production costs. You can even envision the customer taking part in the creation process, especially in the fashion and toy sectors. My grandfather was a shoemaker and made shoes to measure. We're now returning to that model.

Going forward, 3D printing could even be used to print tissue and organs – a replacement kidney, heart or ear

But can this model really be used to mass produce?

Of course it can! Align Technology, a company that makes “tailored” orthodontic devices, manufactured 17.2 million products last year using 3D printing. And General Electric’s forthcoming jet engine, set for launch in 2015, will be mass produced using the technology.

The USA has lost a lot of manufacturing jobs to China and other emerging countries. Do you think 3D printing will help to reverse the trend?

I’m convinced of it. And in addition to the USA, it will help Europe and some Latin American countries. 3D printing is set to trigger a third industrial revolution. It will

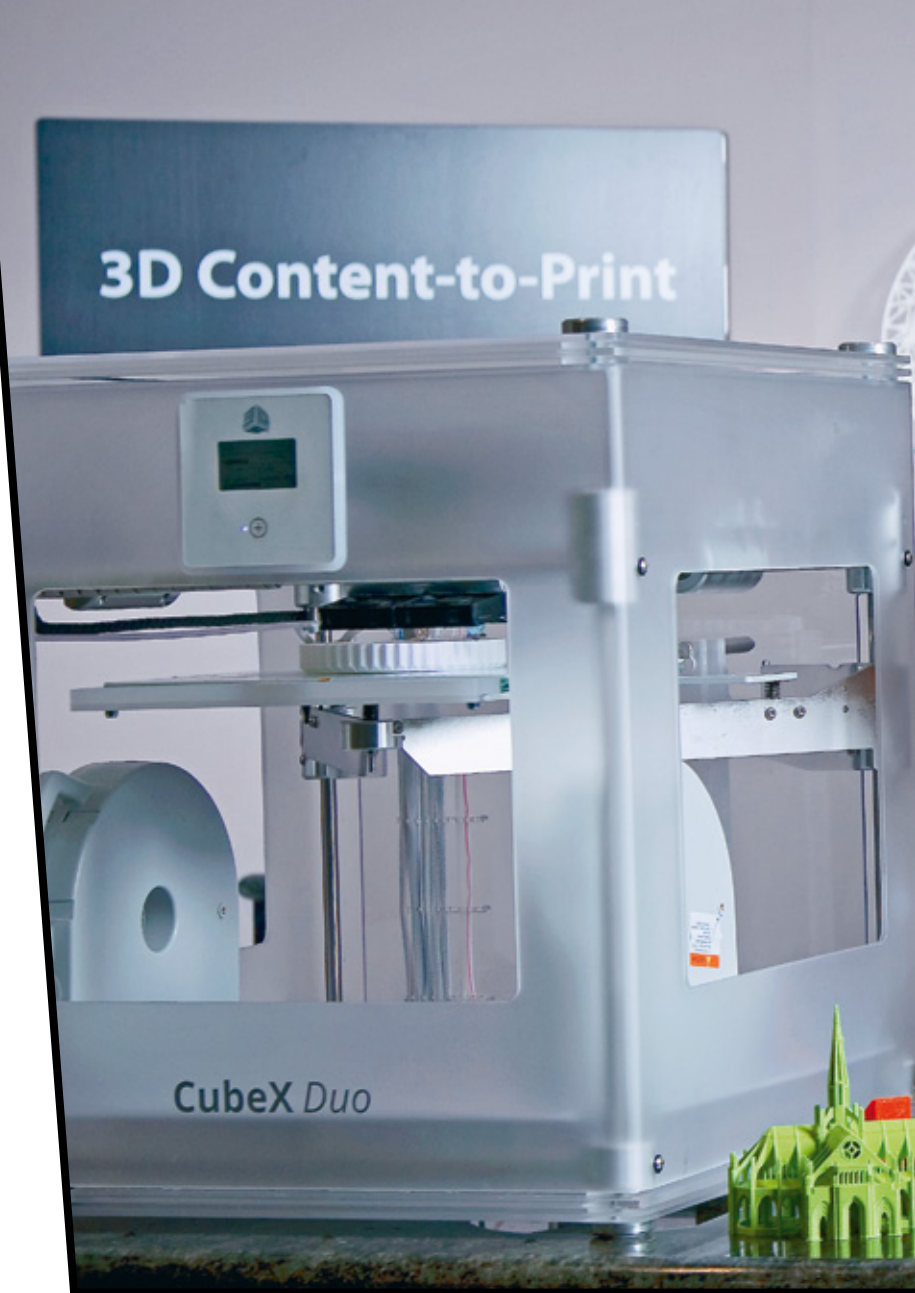
bring all companies – even the very smallest – access to industrial production capacities generally reserved for the biggest players. And with the possibilities offered by cloud computing, they won't even have to invest in a printer. All they'll need to do is send us their creations and we will handle printing for them. Which will encourage them to regain a foothold in the USA and bring jobs back to the country. In a sense, we are moving back to a pre-industrial world, when the goods we consumed were produced within a radius of 25 kilometres around our village.

There are environmental benefits, too...

Yes. Producing locally reduces your carbon footprint. Also, 3D printing uses just half the energy of conventional production methods. It produces practically no waste and generates lighter-weight objects designed to have less environmental impact and made using ecological materials.

Are there any other sectors where 3D printing is expected to develop?

In the medical sector, it is already being used to produce bespoke leg, hip and knee prosthetics, hearing aids, dental crowns and surgical instruments, designed on the basis of a 3D model of the patient's anatomy. This is currently the fastest-growing segment. Going forward, 3D printing could even be used to print tissue and organs – a replacement kidney, heart or ear. A number of experimental procedures are underway and we are following the situation closely.



The automotive and aviation industries are the ones that will benefit the most from 3D printing



We are also looking into food printing. Between now and mid-2014, we are going to market shapes printed in sugar for pastry chefs. The next step will be chocolate. Another promising sector is education. Installing 3D printers in classrooms will allow us to invent a new form of language – hands-on rather than literary – to teach difficult subjects. Finally, 3D printing could one day be used to

build smart houses with piping, wifi cables and electrical circuits fit directly in the walls when they are printed.

Are there any limits to what 3D printing can do?

The size of the objects that can be made using the technology is finite. For now, the biggest objects that can be 3D printed are car dashboards. The number of available materials – around

100 – also presents a certain amount of constraints. The printing process has to be able to mix a maximum number of materials and structures. But I'm not worried about it. We'll find a way to get over these hurdles. ▀

DDD,U





AMAZON

Age: 49
Workforce:
97,000
Revenue:
\$ 61 billion (2012)

Jeff Bezos

The Tycoon

Jeff Bezos, Chairman and CEO of Amazon.com, who recently purchased *The Washington Post*, has built a tentacular company that consistently crushes the competition. His business credo is to always reinvest his earnings.

By Benjamin Keller

The adventure began in 1994. Jeff Bezos, aged 30 and newly married, finally had an opportunity to set up his own business

after dreaming about it for so long. At the time, the computer-wizard Princeton graduate was deputy head

of D.E. Shaw, a company that designed revolutionary electronic trading systems for Wall Street. Carrying out an assessment on the potential of an emerging technology called the "internet", he made a stunning discovery: the number of people using the network was growing 2,300% a year.

Bezos knew there was no time to lose. He left D.E. Shaw and began selling products on the web. He started with books – familiar and popular goods that are easy to catalogue, procure and ship. "I did think there was a chance that I might regret significantly not



participating in this thing called the Internet, that I believed passionately in," he said in 1998 at a talk at Lake Forest College in Illinois (as quoted by Richard L. Brandt in his book about Amazon, *One Click*). "I knew that if I failed I wouldn't regret that, but I knew the one thing I might regret is not trying."

And fail he didn't. Amazon has become the world's biggest online store. It outgrew its status as an e-bookshop long ago, and now sells all types of products, from music and luxury watches to art works worth several million dollars.

Amazon brings customers virtual and physical hosting services and e-payments, and acts as a sales intermediary. It has marketed a tablet and the Kindle e-book and has now moved into food with Amazon Fresh. It generated revenues of \$61 billion in 2012 and employs nearly 100,000 people.

To get where he is today, Bezos, who was raised in part by his grandfather on a Texas ranch and never knew his genetic father (Bezos is his adopted name), has devoted all his energy to satisfying consumers. "To focus relentlessly on our customers" remains Amazon's key leitmotif. From the beginning, Bezos has brought customers the lowest prices and the shortest delivery times (same-day for Prime members) and made purchasing as easy as possible (one-click ordering was patented by Amazon back in 1999). He also has no qualms about selling at a loss, and his constant price battle with suppliers has earned him a reputation as a ruthless businessman.

Considered the best-performing living CEO by the Harvard Business Review, Bezos has exhausted the competition by systematically reinvesting earnings to keep growing. In 1997, the year of Amazon's IPO, he told *The New York Times*, "It would be the easiest thing in the world to be profitable. It would also be the dumbest". And that principle still holds. In third-quarter 2013, the Group posted a net loss of \$41 million. But this is no cause for concern for Eric Sheridan from UBS New York,

who says, "Even if immediate profits are sacrificed, Amazon shows considerable robustness in the long term". The company's share price has increased non-stop since the web bubble burst in 2000. With a personal fortune estimated at over €27 billion by Forbes, the Albuquerque native is generally described as deeply optimistic and happy, as suggested by the smile that sits permanently under his steady gaze and moon-like crown. Other adjectives used to describe him range from intelligent, hyperactive and narcissistic to visionary, dynamic and mercurial. His former employees described him to Richard L. Brandt as a "highly demanding micro-manager" who created a "quasi-religious" atmosphere, as well as a collectivist atmosphere worthy of "Maoist China".

Bezos could also be described as secretive. He surprised the world in August when he announced that Amazon was buying *The Washington Post*, a US daily renowned for its investigative journalism, having notably broken the Watergate scandal in 1972. Bezos paid \$250 million for the paper, out of his own pocket. But the Amazon chief's ultimate frontier lies beyond the Earth's atmosphere. Since 2000 he has been discreetly developing a space tourism company called Blue Origin. Aptly, Bloomberg Businessweek journalist Brad Stone in his recent book on Amazon writes that Bezos is currently in amazing health – perhaps the result of astronaut training? ▲

AMZN,U



Dick Costolo

The Wordsmith

Dick Costolo, a former stand-up comedian, became CEO of Twitter in 2010. He turned the as-yet fledgling social network into an efficient business.

By Benjamin Keller

The boss of Twitter has a real sense of showmanship. In September, the company filed for an eagerly awaited initial public offering, announced... by tweet. A brief message in 135 characters followed by: "Now, back to work". In just a few minutes, the news flashed around the twittosphere and the media, once again proving Twitter's efficiency in passing on information. But Dick Costolo has always had a way with witty words. Before becoming an entrepreneur, he was part of an improvisational comedy group in Chicago.

