Big Visions

Warren East
ARM Holdings plc
February 2010
Big Visions

…“Everybody else is just green, have you seen the chart? It's a helluva start, It could be made into a monster If we all pull together as a team……”
Outline

- Introduction: Who am I? / Disclaimer
- Introduction: ARM – example business
- Visions, Missions
- Execution
- Dreams
- Conclusion
Background – who am I?

- Engineer, 48, Married 3 children,
- Engineering → Electrical → Electronics → Semiconductors
- MBA

- Design then commercial roles
- ARM, CEO since 2001
- NED: Reciva, De La Rue plc (Chair - audit committee)
- FIET / FRENG / CCIM
- Business leader of the year 2007 (NBA)

- Work hard / Play hard
- Family / friends are important
Example business
Who is ARM?
Where do you find ARM Technology?

- Advanced digital products incorporating more and more ARM technology

Processor IP – Design of the brain of the chip
Physical IP – Design of the building blocks of the chip
Software development tools
ARM Today

- The world’s leading Silicon IP company with
  - Leading 32 bit RISC architecture
  - Leading Physical IP
- Design and license microprocessors and other chip components
- 1700 people world-wide, 32 locations
- Revenue ~ 500M$
  - Split 50% USA; 35% Asia; 15% Europe. (UK <3%)
- 4Bn Chips/yr → 2.5Bn electronic products → 1.5Bn consumers
- Public company, LSE and NASDAQ, ~ £2.5Bn
- Shareholding 75% USA, 20% UK, 5% RoW
Vision

Mission

ARM Examples
Vision

A world where all electronic products and services are based upon energy efficient technology from ARM, making life better for everyone.
Mission

To be the most significant processor architecture
Vision…. Mission…. 

- **Vision**
  - A glimpse of what the future might be – long term
  - In particular how we want the future to be as a result of our efforts
  - *Something around which the organisation / group/ nation can align*
  - May be expressed in different ways
  - May mean slightly different things to different people

- **Mission**
  - The current purpose
  - *(For some people “Mission” is transitory, a medium term objective)*
  - Less scope for ambiguity than the vision
  - Generates real passion and energy
  - *Something around which the organisation / group/ nation can align*
  - Different “missions” in succession all leading to a vision
  - A mission for some can be a vision for others
Whilst we are on definitions

- **Tag line**

- **Objectives**
  - Staging posts on the way towards achieving the vision, providing guidance motivation and an indication of progress - medium term

- **Goals**
  - Measurable desired achievements – short term

- **What is the Strategy?**
  - A vision of the future and a plan to get there
  - A blend of Vision, Mission, Objectives, Goals, together with the look and feel of the organisation - What we do, Why we do it, and How we do it, now and in the future.
ARM’s early vision

- The Global RISC standard at the intersection of Computing, Communications, and Consumer

- Partnership model
  - Steering of product strategy
  - Focus resource on mobile
  - Ride through less successful products
Outside the business context
Outside the business context

- Vision of a common set of rules governing nature
- Sole operator
- Competitive
- Enemies
- Opposition & setbacks
- A long time
  Principia:
    - Phase 1 - 20 years
    - Phase 2 - a further 26 years
- Dreamer - the notion of a force which could operate on remote bodies over distances was an idea associated with the occult

Isaac Newton
The team leader

- Vision of a change for the better
- Worked with a team of committed individuals
- Opposition & setbacks
- Unpopular
- Pragmatist - realised the Vision in stages
  - Stage 1 - 20 years
  - Stage 2 - a further 26 years

William Wilberforce
Mobilising society

- Inspired by Ghandi
- Vision of a better world
- Mobilised 000s of committed individuals
- Huge opposition
  - Competition & within
- Others took over after assassination
- Multi-decade effect

Martin Luther King
Nations have Visions too
Observations on Visions

- Successful visions seem to involve:
  - Change to the status quo
  - A group of people (sometimes many) aligned and passionate about making that change
    - Not everyone does the same job
  - Usually opposition (competition); sometimes with very similar vision
  - Motivation is high (amongst the opposition too)
  - Realising the vision takes a LONG time and usually involves setbacks
  - Leaders drive the group towards the vision
  - The vision is often personified
  - Sometimes the leadership changes
  - The Vision needs to be stretched – follow the dream
Evolution of ARM Vision

- The Global RISC standard
- The Architecture for the Digital World
- Totally ubiquitous energy efficient ARM technology
Realising the Vision
It’s all about the execution….

- Inspiration and the perspiration
- The team
  - Crucial
- Motivation
  - For the long haul
- Politics
  - Status quo is status quo for a reason
- Competition
  - Status quo and alternative visions
- Leadership
  - Seems to be vital
Principles & Philosophies

- Balance
- Common sense
- Teamwork
- Pace
- Respect
Doing things

- In the commercial world... It's the winning that matters
- Things get done by doing
- 90% right vs. 100% never
- Things take longer than expected but forever if you don’t start
- Champions don’t take “no” for an answer
- Failing to apply guarantees failure
Leadership

- Leadership
  - Cliché – generate followers
  - Behaviour depends on the situation
  - Be yourself not your role model

- Management
  - The boring bits are actually necessary

- Leading today in business
  - Putting it all together
  - Personalise the business
  - Stamina, Adaptability, Integrity
Beyond the Vision
World peace....
Peaceful reality
Dreams

- A dream is a Vision without the execution
- .....Yet
- Visions have to start somewhere....
- Visions need to be stretched
Will this vision ever be realised?

A world where all electronic products and services are based upon energy efficient technology from ARM, making life better for everyone.
Barriers for ARM

- >75,000 employees
- >40Bn$ revenue
- 25% operating margin
- Leadership technology
The Chip Company That Dares to Battle Intel

A BRITISH OUTFIT CALLED ARM HAS BECOME A POWER IN CHIP DESIGN FOR IPHONES AND OTHER DEVICES. NOW IT MUST FEND OFF THE BIGGEST PLAYER IN THE INDUSTRY.

BY JON FORTT
Photograph by HARRY BORDEN

It's 9:30 A.M. on a Friday in Cambridge, England, and ARM CEO Warren East looks annoyed. Bloomberg has just reported that UBS has downgraded his company's stock to a sell. The news is plausible, since ARM (which used to stand for Advanced RISC Machine) depends on the troubled cellphone market. But it turns out that Bloomberg simply got the wrong ARM. "They confused us with a South African mining company"—African Rainbow Materials—East explains. This sort of thing happens all the time to ARM, a microchip designer with $3.46 billion in revenue last year. Nestled in this leafy college town an hour from London—and 5,000 miles from Silicon Valley—it's easy to overlook. But ARM may be the most important technology company no one has heard of. Its low-power chip
Constant Vision remains in view

- Inspiration; Leadership resolve; Motivation
Big Visions

- Dream
- Execution
- Alignment