Today, Detroit-born Costolo is continuing to turn in a strong performance as the head of Twitter. He initially joined the firm as COO in 2009, recruited by his friend Evan Williams, CEO of the company that he co-founded with four other



Between 2010 and 2012 Twitter boosted revenue from \$28 million to \$317 million

partners. On the eve of his first day with the firm, Dick Costolo sent out a tweet that has gone down in history: "First full day as Twitter COO

tomorrow. Task #1: undermine CEO (editor's note: Evan Williams), consolidate power." The message was tongue-in-cheek but Costolo became CEO just a few months later.

At the time, Evan Williams was facing internal criticism for his hit-and-miss management style and his inability to put in place a viable business model for Twitter, a start-up formed in 2006. Dick Costolo was the perfect man for the

job. A graduate in computer sciences, he also had excellent managerial skills, honed as the founder of several internet solutions companies including Feedburner, a web feed management provider acquired by Google. In 2010, the board of directors ousted Evan Williams and appointed Dick Costolo. According to Nick Bilton in his book on the founding of Twitter, Costolo only agreed to take the job with the approval of his friend.

Three years on, the figures speak for themselves. Between 2010 and 2012 Twitter boosted revenue from \$28 million to \$317 million for 218 million active users per month! Today, 87% of its revenue comes from advertising. At the same time, the number of employees has increased from 200 to more than 2,000. Dick Costolo has also put an end to the repeated service failures suffered by the network. "It's better all-round," says Robert Peck, an analyst with the SunTrust bank. Peck was the first to rate the share, and expects to see it reach \$50 by the end of 2014: "Although Twitter is still showing a slight loss, operating costs are now under control and we can expect to see steady growth in a sector that is expanding rapidly". ▲

✉ TWTR,U



Marissa Mayer

The Purist



Age: 38
Workforce: 11,500
Revenue:
\$ 4.98 billion (2012)

The new CEO of Yahoo is out to re-establish a sense of discipline in Silicon Valley at the risk of offending feminists, working mothers, and the reigning patriarchal powers-that-be.

By Armelle Vincent

One could never accuse Marissa Mayer of shrinking from a challenge. The 38-year old CEO of Yahoo stirred up considerable controversy in 2013, and promptly found

herself at the centre of two major storms, one professional, the other personal.

Mayer created a general uproar in Silicon Valley with her first

decision, which was to ban homeworking and get employees back into the office. This directive flew in the face of current trends, and was criticised as “hard” and “unfair”. Particularly as it came from a person with a privileged background and a personal fortune estimated at \$300 million. But the CEO is out to set an example. A few months before this decision, Mayer built a nursery next to her office so that she could keep her baby close by. (Remember, no homeworking.) She has attracted bitter criticism from working women, who accuse her of ignoring the difficulties faced by “normal” mothers.

She can spend the night writing code or throwing sumptuous parties

More recently, Mayer has run into another type of storm with a feature in *Vogue*. Wearing a figure-hugging dress with high-heeled shoes and full make-up, like an actress out of “Mad Men”, she was pictured striking a sultry pose on a sunbed. This time she was criticised for betraying the feminist cause by pandering to stereotypes that are both outdated and inappropriate for women in positions of power. After all, female CEOs are few and far between in

Silicon Valley. And the small number of women who are there are continuing to learn how to effectively negotiate the testosterone-heavy corporate culture in order to pave the way for future female executives.

Marissa Mayer was born in Wisconsin. Her father was an engineer and her mother an art teacher. Mayer, the former employee number 20 at Google, is known not only for her programming expertise – she holds a degree from Stanford – but also for her elegance. A keen fan of both computer science and haute couture, she can be seen at TED conferences and at fashion shows in Paris. She can spend the night writing code or throwing sumptuous parties in her penthouse apartment in San Francisco.

Although analysts originally doubted her ability to revive a company that was way past its heyday, they have since changed their minds. During her first year at the helm, Mayer made a whole series of acquisitions (18 in all, including Tumblr) and has transformed the corporate culture, forcing employees to work side-by-side in the office and to function as a team. Morale has risen again and results have followed. In first-quarter 2013, Yahoo reported growth of 36%. ▲

YH00,U



Robert Kotick

The Player genius

From War Craft to Call of Duty, the world's most famous video games are made by a company whose ambitious CEO is unpopular with gamers – a paradox that does not bother him in the slightest.

By Jean-Christophe Piot

You don't have to be a devoted gamer to have heard of Call of Duty and Diablo, two of the biggest successes of the video gaming industry. They are made by the same company, Activision Blizzard, with the same CEO, Robert Kotick.

Kotick was still a student in 1983 when he submitted a project to Steve Jobs for Apple II, ancestor of the iMac. He claims that it was Jobs himself who advised him to drop out of college and concentrate on the software business. Message understood. In 1987, Kotick tried to buy Commodore. His visionary idea was to do away with the keyboard and create a living-room console. Commodore refused, missed out on a decisive opportunity, and promptly went under.


 A portrait of Bobby Kotick, CEO of Activision Blizzard, wearing a dark suit and a patterned tie. The background is a warm, golden-yellow gradient.
 **ACTIVISION
BLIZZARD**

Age: 50
Workforce: 7,061
Revenue:
 \$ 4.9 billion (2012)

Kotick turned Activision into the world's second biggest publisher in its sector

In 1990, after a stint with Coca-Cola, Kotick took a 25% stake in publisher Activision. As CEO, he set the company on a new course, reflecting his conviction that video games would become the main leisure activity for a whole new

generation of consumers. Over the next 20 years, Kotick turned Activision into the world's second biggest publisher in its sector, with licences for games including: Tony Hawk's Pro Skater, Guitar Hero and, first and foremost, Call of Duty, the enduring point of reference in war games.

In 2008, Kotick engineered the merger of Activision with Blizzard, the studio behind the massive multiplayer World of Warcraft, and three of the most popular titles in gaming history: Warcraft, Diablo, and Starcraft. As a result, Kotick

established a presence on the console, PC and online gaming markets. The holding company, controlled by France's Vivendi, took full advantage of new practices among gaming communities. Today, Kotick is sufficiently powerful to threaten to drop product support for Sony if it refuses to cut the price of its PS3 console.

The only snag in all this success: the CEO is, to put it mildly, not appreciated by gaming enthusiasts. Many see him as both arrogant and avaricious. Kotick receives record compensation (\$69.2 million in 2012) and also sits on the board of directors of Coca-Cola. Enthusiasts also suspect Kotick of not being a gamer himself but simply seeing games as consumer products. Others criticise his tendency to opt for games in series rather than more inventive gambles.

However, Bobby Kotick is impervious to criticism. "With the new generation of consoles about to launch, he can afford to be confident. His ability to ensure the profitability of his main titles convinced investors a long time ago that Activision Blizzard is sound," says Damien Croze, journalist and independent analyst. Kotick is also achieving his ambitions. Last July, Activision Blizzard negotiated a buyout from Vivendi. Today, Bobby Kotick is in sole control of the world No. 1 in video games, ahead of Electronic Arts. ▀

ATVI,U



Elon Musk

The Hollywood Favourite

The boss of Tesla Motors is notoriously undaunted by hugely ambitious projects, from electric sports cars to intergalactic rockets. By some, he is seen as a kind of superhero, out to change the world.

By Armelle Vincent

Elon Musk, engineer and serial entrepreneur, has his head in the stratosphere but his feet firmly on the ground. The 42-year-old South African is seen as a visionary genius on a par with Henry Ford or Louis Lumière. Each of his “product” launches, whether a rocket or an electric car, is accompanied by red-carpet ceremonies drawing the big names in film, music and politics. Elon Musk has been spotted rubbing shoulders with Barack Obama, Arnold Schwarzenegger and Toyota chief Ajio Toyoda.

Musk, the founder of the electric car brand Tesla, is a superstar. Harder to approach than an A-list actor, he lives in a palace in the ultra-affluent Los Angeles neighbourhood of Bel Air. His headlining media status stems not just from his business exploits but also from his personal life. He had five sons – twins, then triplets – with the successful novelist Justine Musk, who

he left for the young British actress Talulah Riley, with whom he later split. Forbes magazine rates his fortune at €6.7 billion and ranks him as the 66th most influential person in the world. *Time Magazine* refers to him quite simply as a “Titan”.

One thing is for sure, Elon Musk was a precocious child. Born in Pretoria in 1971 to an engineer father and a model, nutritionist and celebrity page-regular mother, he designed his first software – and sold it for \$500 – at the age of 12. He went on to graduate from the prestigious Wharton School of Business in Pennsylvania, and then headed to California to do

a PhD in Applied Physics at Stanford.

But after just two days, Elon Musk quit the program to launch his first start-up, Zip2, a web solutions provider. When Zip2 was bought out by Compaq in 1999 for \$307 million, he made his first \$20 million – at the tender age of 28. Other people in his situation would have rested on their laurels. But in true Silicon Valley tradition, whereby ideas and their applications are more motivating than money, Musk had only just begun.

The next adventure was X.com, later renamed PayPal. Co-founded with another “wonder boy”, Peter Thiel, the start-up

TESLA
MOTORS

Age: 42
Workforce: 3,000
Revenue:
\$ 386 million (2012)





was the world's first online payment platform. Success was instantaneous, and such that eBay acquired the company three years later for \$1.5 billion, further increasing Musk's fortune. But he was intent on leaving a mark on history and achieving progress for humanity. Pulling no punches, his website claims that "Elon Musk is an engineer and entrepreneur who builds and operates companies to solve environmental, social and economic challenges".

With Tesla Motors, founded in 2003 with Martin Eberhard and Marc Tarpenning, Musk can claim to have launched the first road-going electric sports car, the Roadster, followed by two

"Whatever skeptics have said can't be done, Elon has gone out and made real."

of the sexiest-ever passenger cars, Model S then Model X. With his second company, SpaceX, he can also claim to be the first private entrepreneur to have sold rockets (the Falcon 1 and Falcon 9) capable of travelling to Mars, along with a space vehicle (Dragon) able to dock at the International Space Station. NASA now

calls on SpaceX to resupply the Station. And with his third company, SolarCity, Musk is working to make solar energy more broadly affordable.

Musk's other ambitions include growing a vegetable garden on Mars and launching "Hyperloop", a supersonic train linking Los Angeles to San Francisco in just 35 minutes. He could well be taken for crazy if he hadn't proven the contrary time after time. "Whatever skeptics have said can't be done, Elon has gone out and made real," says Virgin group founder Richard Branson (who knows a thing or two about the subject himself). "It's a paradox that Elon is working to improve our planet at the same time he's building spacecraft to help us leave it. But true vision is binocular."

"Elon Musk is part multitasker, part visionary, with a clear talent for selling his vision," says analyst Robert Enderle. "But he's also known for his impulsiveness, which sometimes leads him to make tactical errors."

Musk describes himself as a workaholic. Others talk about him as they would a superhero, a fantasy character who is everywhere at once, and who devotes an average 100 hours a week to his three companies. It comes as no surprise, then, that Jon Favreau, the director of Iron Man, said Musk was the inspiration behind the character played by Robert Downey Jr. As he was for Mel Gibson, who portrayed another side of the entrepreneur in the latest Robert Rodriguez film, Machete Kills. ▀

▀ TSLA,U



"The new CEOs see innovation as a way of life"

Bill Fischer, professor of Innovation Management at IMD, spends a lot of time in Silicon Valley. Here, he speaks about the new breed of CEOs now ruling the roost.

Interview by Serge Maillard

SWISSQUOTE MAGAZINE ►

Is there really a distinction to be made between directors of the new economy and those in conventional industries?

What are the differences?

Bill Fischer ► Yes, there clearly is a distinction. Although it would be unjust to think that conventional directors are "genetically" different, new economy CEOs can be compared – in the eyes of the public at large and investors – to top-level athletes. They are successful and see big, no qualms about it. They have a very daring side and people are fascinated by their vitality. Bosses such as Jeff Bezos and Elon Musk don't think twice about launching new projects left, right and centre, a number of which will never lead to real-life results. Even their failures are worth something! Investors are far less concerned when Google fails with a product than when Nokia does.

The new CEOs are also more daring than their predecessors at a personal level. As we saw

recently when Jeff Bezos bought *The Washington Post* and when Facebook co-founder Chris Hughes took over *The New Republic* magazine. They feel like they're on a bona-fide public mission for their community. They see themselves as the saviours of a declining industry and consider themselves fitter for the task than conventional business leaders. They are also more at ease with their public role, a sentiment that comes hand in hand with a sort of hubris, pride and over-the-top behaviour.

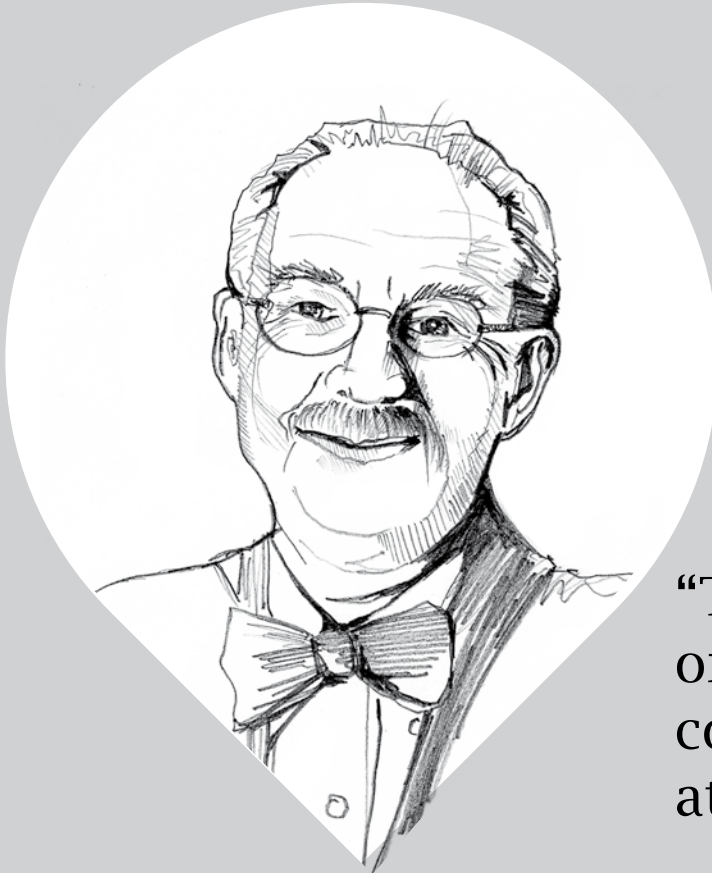
The new CEOs are young, wear jeans and seem "close" to the common people. Are they more charismatic than their forerunners?

What is true is that people like Steve Jobs use their public image and charisma much more than "old economy" bosses did. The management guru doxa as recently as 15 years ago, as distilled in the best-seller *Built to Last* by James Collins and Jerry Porras from Stanford University, was that visionary CEOs didn't need to be charismatic.

I don't agree. The charisma of the new company chiefs, stemming in particular from their audacity, attracts investors and wins over the public – and the most talented professionals.

So how is their management style different, exactly?

They are able to do two important things. First, they inspire their employees, serving as role models and creating a special connection with them. And second, they are capable of delegating and trusting in their best employees, without wanting to control everything. Even Steve Jobs, from the Pixar period onwards, started handing over some of his control. But as my colleague Albrecht Enders says, a number of these CEOs are more narcissistic than traditional bosses and as full of their own importance as the first rail and aviation magnates. Perhaps narcissism has always been a trait of leaders in times of great change! But when I talk with Silicon Valley entrepreneurs, the thing I notice the most is how much wider their fields



“The charisma of the new company chiefs attracts investors.”

of interest are than those of conventional company directors. Not only are they more intelligent, they are also very curious and more willing to try something new. But at the same time they remain disciplined: in conversation they don't let anything go if they consider the reasoning superficial.

The new CEOs see innovation as a way of life rather than a mere money spinner. Each one of them sees himself or herself as the real chief innovation officer of the company. And they are very demanding. They need an extremely good reason to drop a project. Silicon Valley employees really do believe that they are here to change the world. And in a way, they have already changed the way we think and live.

Quite a unique microcosm, then?

Every time I go to Silicon

Valley, I see an environment that is so competitive it must be oppressive at times. It's a village. Everybody knows each other, rumours spread fast and the same people sit on a number of boards. Beyond pure innovation, the desire for wealth is obviously one of the Valley's driving forces. But it isn't just greed for greed's sake. Wealth is a measure of how far you've come, one that is highly visible to all the people in this ultra-competitive technological world.

Paradoxically, that world is at once wide open and extremely hermetic. The major risk for any growing industry is that the new generation doesn't pick up the flame. But so far, Silicon Valley has always successfully regenerated itself. Unlike other industries, it really does pay more mind to

talent than ethnic or social background. The CEOs and employees I see there are young and rich, and the vast majority were born outside the USA.

Yet a number of their companies seem overvalued on the stock market.

Aren't you afraid that we might be heading for a new tech bubble?

Not really. The overvaluation is inevitable, because nobody wants to miss out on the next big thing. It's simply too early to see their real potential. The social networks are changing our lives and creating new economic models that are simply unheard of. Amazon remains overvalued but is building a new and extremely daring infrastructure that could one day bring it a decisive competitive advantage over conventional retail. ▀

Jeremy Stoppelman

The Tortoise

In a sector where many have been burned, the young co-founder of the social network Yelp has achieved success by building his empire brick by brick.

By Sophie Gaitzsch



Jeremy Stoppelman seems like the ideal son-in-law, with a successful career, film-star looks and a healthy sense of modesty despite his millions. At the headquarters of Yelp, a specialist online review website, Stoppelman works in a small office located in the main open space. He likes cooking and looking after his dog. When the company was floated on the New York Stock Exchange in March 2012 and he stepped up onto the platform to ring the opening bell, he was accompanied by his staff, and his mother.

The website has an average 108 visits per month

However, behind the “nice guy” image is an ambitious, stubborn, strong-headed man, quick to defend cut-and-dried views. As a computer-mad teenager in the suburbs of Washington, he was already interested in finance and company creation, making his first stock investments at the age of 14. In 2004, after three years at PayPal, he decided to continue his education at the prestigious Harvard Business School. He came up with the idea for Yelp when he was working for a business incubator in San Francisco: a website where users could share recommendations on the best local services, from restaurants to plumbers to town libraries.

The website quickly took off. Users liked the idea of reviewing the places they go to. However, rather than opting for quick profits or targeting the national market straightaway, like his competitors, Jeremy Stoppelman decided to take his time. He wanted to focus on the quality of content, by creating a community of committed contributors, city after city. To encourage users to provide pertinent input, Yelp organises special events, Yelp Elite Parties, for its most prolific reviewers. A winning strategy.

The website gradually expanded, both in the US and in other countries, to the extent that it was able to reject acquisition offers from both Google and Yahoo. Today, the website has more than 42 million reviews for an average 108 million visits per month. "Yelp is one of the few companies that is well positioned to reap the benefits of two major structural trends in the online sector: mobile and local," said Barclays in a research report published in October. "With a local advertising market estimated at over \$150 billion, Yelp is just in the early stages of growth. In terms of mobile technology, the Yelp app has been downloaded more than 10 million times and accounted for 46% of searches in the second quarter." ▲

✉ YELP,U



Age: 58
Workforce: 54,600
Revenue:
\$ 50.2 billion (2012)

Eric Schmidt

The father figure

Although Eric Schmidt did not found Google, he managed it for ten years before handing over the reins to Larry Page, one of the company's two creators. Today, Schmidt continues to occupy a strategic position in the group.

By Jean-Christophe Piot

Eric Schmidt looks nothing like your standard tech geek aiming to change the world from inside his garage. He is more likely to be seen in a suit and tie than in a

tee-shirt and jeans like Mark Zuckerberg. Appointed CEO of Google in 2001, Schmidt was 18 years older than the two founders, Larry Page and Sergey Brin. With Google in the

process of gaining global renown, the two founders were looking for an experienced manager, somebody who could develop the company and oversee its exponential growth. With experience gained at Bell, Sun Microsystems and Novell, where he was CEO, Schmidt had the ideal profile.

Schmidt managed Google's IPO, multiplying the stock price by eight in the space of eight years

Schmidt made Google simple, fast and efficient, a strategy that left other rival search engines in the dust. Above all, he successfully diversified the company, with Google News, Google Maps, and more importantly, e-mail. Launched in 2004, Gmail brought users a free webmail service with 500 times more storage capacity than Hotmail or Yahoo. Gmail also gave the firm access to a gigantic database whose contents are analysed continuously and used by its customers for marketing purposes.

Schmidt also managed Google's IPO in 2004, multiplying the stock price by eight in the space of eight years. But he has also been criticised. Under Schmidt's watch, the

friendly young company has become a multinational with an accompanying darker side. Detractors point to its dominant position and questionable approach to privacy—a concept that Schmidt has frequently described as outdated. “Google is no longer experiencing hyper-growth,” says economist Pascal-Emmanuel Gobry. “It is now only growing at the same pace of the market. But as the market is continuing to expand quickly, we're still talking double-digit growth.” To maintain this growth, Google is moving into new markets, from internet-connected eyewear to driverless cars. As for Schmidt, he is gradually handing over to Larry Page, the “visionary”. In a sense, Google is going back to its fundamentals, with Page handling technological strategy and product development, Brin strategic projects, and Eric Schmidt external relations, negotiations with partners, and discussions with heads of state.

Over the past ten years, Schmidt has taken Google to maturity. His only failure? Completely missing the social network wave. Schmidt is the first to admit that he was unable to keep pace with the explosion of Facebook and Twitter. ▀

GOOG,U



Marc Benioff The Idealist

Founder of Salesforce.com, a world leader in cloud computing, Marc Benioff is paving the way for a future where people are more likely to interact with software than with each other.

By Armelle Vincent

Participants at this year's Disrupt high-tech conference would no doubt name Marc Benioff as the most memorable speaker. “Rather than talking about himself, he talked about his mentor, Steve Jobs [editor's note: when Benioff was a programmer with Apple]. He played down his own achievements to pay tribute to Jobs and his genius,” says Claudio Pinkus, co-founder of Glip, an online conversation platform.

Yet Marc Benioff attracts considerable praise in his own right. He is the founder of Salesforce.com, a world-leading company in cloud computing that could well make conventional software – and hardware – obsolete. A bearded man who wears



Age: 49
 Workforce: 9,800
 Revenue:
 \$ 3.05 billion (2013)

Benioff was just 15 when he founded his first start-up

colourful trainers and the look of somebody who appreciates the good things in life, Benioff is frequently described in glowing terms as a

“pioneer”, “one of the world’s 50 smartest people in technology” and a “visionary”.

The author of three books, including the best-selling *Behind the Cloud*, Benioff is also a philanthropist. He pioneered the 1/1/1 Integrated Philanthropic model, in which companies donate 1% of profits, 1% of equity and 1% of employee hours to their communities. Benioff was just 15

when he founded his first start-up, Liberty Software, specialising in microcomputer games.

Marc Benioff believes that people, machines and networks are now so closely connected that they represent the next evolution in technology together rather than separately. Even machines now have their own social networks and friends! Benioff is convinced that one day people will have more contact with software than with other people and that the cloud – his cloud if possible – will make the machines work. If the future does turn out to look like that, Benioff will be its new prophet.

“Marc Benioff is an extremely smart and charismatic leader, with the qualities required for tactical excellence,” says analyst Robert Enderle. Benioff’s feud with his other mentor, Larry Ellison, CEO and founder of Oracle, with whom he worked for 13 years, says much about his ambitions. “Ellison won’t stand anybody questioning his virtual monopoly, and that’s what Benioff did. Benioff wanted to break away from his mentor and prove something,” says a Silicon Valley insider, who prefers to remain anonymous. The two titans carried on their feud in the press, before making up. At the Disrupt high-tech conference, Benioff even praised Ellison and Oracle’s products. A classic American happy ending. ▀

CRM, U





Age: 53
Workforce:
2,045
Revenue:
\$ 3.61 billion (2012)

NETFLIX

Reed Hastings

The Visionary

The CEO of Netflix has exceeded expectations by competing admirably against other industry giants, like Amazon. His secret: always stay one step ahead.

By Sophie Gaitzsch

In Silicon Valley, Reed Hastings, 53, is both feared and admired. He has shown a flair that has taken Netflix to the heights of success. In 1997, he founded a company based on a totally innovative concept: flat-rate DVD film rental by mail. A revolution in the era of video stores. The new concept was an

immediate success. And even then, Reed Hastings was convinced that the future of video rental would be exclusively online even though broadband was only just at the teething stage. Hastings would defend his vision over the years, right up to 2007 and the launch of a film streaming service. Always

with the same determination and always with the same disregard for anybody likely to hold him back.

Customers have embraced the Netflix concept: unlimited online access to a huge list of films and series for \$7.99 a month. Today, the company has more than 37 million subscribers in 40 countries, for annual revenue of \$3.6 billion.

“Reed Hastings is a genius,” says Gina Keating, a journalist specialising in new technologies, and author of a book on Netflix published in 2012. “He was the first to understand where the technology was going and he modelled his company on that basis. He is the reason why people watch films online.”

Good employees get promoted, the others are simply shown the door

Born into a wealthy Boston family, Reed Hastings showed exceptional skills in maths. He studied at a prestigious college in Maine and enrolled in the Marines before joining the Peace Corps and spending three years in Africa. On his return, he moved to California and earned a master's degree in computer science from Stanford. This was when he was sucked up into the Silicon Valley vortex. In 1991, he founded his first IT company, Pure

Software, sold a few years later for \$585 million. Then a second company: Netflix.

Hastings, who lives quietly with his family and keeps his distance from the Valley's social whirl, has developed an original corporate culture for his start-up, aimed at attracting the best talent. To do so, Netflix pays higher salaries than other companies in the same business. Good employees get promoted. The others are simply shown the door, but with a generous severance package.

Another distinctive feature is the freedom enjoyed by employees. They can take as many days of leave as they like, for example, providing that the work is done. And to avoid being boxed in by a rigid chain of command, Reed Hastings has no office. He works alongside his employees, wherever he finds a space.

However, as Gina Keating points out, this does not mean that he is easy to work with. “He is a man with real charm, but his methods can be brutal. In his company, he can be cold, and show a lack of empathy. However, this lack of sentimentality is also one of the keys to the success of Netflix. Reed Hastings is incredibly focused and impervious to criticism. Without his influence, the company would simply have disappeared.”

When the giants Wal-Mart, Amazon and Blockbuster Video moved into his territory, Hastings slashed his prices. And he did not hesitate to sabotage his own, flourishing,

DVD rental business, in order to redirect customers to the streaming service. Despite his own in-house talents, he also calls upon the creativity of the general public. To perfect the Netflix site recommendation tool, which suggests film titles to users based on their online behaviour, Reed Hastings organised a competition with a prize of \$1 million dollars for the first team to achieve a 10% improvement in system performance.

Today, despite a few setbacks and communication errors, resulting in a customer backlash and a strong fall in share price in 2011, Netflix seems to have become untouchable. Particularly as it still has many markets left to conquer. “The company is way ahead of its competitors,” says Gina Keating. “I can't see any limits to its growth.” However, Uwe Neumann, an analyst with Credit Suisse, sounds a more cautious note. “There's a good chance that Netflix will see its model continue to grow. But the risks from the competition are high. Moreover, future growth is already factored into the high share price. We are currently recommending profit-taking.” ▲

📺 NFLX,U



Godfrey Sullivan

The Veteran

SPLUNK

Due to his success and extensive career in the promising big data sector, Godfrey Sullivan, CEO of Splunk, is one of Silicon Valley's most respected managers.

By Audrey Ramat

Godfrey Sullivan takes an original approach to business management. The 59-year-old Texas native has been head of Splunk for five years. He draws parallels between his career and the sport he practised with great enthusiasm over 25 years: Ride and Tie, a little-known discipline combining endurance and strategy in which two runners ride and run alternately. "After you've run 30 or 40 miles in the mountains, your dependency on your team is crystal clear. It's not unlike managing your company!" he told CNN in February.

Described by his predecessor and Splunk co-founder Michael Baum as upright, Sullivan has overseen impressive growth at Splunk, and orchestrated a hugely successful IPO in 2012. The company's name comes from spelunking, a term referring to the exploration of caves. The



Age: 59
Workforce: 900
Revenue:
\$ 198.9 million (2013)

solutions developed by Splunk, a machine data management and analysis firm, let companies use all the data generated by their IT infrastructure. The big data sector is taking off: on the first day of trading on the Nasdaq, Splunk saw its share price soar by 106%, generating some \$200 million.

Godfrey Sullivan appears to have a gift for boosting the revenue of high-tech firms. In

Splunk was voted the world's most innovative company in the big data industry

a career spanning 22 years, including seven with Apple as sales director, this "wise man" is renowned first and foremost

Lanham Napier

The Cloud Maker

for turning Hyperion Solutions into the world leader in business performance management software. His mantra: “to win, but win the right way”. In 2013, Splunk was voted the world’s most innovative company in the big data industry by the magazine *Fast Company*. The customer list of San Francisco-based Splunk includes half of the Fortune 100. Facebook, Staples and the US defence department use its analytical services.

In the space of one year, Splunk has gained 400 new customers and boosted revenue by 50%. “As a listed company dedicated exclusively to big data analysis, Splunk is highly likely to reap the bulk of the benefits arising from the increasing use of this technology. So we are maintaining our recommendation to buy,” says Ulrich Kaiser, analyst at Credit Suisse. And the Splunk CEO is not stopping there. The IPO was just a warm-up. The marathon runner is already planning to increase the workforce by more than 40% by the end of 2014 and targeting revenue of \$1 billion in the longer term. ▲



SPLK,U



Age: 42
Workforce: 4,800
Revenue:
\$ 1.31 billion (2012)

Texas-born Napier, a bold visionary in the hosting and cloud computing sector, has created a global community of employees.

By Audrey Ramat

Some would say he was predestined for the job: the son of an IT lecturer at the University of Houston becoming CEO of a global giant in cloud computing. It is certainly true that Lanham Napier, 42, developed an interest in

computers and the virtual world at an early age. In 2000, armed with an economics degree from Rice University and an MBA from Harvard, he became CEO of the start-up Rackspace, founded two years earlier.

Over a period of 13 years, Napier has set Rackspace on a course to profitable growth.

The San Antonio-based firm manages some 82,000 servers worldwide

The company, a specialist in hosting and cloud computing, has tripled revenue since 2008, to \$1.5 billion. The San Antonio-based firm, an Amazon rival in the cloud sector, manages some 82,000 servers worldwide and has more than 200,000 users in 120 countries, including 60% of the Fortune 100. Rackspace is considered a high-performance investment. Over the past three years, it has grown faster than any other Nasdaq-listed company, increasing gross profit from \$22 to \$105 million.

So what is the secret to the company's success? The corporate culture introduced by Napier that underpins Rackspace's renown. That culture is based on impeccable customer service, or "fanatical support", and a global community of around 4,800 employees dedicated body and soul to the company. They are known as "Rackers" or, as the CEO likes to insist, the "company's secret weapon".

Napier was named by *Forbes* as one of the twenty most powerful CEOs in the United States and by Ernst and Young as entrepreneur of the year 2013. The "cloud maker", as he is known in the business, pioneered open-cloud services. In 2010, Rackspace joined forces with NASA to develop OpenStack, an open-source platform touted by many as the new Linux. Napier also got the biggest industry names on board, including Dell, Cisco Systems and Microsoft. Now in its seventh version, OpenStack has attracted a community of 6,000 users and 190 companies.

Rackspace, whose CFO Karl Pichler is Swiss, said in October that it intended to make Zurich its number-one platform for all business relations outside the USA. The German-speaking city will be home to Rackspace's sales, marketing and technical support departments, leading to the creation of some 40 jobs. ▲

✉ RAX,U



Jeff Weiner The Comeback Kid

Before turning a promising start-up into the world's largest professional social network, the CEO of LinkedIn was involved in a crisis at Yahoo. Now, he's back on top.

By Jean-Christophe Piot

Seven years. For seven years, Jeff Weiner pulled out all the stops in an effort to halt the slow slide of Yahoo against Google. Weiner joined the company when he was barely 30 in 2001 and was quickly appointed vice-president. He was given responsibility for developing Yahoo Search, a service that was supposed to compete with Google, the rival riding on the crest of a wave. The main problem was that while Google was a model of simplicity, Yahoo was still seeking its way, unable to decide what it was supposed to be: a search engine, a portal, a content editor or an aggregator? After trying to convince Yahoo in vain to acquire YouTube, Weiner threw in the towel in 2009.

The same year, Weiner became CEO of LinkedIn. His aim,



right from the start, was to do less, but to do it better. LinkedIn was already profitable and posting strong growth but staff talents were spread too thinly. Weiner scrapped a number of projects, mainly in the B2B sector and, in just four years turned LinkedIn into the world's biggest professional social network, leaving Viadeo far behind. Although the network is developing its range of services, Weiner is making sure that it does not lose sight of its core business. Members can build a network of connections to promote easier contact between professionals, employers and

“LinkedIn has considerably impressed Wall Street with its growth, and above all, with the predictability of its results.”

potential candidates. Recruiters can buy access to the world's biggest CV database, along with the tools to use it.

And the strategy is working. In 2011, LinkedIn organised a successful IPO. In 2013, two new members are uploading their CV every second, joining a vast network of 225 million members (75 million of them American) in 200 countries. LinkedIn earns 30% of its revenue from advertising and from the premium services sold to members. And almost half of revenue comes from services provided to companies.

Although the profitability of the company remains low, owing primarily to its substantial investments, “LinkedIn has considerably impressed Wall Street with its growth, and above all, with the predictability of its results. Investors prefer that,” says Pascal-Emmanuel Gobry, economist and founder of market research firm Noosphere. The challenge facing Weiner now is to make full use of the highly valuable asset that he has put together.

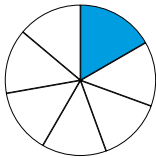
The objective is to provide recruiters with a precise database. This means encouraging users to update their profile regularly, even when they are not actually looking for a job. To this end, the CEO plans to develop editorial services encouraging them to visit the site more frequently and for longer. In short, to provide content. Weiner has already been here. Once again, as with Yahoo, he has to decide on the fundamental nature of his company. ▲

LNKD,U



SEVEN QUESTIONS ABOUT IPOs

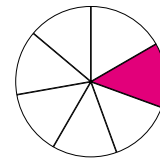
IPOs are not just for majors and multinationals. A well-prepared listing on an exchange can be a boon to any company. Jean-Christophe Piot explains.



Why have an IPO?

When a company reaches a certain point, traditional bank loans may no longer be sufficient. If the strategy requires a large amount of funds, to acquire a competitor, for example, or branch out into a new niche, the

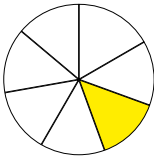
stock market provides access to another level of financing. The company enjoys a number of benefits: it expands the number of players participating in its growth, diversifies its sources of financing, no longer requires intermediaries and increases its visibility. An IPO (initial public offering) can also motivate and retain managers and employees, by giving them a stake.



What types of companies take this route?

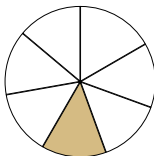
There is no standard model. However, it is better if the company is already profitable and has been around for several years, if only to reassure the market authorities. What's important is that

it has a strong growth outlook. When Facebook went public in May 2012, it initially lost a lot of money, but managed to reassure its shareholders. They believe that Mark Zuckerberg will ultimately be able to monetise his social network.



What is the right time for an IPO?

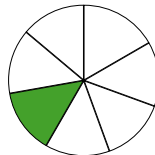
Apart from important internal considerations, the right timing requires that the company keep a close eye on trading activity in the market in question, and in particular on how its competitors are performing: investors tend to be cautious in a sluggish economy. Once the decision has been made, the company also has to select the right partners: investment bank, brokerage firm, law firm, etc.



How does an IPO work, in practice?

It's a long process! The actual time can vary, though, depending on where the company is to be listed: obtaining a listing on a market such as Zurich or Frankfurt in less than six months can be a challenge. In some cases, an IPO can take several years. Before the operation can even begin, a shareholders' meeting has to give the go-ahead. Next, the company must choose the

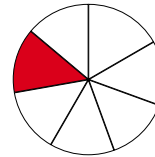
place of listing and the partners that will provide it with technical assistance. Similarly, it has to get its own affairs in order, deciding on a strategy, possibly reorganising its governance and departments, and producing financial statements, a communications plan and tax documents. Only then does the actual listing phase begin, which involves filing an application with the stock exchange operator in the market selected. Once accepted, this allows the company to obtain the approval of the regulator, a role filled in Switzerland by the FINMA. Some markets, like Wall Street, then impose a "quiet period": for 30 days before the IPO and 25 days after, the newly listed company may not communicate with the public or institutional investors. In practice, this leads to heavy trading in the shares and to speculation at the end of the period.



How is the share price set?

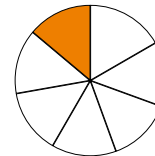
Not surprisingly, this is mostly a question of marketing: the IPO range is decided over the course of a roadshow, during which the company meets with potential investors. Once this phase is over, the subscription period begins. The first day of listing is critical to the success or failure of the operation. The second day confirms the initial trends. A high price is not always good news: it can lead some players to believe there is

that much less room for growth in the share price.



Which stock exchanges are popular among entrepreneurs?

IPO candidates tend to go where potential investors know them best, generally in their own country. For strategic reasons, some may also risk an IPO on a foreign exchange. This is what Prada and L'Occitane decided to do. They both sought a Hong Kong listing in order to promote the sale of their products on an Asian market untouched by the crisis. Still others choose to be listed on specialised exchanges, such as New York's tech-heavy Nasdaq.



What are the risks associated with an IPO?

By definition, a listing means sharing power. Over time, the risk of losing control can never be ruled out: the heirs to automaker Peugeot, now minority shareholders in their own company, are living proof. But, in the short term, the main risk relates to the public nature of the company's business. Once it is listed, it must comply with certain disclosure requirements. With its performance under the microscope, the company may feel the impact of negative comments and therefore see fluctuations in its share price. ▲



Consumer test at the Gillette
Innovation Centre in Reading, UK.

Gillette: the indispensable disposable razor maker

The American brand, which invented the five-blade razor, has gone as far as it can in terms of innovation. But in emerging countries, its rise is only just beginning. Here, we take a look at the Gillette story.

By Julie Zaugg

The year 1895 had got off to a bad start for King C. Gillette. A utopian socialist, he felt trapped in his job as a cork salesman. He couldn't see any way forward. Until, that is, he had a revelation: to prosper in business, you had to create demand for a product that consumers would be obliged to replace at regular intervals. And to keep them loyal, why not offer them a tool that would only work with your products? And so a new business model was born, the same model that underlies the printer/ink cartridge and coffee machine/capsules markets to this day.

In King C. Gillette's time, people shaved with a thick blade that had to be sharpened regularly. In 1903 the Wisconsin native decided to launch the first disposable razor blade. Thinner than other blades, it was the only kind that could be attached to the razor the entrepreneur offered free-of-charge to his customers. "At the start, people were sceptical: they weren't used to throwing things away back then," relates Matthew Pisarcik, creator of the

www.razorarchive.com website. "King C. Gillette had to continue to offer a blade sharpening service for several years before the public got used to the idea of a disposable product. But eventually he was able to impose his vision and change his customers' habits."

Gillette remains the uncontested market leader wherever it operates

The businessman strengthened his foundations during the First World War by supplying shaving kits to the army. "When they returned to civilian life, the soldiers continued to use Gillette products: they had become customers for life," says Matthew Pisarcik, a passion-

ate fan of vintage razors. This was the first in a long line of innovations that would allow Gillette, now a Procter & Gamble (P & G) company, to stay ahead of its competitors. "Every time an innovation was made or a patent ended, the firm would bring a new model to market," he explains.

In 1971, Gillette launched the first cartridge razor, the Trac II. That was followed by the Atra and its pivoting head in 1977, the Sensor, with its spring-mounted blades, in 1990, and the triple-blade Mach 3 in 1998. Confronted with the Quattro, a four-blade razor launched by its main competitor Wilkinson in 2004, Gillette responded in 2006 with the release of the five-blade Fusion. This, the brand's latest razor, which was eight years in development, has given rise to 20 patents. It even includes a sixth blade on the rear for precision trimming. There is a version with a vibrating handle and another, launched in 2010, whose blades are covered with a special anti-resistance coating.

Ali Dibadj, an analyst at Alliance Bernstein, thinks that the firm's innovative zeal has reached its limit: "Gillette's business model is based on the idea that customers will always be willing to pay more for better-quality shaving equipment, but that is no longer the case, particularly since the crisis of the late 2000s." Men are either looking for cheaper alternatives or changing blades less often.

Another problem is that people are simply shaving less, particularly in the Western world. The trend for moustaches and 3-day beards has eroded Gillette sales. Furthermore, there are "growing numbers of elderly and unemployed people in Europe and North America who no longer need to shave every day," adds Ali Dibadj. Gillette nevertheless remains the uncontested market leader wherever it operates, with a market share ranging from 80% in the USA to 50% in Asia. It has, however, begun to lose ground to its competitors,



Founder King Gillette (his real name), born in Wisconsin, invented the disposable razor blade in 1901.

.....The analyst's opinion.....

"The Gillette takeover has opened up new markets for P&G"

Gillette was bought by Procter & Gamble (P&G) in 2005 for \$57 billion. Shaving accessories now account for 9% of its sales and 16% of its revenue. "Gillette is P&G's biggest brand, ahead of Pantène. It's an important source of revenue," notes Nicole Tyrimou, an analyst at

Euromonitor. "The takeover has also opened up new markets, such as Brazil and India." The Cincinnati-based multinational has been overtaken in emerging countries by its competitors Colgate and Unilever. Gillette, meanwhile, has been able to take advantage

of "P&G's giant distribution network and influence, particularly when it comes to prices," says Ali Dibadj, an analyst at Alliance Bernstein. "This has driven costs down." Gillette has also benefited from certain synergies: for instance, it has joined forces with Olay,

another P&G brand. "This will give it access to research and development that it would never otherwise have been able to benefit from, in order to improve its line of shaving products for men and women, including foams, gels and after-shaves," says Nicole Tyrimou.

“particularly in North America and Western Europe,” says Nicole Tyrimou, an analyst at Euromonitor. Gillette’s share of the Western European market fell from 67.5% in 2005 to 64.5% in 2012, whereas Wilkinson’s grew from 14.7% to 15.5%.

Ali Dibadj believes that, rather than innovating with new high-end products such as razors with heated blades or made of ceramics (two of the patents filed recently by Gillette), the company would do better to focus on supplying inexpensive razors. His rationale is that, while Gillette has suffered a few setbacks in its traditional markets of late, that is not the case in emerging countries. “The brand has a strong presence in Latin America, Brazil and India,” says Nicole Tyrimou. “The emergence of a middle class has made these places booming markets for razors. Africa and the Middle East also offer opportunities.” Only Japan, which is dominated by Wilkinson, and China and South Korea, which have several local players, seem to have escaped its grasp.

Gillette has also been able to adapt its offer to emerging markets. For example, a team from Procter & Gamble travelled to India to study local shaving habits, conducting thousands of interviews and home visits. “In India, half a billion men still use a safety razor, a technology that is more than a century old, as there is still no safe, affordable alternative,” says the firm. This observation led to the 2010 launch of the

Gillette Guard: a solid, single-blade razor sold at 15 rupees (20 centimes). Today, this model accounts for over half of razor sales on the subcontinent.

But Gillette cannot be written off on the Western market just yet. “More and more men are shaving parts of their body other than their face,” says Nicole Tyrimou. “That is a highly promising market.” Already, 29% of men in the USA, 49% in Great Britain and 56% in Germany are engaging in such grooming. This has not gone unnoticed at Procter & Gamble: this spring, the firm registered the trademark “Gillette Body”, and it has just filed a patent concerning body shaving. ▲ PG,U



The aim with the “Gillette baby”, once the brand’s advertising icon, was to promote the simplicity and safety of the disposable razor blade.

Marketing genius

Gillette’s success is built in part on a shrewd marketing strategy. We look at some of its most original campaigns.

The sports stars’ razor

Gillette was one of the first brands to enlist sportsmen to promote its products, sponsoring American baseball way back in the 1940s. Today, it uses international stars such as Roger Federer, Thierry Henry and Tiger Woods, as well as local luminaries including Indian cricketer Rahul Dravid, Turkish motorcyclist Kenan Sofuoğlu and South Korean footballer Park Ji-sung, who help the brand win over emerging markets.

Kiss and tell

In 2013, Gillette conducted a large-scale test in which women were asked to kiss their partner before and after he shaved. Two out of three women preferred their man clean-shaven.

Protector of women

A campaign launched in India following the rape and death of a young woman in late 2012 shows a gallery of smooth-faced men, presenting them as soldiers fighting for women’s rights.

Generation Y

Gillette’s uArt mobile app allows users to add a beard or moustache to their face and then shave it off. The video game The Undetectables, based on Mission Impossible, invites users to find a Gillette razor stolen by a murky character called the 5 o’clock shadow.

Self-mockery

An advertisement from 2010 imagined a society in which the mullet was back in fashion, showing clean-shaven men sporting the famous 80s hairstyle.



Hisham Mansour (left),
former CEO of MIG and
Marc Bürki (right),
Swissquote's current CEO.

FRED MERZ



“WE HAVE BECOME MUCH STRONGER”

With its acquisition of MIG Bank in September, Swissquote has become a world leader in Forex. We talked to Marc Bürki, Group CEO, and Hisham Mansour, former CEO of MIG.

On 25 September, Swissquote announced the acquisition of its Lausanne rival MIG, an online bank specialising in Forex with offices in Hong Kong and London. The transaction has catapulted Swissquote into the currency trader top ten and boosted its reach worldwide, while strengthening its technical teams and marketing department.

SWISSQUOTE MAGAZINE ▶ The acquisition of MIG Bank has moved Swissquote into the global Forex market top ten. What motivated the purchase?

MARC BÜRKI ▶ The global and ultra-competitive nature of the Forex sector calls for worldwide presence. By acquiring MIG, with which we share a common vision, we have become much stronger. We are also one of the rare

leaders in the sector to be market-listed, so our transaction volumes are checked and certified.

HISHAM MANSOUR ▶ Swissquote is now the world's number-eight currency trader. The merger also allows Swissquote to aim for one of the top spots that much faster.

What makes a company stand out on the Forex market in the eyes of customers?

HISHAM MANSOUR ▶ Technology and customer service are obviously important. But so is the trust the customer has in the company. Swissquote inspires trust because it is a listed company, an aspect that denotes transparency. It has a market capitalisation of 500 million Swiss francs and robustly diversified

revenue, which is also a highly reassuring aspect, and one that few of its rivals can claim.

MARC BÜRKI ► The fact that Swissquote and the former MIG are banks and authorised as such by the authorities gives us extra credibility over other firms. It is a guarantee of security for the customers investing on our platforms. But it has to be said that while this is a clear advantage for our customers, it is a challenge for us! Some of our rivals don't trouble themselves with this many rules, but their customers don't necessarily know that.

How will users be affected by the integration of MIG's platform with Swissquote's?

HISHAM MANSOUR ► The Swissquote and MIG Forex platforms already used the same software, MetaTrader 4. The only thing that needs to be adapted is MIG's portal.

MARC BÜRKI ► The integration poses no problems technically speaking. Customers won't see a difference, apart from the logo change on the MIG homepage.

Does Swissquote stand to gain technologically from the MIG acquisition?

MARC BÜRKI ► It's true that it does bring us extra expertise and skills. MIG employees are specialists in MetaTrader 4, a platform that until now generated just 10% of our revenue and, as such, one we were less familiar with. But looking beyond technology, Swissquote mainly stands to gain from MIG's sales force and marketing talents. Having

an extended network of relations around the world, with branches in London and Hong Kong, is a considerable asset. The interest of the buyout lies not just in the acquisition itself but in how it enables us to attract new customers.

Any further acquisitions planned in the coming years?

MARC BÜRKI ► We always have our eyes out for new opportunities. In our business, you really do have to grow fast to reach new customers, and that involves acquisitions.

Tell us about the typical Forex customer.

HISHAM MANSOUR ► Similar to an equity trader, the typical Forex customer is independent and out to make profits for his own account. But generally speaking, customers interested in Forex are willing to take a few more risks – using leverage, for example. The typical customer is a man aged between 25 and 45. That said, a growing share of our Forex services target institutional customers.

Forex now accounts for 50% of your revenue.

Why has this share grown so large compared with equity trading?

MARC BÜRKI ► Because growth is limited in our other activities. As a Swiss bank, we first and foremost address residents in our country. But Switzerland is a small nation of 7.6 million inhabitants. About 400,000 people in Switzerland do online trading and we have a roughly 50% share of the market, so that means 200,000 customers. To grow further, we have to

expand into other countries. And unlike equity trading, which remains very much a local market, Forex is global. Just 10% of our Forex customers live in Switzerland. So setting up in other countries makes a lot of sense. Also, our currency trading offer will bring us the possibility of proposing our other services to our new customers. Forex in many ways is like a Trojan horse, one that will help us to grow across all sectors.

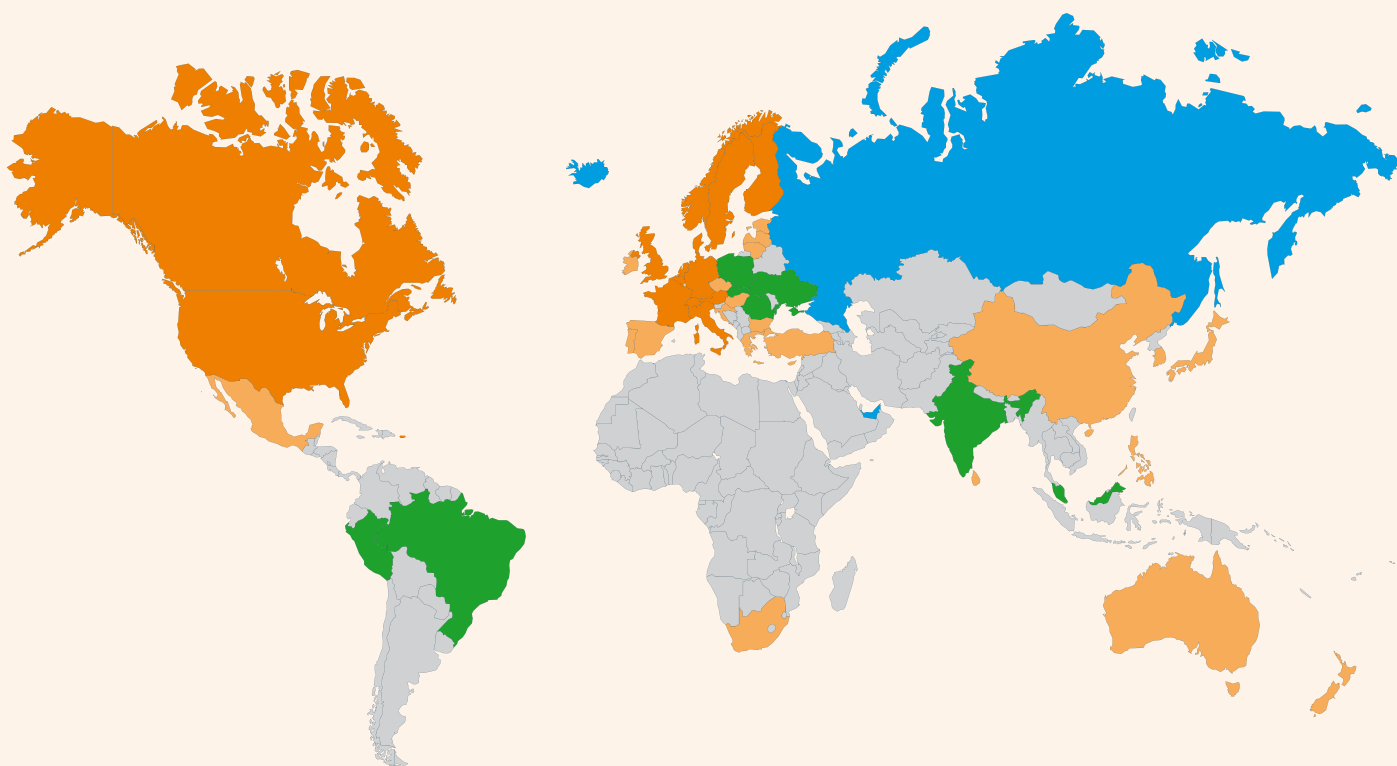
We recently read that your Forex margins are set to increase from 10% to 30%, and even 50%, in the medium term. Can you give us some more details?

MARC BÜRKI ► The 10% margin you mention concerns MIG's Forex profitability, equivalent to 4 million for revenue of 40 million. At Swissquote, that margin is 27%, a rate that we now want to reach group-wide, notably through new synergies.

HISHAM MANSOUR ► Being part of the same bank will help us to reduce a number of expenses, in IT, services and organisation alike. For example, audits and reporting – required by banking regulation – will no longer have to be done in “duplicate”. Our entire team [editor's note: 100 people], previously based in Lausanne, is to move to Swissquote's new offices in Gland, which will generate savings. Marketing also stands to benefit considerably from the pooling of resources.▲

MAP OF SWISSQUOTE'S GLOBAL TRADING ACTIVITIES

WWW.SWISSQUOTE.CH



- ONLINE REAL-TIME EXECUTION
- ONLINE DEFERRED EXECUTION
- BY TELEPHONE
- RESTRICTED TRADING

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- swissquote.ch – a free, real-time information portal for bank customers
- Innovative tools to manage private wealth (e-Private) and/or to analyze securities
- A real-time, multi-currency bank account, a custody account, an online payments service and securities trading at discounted prices
- Real-time share dealing on the world's largest stock exchanges (see map)
- Direct access trading for options and futures on the largest futures and options exchanges (Eurex, CME - Chicago Mercantile Exchange - and ISE - International Securities Exchange)
- Real-time trading of warrants and other derivative or structured products (Scoach and Euwax)
- Fundshop: the largest Swiss trading platform for investment funds (more than 5,500 products online)
- Bond trading (more than 9,000 products)
- eForex (foreign exchange and precious metals): more than 60 currency pairs available thanks to our innovative FXBook technology (spreads from 1.8 pips and a leverage ratio of 100:1)
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- An online mortgage
- Foreign exchange: currency spot trades, futures, swaps and options
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TO READ

THE EVERYTHING STORE, JEFF BEZOS AND THE AGE OF AMAZON

By Brad Stone [Hachette, 2013]



Everyone knows and uses Amazon. Few of us, however, have spent time with its founder, his family and his employees. Jeff Bezos has always sought to protect his privacy. He has made Amazon an omnipresent, but secretive company. But now, the CEO has broken his code of silence by granting journalist Brad Stone unprecedented access. At last, we have an opportunity to gain insight into one of the most fascinating commercial ventures of our time.

THE LEADERSHIP CONTRACT

By Vince Molinaro [Wiley, 2013]



Recent studies have revealed that only 7% of employees have faith in their superiors' abilities. And yet the performance of these higher-ups is what makes the difference between a flourishing company and one that is stagnant. Vince Molinaro makes the case that leadership is above all a choice that brings obligations and a need for support from a whole community of assistants.

TO DOWNLOAD

ACTION!

[Android]



Choose a second of your life every day

and capture it on video: after 20 years, you will have two hours of film. This app sorts the videos by date and helps to determine the second that is most representative of the day, before automatically compiling and editing all these moments for posterity.

Second every day
\$0.99

A PERSONAL SOMMELIER

[Android, iPhone, iPad]



Hello Vino recommends the best bottle of

wine based on various criteria, such as the menu, the weather or the occasion being celebrated. The app can also help you out at the supermarket by providing detailed information about a wine when you provide a snapshot of its label.

Hello Vino
Free

MENTAL GYMNASTICS

[iPad, iPhone]



The brain, like the body, needs regular

training to keep in shape. This app, designed by neuroscientists, has the ambitious objective of improving the brain's performance. Lumosity calls upon the user's memory, concentration and understanding through a series of exercises based on mathematics, grammar and puzzles.

Lumosity Mobile
\$14.99/mois

FAMILY AND FRIENDS

[iPhone, iPad]



Cloze helps you keep the focus on what's

important: your nearest and dearest. And to identify precisely who they are, this app first analyzes your virtual relationships with them. It then searches for their comments on social networks (Facebook, LinkedIn, Twitter, etc.) and delivers information directly to you, the user. It's a smart way of fine-tuning your virtual world.

Cloze
Free

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AUTO

FRENCH AUTOMAKERS ON THE COMEBACK TRAIL

French manufacturers are stepping up efforts to innovate and improve the perceived quality of their cars...an ambition that is beginning to bear fruit.

By Philipp Müller

ANTHONY BERNIER / RENAULT

The Initiale Paris premium crossover concept car – heir apparent to the legendary Renault Espace – was unveiled at the recent Frankfurt Motor Show. With its innovative cabin layout and other unique features, the vehicle represents a creative renaissance for Renault.



Faced with the success of the premium German brands and the ever-steady Volkswagen – one of the only European volume car makers currently making a profit – French manufacturers have sought for many years, with no real success, to set themselves apart in some way. But the trend may be changing...or so it seems. In recent months, innovation and quality have become the all-important watchwords for French brands, with increasingly noticeable results.

The offensive began last year with the revival of a genre that remains a French speciality, compact B-segment vehicles: Europe's largest market and one that is growing all the time. The Renault Clio and Peugeot 208, respectively the third- and sixth-biggest-selling cars in Europe (17 countries), have injected a breath of fresh air into the category through both their styling and technical features (weight reduction, engine downsizing, interactivity). Early this year, the RS and GTI sports versions were unveiled, garnering praise from the trade press. These 200 bhp pocket rockets, with their staunchly reliable chassis (a hallmark of French automobiles), cannot restore their makers' finances on their own. But they are having a huge impact on brand image, particularly among young drivers, whose loyalty is especially desirable.

Another indication of the French revival is the fact that Renault and PSA, both

late starters in SUVs, were among the first to identify the new opportunities offered by compact crossovers. The recent Renault Captur and Peugeot 2008 have exceeded expectations with their European sales.

The news is encouraging: the French are daring to be creative again

While we cannot yet speak of a major upturn, the downward plunge appears to have stopped. In the first half of the year, PSA sold nearly a million and a half passenger cars and light commercial vehicles worldwide, a dip of just 1.1% on 2012 figures.

In particular, the group has successfully increased its sales in major foreign markets, particularly in China (+33%). Over the same period, Renault sold 1.3 million cars (-1.9%), becoming the leading European automaker in India.

And what about Citroën? The most charismatic of the Gallic brands has long understood the importance of cultivating a unique identity. It will be launching its own compact crossover – the user-friendly Cactus – next spring and is taking full advantage of the success of its premium DS range. This range is to be further developed, particularly in Asia, with a large SUV to be built in China, as well as a luxury touring car. Further, the new C4 Picasso, available in two sizes, is a brilliant take on the idea of the French-style family car, with a full range of safety functions,

Electric and hybrid vehicles: Renault and PSA leading the way

For Renault, progress and renown are not achieved through sporting performance alone. The manufacturer has also become Europe's leading manufacturer of electric cars with its Z.E. (Zero Emissions) range, spearheaded by ZOE launched this summer, the first affordably-priced electric car with really attractive looks. And in the area of alternative power, too, PSA is no straggler. Peugeot and Citroën are Europe's leading players in the hybrid category, a source of enormous potential in giving them new impetus and a new image. The hybrid4 technology with a front-mounted diesel engine and rear-mounted electric motor has enhanced the credentials of the Citroën DS5 and the Peugeot 508. But the process of innovation does not stop there: PSA will probably be the first automaker to implement the Hybrid Air technology developed with Bosch. This technology should reassure the sceptics who argue that electric batteries are neither clean nor long-lasting, since the system for recovering energy during deceleration stores the energy in the form of compressed gas and releases it to a hydraulic motor/pump.

enhanced comfort (with a sun lounger-style passenger seat, for instance), and a palpable improvement in perceived quality.

The new Peugeot 308, which has just arrived in dealerships, expands upon the popularity of the Picasso, with which it shares a platform. This brings us to an essential aspect of the development of PSA products: the group is aiming to achieve a level of finish on a par with that of certain renowned German brands, but with a more modern edge, thus challenging a number of conventional ideas on style and ergonomics. The new 308, for example, features a wide touchscreen

on which are most of the controls...[air conditioning, radio, GPS, etc.], giving the central console a fresh simplicity. The news is encouraging: the French are daring to be creative again.

Renault, too, is seeking to make its products stand out. The brand's chosen method, judging by the lines of Clio and Captur, is to give its cars a sportier, more Mediterranean sensuality.

Meanwhile, Renault is announcing the success of its F1, as well as plans to build a new Alpine sports model in partnership with UK firm Caterham.

Renault is also rubbing shoulders with the Daimler

Group, a relationship that should yield some interesting technical synergies and lead to products that combine advanced technology with emotional appeal. We are expecting top-quality new versions of the Renault Twingo and Smart Fortwo with a rear-mounted engine, as well as a large crossover inspired by the Initiale Paris concept car presented at the last Frankfurt Motor Show, a car heralding the successor to the illustrious Espace. Peugeot will take a similar approach with what some people are already calling the 6008. Large MPVs have had their moment. It is now time to update their image, even if that means sacrificing a few practical advantages...■



The digital dashboard of the new Peugeot 308 (above). The sporty 308 R concept car (left) previews the brand's future hot-hatch model.

PEUGEOT

MULTIMEDIA

Noise cancelling headphones: the sound of silence

By Blaise Duval

Noise cancelling headphones are becoming increasingly popular with both train and air travellers. They cut out ambient noise while delivering excellent sound quality for listening to music. Here is our selection.

Extra High-Tech

A specialist in active noise reduction, Bose was the first to apply this technology to small, lightweight in-ear headphones that are very comfortable to wear. The electronics that analyse ambient noise and emit a cancelling signal are placed in a tiny unit the size of a book of matches.

Using these headphones on a long-haul flight or in the roar of urban traffic is an extraordinary, nearly magical, experience for the wearer. Exterior noise is obliterated at the press of a button. And, naturally, the entire system meets the highest standards of quality. It would be hard to find fault with this remarkable product – but it doesn't come cheap.

BOSE QUIETCOMFORT QC20:
Android/Blackberry/
Windows Phone
Bose QuietComfort QC20i:
Phone/iPod
About \$ 360

**AUDIO-TECHNICA
ATH-ANC9**
About \$ 340

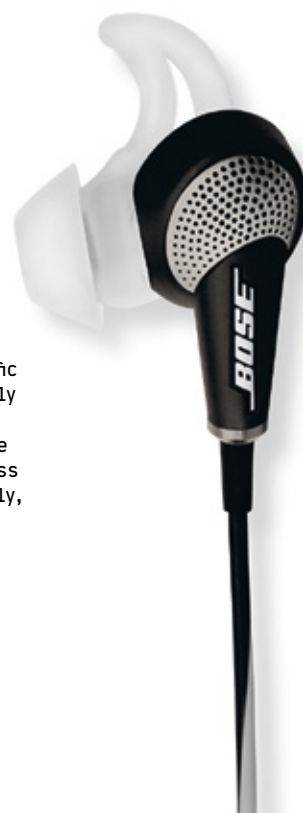
Comfort and class

Japanese brand Audio-Technica also has a strong reputation in noise cancellation. This innovative model features three noise-cancelling modes, depending on the level of ambient noise. The mode designed for peaceful ambient conditions (home, office, etc.) tones down the slight background noise that is characteristic of noise cancellation systems and makes these headphones pleasant to wear without listening to music. Nevertheless, music lovers rest assured: these headphones deliver excellent sound quality.

Seriously stylish

From the strict viewpoint of noise cancellation, this model by French brand Parrot may be a notch below its competitors, but it does have a unique advantage: wireless operation with Bluetooth connectivity. Styled in cooperation with designer Philippe Starck, the Zik also sets itself apart for its elegance and high-tech features, such as the touch-sensitive controls on the right-hand ear cup. Classy and functional.

PARROT ZIK
About \$ 350



TRAVEL

Flores: a land of volcanoes and dragons

The very mention of its name prompts dreams of heavenly holidays. Located in the Lesser Sunda Islands, an archipelago in eastern Indonesia, the island of Flores shows a different side of the world's fourth most populous country. By Salomé Kiner



KOMODO
ISLAND

LABUAN BAJO

RIUNG


INIELIKA

RUTENG

BAJAWA

MOUNT
KELIMUTU

The Inielika volcano, in the centre of Flores Island, rises to 1,559 metres above sea level.



The small island of Flores is lush and mountainous but has none of the swagger of its neighbours with their idyllic beaches. Measuring just 15,000 km², it remains unspoilt by tourist development due to its steep and craggy relief. Still little visited, this is a destination that makes up in authenticity for what it lacks in comfort. Lovers of tropical trekking and keen explorers of the seafloor are sure to fall in love with the place.

The island is a former Portuguese colony and 90% of its population is Catholic. It is renowned for the hospitality of its inhabitants and in many ways is the region's best-kept secret. When you get there, it's simple: the Trans-Flores

Highway is the island's only reasonably passable road. Tourists are advised to travel around by 4-wheel drive and strongly discouraged from driving themselves. The guides negotiate the roads brilliantly, leaving visitors free to sit back and admire the view.

"You can cross the island from east to west, or vice versa, or opt for nature walks and cultural hikes, staying at a campsite or with a local family. Or you can choose a combined itinerary of safari trekking and scuba diving in the coral islands," suggests Berry Sabaruddin, guide and founder of the Flores Autrement agency, which takes care of transport arrangements and hotel bookings for visitors.

From Labuan Bajo in the west to Maumere in the east, the Trans-Flores Highway comprises 750 km of tarmac (350 km as the crow flies) and runs alongside the island's main sights.

The most impressive is undoubtedly Kelimutu, literally "boiling mountain". The sacred 1,600-metre-high active volcano is the island's foremost tourist attraction. Climb up it (the ascent is manageable for walkers of all levels) and marvel at its three crater lakes, known for their bright colours, which have been known to change. Previously red, blue and white, they are now green, blue and black. This as-yet unexplained natural



the traditional village of Bajawa



Kelimutu Mountain in the centre of the island

phenomenon has given rise to all kinds of legends. Romantic souls, meanwhile, will not forget the sight of the sun rising over the volcano.

A few hours away, the road leads travellers to the small fishing village of Riung and to the national marine park, with its 17 islands punctuating the bay like freckles with their silky-smooth white sand. This is one of the rare parts of the Flores coastline to offer easy access to the island's idyllic beaches.

WHAT YOU NEED TO KNOW

Flores has minimal infrastructure and communication networks. You are strongly recommended to organise your trip in advance with the help of a private guide or through an agency, particularly your flights to and from Flores. Many tour operators offer made-to-measure itineraries.

GETTING THERE

By plane: from Bali (Denpasar) with Wings or Merpati Airlines. By boat: Pelni ferries operate between Bali and the town of Maumere.

With its incredible undersea flora and its well-preserved coral reefs, the bay is a paradise for divers and pleasure-loving Robinson Crusoes, who sometimes take the time for a prolonged seaside stay. Tom is the owner of Nirvana-Bungalows and organises daily boat trips: "It's ideal for watching the tropical fish, strolling around the little desert islands or taking a dip in the blue-green water."

For a change of scenery, head to Bajawa, the high-altitude capital of the Ngada region (1,100 m). Bajawa is the island's traditional showcase and revolves around a string of villages observing ancestral and animist customs, decorated with megalithic stones and houses built on stilts. Be careful when tasting arak, the local palm-based spirit: many tourists have taken away a heavy-duty headache as a souvenir!

This immersion in the past continues in Ruteng, the island's rice-producing area, with its spider-web formation

of paddy fields. Four hours' brisk walk away is the multi-tiered village of Wae Rebo, a veritable open-air museum. It is well worth the effort, particularly for the sight of this last relic of the lost world of Manggarai culture emerging from the mist in the most mystical of fashions.

Our digression into ethno-tourism ends with the idyllic reflections of Labuan Bajo, the last stop to the west, which has some of the region's most beautiful seabeds. After kilometres of roughly-drawn and sharply-curved routes, it comes as a relief to arrive at the bay. Labuan Bajo is also the starting point for traditional boat trips to Komodo Island and the national park of the same name, a UNESCO World Heritage Site where the famous Komodo dragon lives a quiet and protected life. "Excursions have to be supervised, but they are open to everyone, and there are always dragons on show," promises Berry Sabaruddin, who also organises cruises and sea-based holidays in the marine park. ▀



A fisherman in Labuan Bajo, on the west of the island

JACQUES BEAULT / BEHANG / TRIGALZ



ROSA CABECINHAS

REBA FESTIVAL – Each year, the Ngada tribes express their love and gratitude to God, and beg for his protection. Between December and February, dances, offerings, sacrifices and sacred rites are performed in villages throughout the region. Tourists are welcome, and it is customary to wear the ikat, the traditional local dress.



THE KOMODO DRAGON – “*Varanus komodoensis*”, as it is known to scholars, is the biggest carnivorous reptile in the world. This giant lizard can grow to a length of three metres and weigh up to 70 kilos. Now an endangered species, fewer than 6,000 of this prehistoric egg-layer remain. Very fast runners and at ease both on land and in the sea, the dragons live exclusively on the Indonesian islands of Komodo, Rinca and Motong. The Komodo Dragon is a formidable predator: its bite infects prey with a toxic bacterium that can sometimes prove fatal.

SHOP



Ladylike lingerie

With its interweaving satin and floral lace, suggestive back plunging neckline, evocative colour black and body-hugging lines, French lingerie brand Simone Pérèle expresses sensuality with consummate class and subtlety.

www.simone-perele.com

About \$130



Truffle Taster

The Maison de la Truffe is offering a limited-edition gift box comprising aromatic olive oil, Guérande salt, an olive-wood razor, a 12.5g truffle and a book of original recipes by 14 great chefs, including Yannick Alléno and Paul Bocuse. A must-have for fans of truffles, the «diamonds of cooking».

www.maison-de-la-truffe.com

About \$250



Premier league table football

Those with fond memories of table football tournaments at their local pub or youth club can now enjoy their favourite student pastime once again in their own home. Produced by Italian firm B.Lab, the Teckell collection of luxury toys are made of precious wood, glass and aluminium. An absolute must for aficionados.

www.teckell.com

About \$15,000



Virtual keyboard

Conventional computer keyboards are on the way out. Korean firm Celluon has invented the Magic Cube, which projects a virtual keyboard using laser beams. Compatible with smart tablets and telephones via Bluetooth, it has a mouse mode and runs on an internal battery with a life of around 150 minutes.

www.celluon.com

About \$200



The Fiat Fridge

The Fiat 500 is coming to a kitchen near you. In partnership with Smeg, the Italian car maker has reproduced the bonnet of its iconic model to house a refrigerator. With an A+ energy-efficiency rating, the appliance offers a total capacity of 100 litres and is available, like any self-respecting Italian product, in white, green or red.

www.smeg.com

About \$9,000



A ski mask with smarts

Oakley's new high-tech ski mask is equipped with a GPS indicating speed and altitude, changes in elevation and even the size of the wearer's jumps. It also allows wearers to locate themselves on a map. The information is displayed on a screen built into the frame. Astounding.

www.oakley.com

About \$1,000



Shades of Winter

French brand Vuarnet has joined forces with concept store Colette to produce a new version of the legendary 002 glasses worn by skier Jean Vuarnet at the Squaw-Valley Winter Olympics in 1960. The glasses, which have mirrored lenses and are available in Colette's signature colours, are sure to make an appearance this winter at the most upscale resorts.

www.colette.fr

About \$250



Sailor's biceps

Inspired by the world of sailing, the Water-Grinder, a new piece of fitness equipment from German firm Nohrd, has two cranks that are rotated in the same way as a sailor operating a winch. Chic and stylish, the equipment has a built-in screen indicating the number of revolutions made, the user's heart rate, the power generated and the usage time.

www.nohrd.de

About \$2,200

SHOP

WATCH



Major mechanics

For the globe-trotting gentleman, Breitling for Bentley has created the B05 Unitime. This chronograph has an elegant dial decorated with a map of the world, and, with its double-disc system, it is able to display the time in 24 time zones simultaneously. Perfect for measuring your exploits all over the world.

www.breitlingforbentley.com

About \$14,000



Sport and glamour

Chopard Imperiale All Black Diamonds will delight fashionistas who have a passion for fitness and quality watchmaking. This entirely black chronograph has an elegant, diamond-encrusted bezel. Measuring 40mm in diameter, it has a self-winding mechanical movement and is waterproof to a depth of 50 metres.

www.chopard.com

About \$26,000



Super skinny and sleek

With its Altiplano, Piaget has been a specialist in extra-slim watches since 1957. The 2013 version of this iconic timepiece is equipped with the calibre 1205P, the thinnest automatic mechanical movement in the world to date at just 3 mm thick. It is enclosed in a 6.36 mm case, another record for slimness.

www.piaget.com

About \$26,000

A diver's dream

Carl F. Bucherer's new creation, the Patravi ScubaTec, is exceptionally robust and perfectly legible both on land and in the depths of the ocean. The bezel of this sporty model measures the time spent underwater, while its helium value protects the integrity of the casing, even under pressure.

www.carl-f-bucherer.com

About \$6,000





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In each Swissquote Magazine, an artist describes his or her creative process. This month, we feature the theorists and designers Trix and Robert Haussmann.

“The colour of our house was determined by a piece of rubbish”

By Trix and Robert Haussmann

“We think about each new project or each new step together. Each of us contributes our own inventiveness, dreams and doubts. We are each other’s worst critics and most devoted helpers. It’s about staying attentive to the other person and sharing a vision without ever lapsing into a kind of intellectual competition.

Little everyday things, unexpected effects and great art and architecture can all serve as triggers for the inception of a new project.

Alongside our work as architects, we are also interested in words and language. One day, we went to an isolated corner of Germany to treat an illness that was stopping Robert from using his hands. As all he could do was think, he came up with what would later be known as the “Begriff Schieber”, a device that generates random expressions using a series of words. We have now made several versions of it.

This element of chance can be found in other projects, too, including the colour of our house in Zurich, which we chose to match the tone of a piece of rubbish we picked up off the street. In our work, we also seek to question functions and rethink or playfully subvert traditional analogies.

There came a time when we realised that modernity had become stuck and devoid of meaning. At the end of a deep conflict with the history of art and architecture, we adopted a critical stance on contemporary



RETA PALANKUMAR

Robert and Trix Haussmann (born in 1931 and 1933 respectively) strike a discordant note in the homeland of Le Corbusier. Since the 1960s, these postmodernist theorists and designers have operated in the avant-garde of art, design, architecture and poetry. Their experimental and ironic furniture is sold by Teo Jakob, among others. Their most famous architectural creation, meanwhile, is the basement of Zurich railway station.

architecture, which we expressed in our Manierismo Critico manifesto in 1981.

We wanted to provoke a reaction against the impoverishment of forms. On the practical front, we created models and objects, but also took on architecture briefs, renovations and construction projects. We took account of new perspectives and used unusual building materials, while also developing our critical thinking. At the same time, we came into contact with foreign colleagues with similar concerns.

This dialogue spawned an international movement known as postmodernism. That movement degenerated into a hollow aesthetic, which forced us to part company with it. Today, the issues at stake have changed once more, but our critical stance remains intact. At the moment, we are working on a series of mirrors for an exhibition to be held at the Fri Art art centre in Fribourg in April.”▲

FOR THE PRINCE OF WORDS: A WATCH THAT LEAVES YOU SPEECHLESS.



Big Pilot's Watch Perpetual Calendar Edition "Le Petit Prince". Ref. 5028: Some things remind us of the boundless nature of the human imagination. Apart from "The Little Prince", a global literary success that celebrates its 70th anniversary this year, one of those things is undoubtedly this watch. Its perpetual calendar, operated via the crown, is a perfect example of a watchmaker's dream come true. With a depiction of the little prince himself on the moon phase display, it also reminds us of

the man after whom the 270 watches in this strictly limited special edition are named. Turning imagination into reality and leaving us just as speechless. **IWC. ENGINEERED FOR MEN.**

Limited edition of 270 watches. Mechanical movement, Pellaton automatic winding, 7-day power reserve when fully wound, Power reserve display, Perpetual calendar and perpetual moon phase, Small hacking seconds, See-through sapphire-glass back, Water-resistant 6 bar, Case height 16 mm, Diameter 46 mm, 18 ct red gold



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ANTOINE DE
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The Little Prince

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