

P: tent Council ①

* → words's ideas had to do pending

VERTICAL COUNCILS ^{7/2/84}
PT, FIC

Disposal Councils

PT -

per building?

12-15 people

Top person of organization always a member

Forced distribution at each level / Dept.

Hourly reps. were elected

(Apuloni)

character: 2 way communication top to bottom, side to side

- expressions of concern,
- problems
- feedback as well

each rep would have 2 ways to people they represented

NOT a decision making body

thought might form task forces to recommend, investigate

example topic: security

Actions taken through normal org. structure

met once per month

a person from O.D. came @ Polaroid

group needs to learn to be comfortable & operate with each other

rotate people through on a staggered basis (1-2 year terms)

people could be re-elected

no formal agenda, but open up discussion

much of it is petty (Roaches in the bldg, cafeteria food, parking lots)
? (pay ranges, job grades?)

~~formal~~

- content?

- elect/appoint?

- relation to departmental functions, Grapevine + ER functions

- company-wide / bldg-wide, or dept. wide

COMMUNICATION ~~IS~~ PIPELINE FOR MACRO ISSUES RELATED TO WORK LIFE

Group sets own limits + it changes?

- Broad vs. narrow issues (not specific case/pers) not a problem solving body

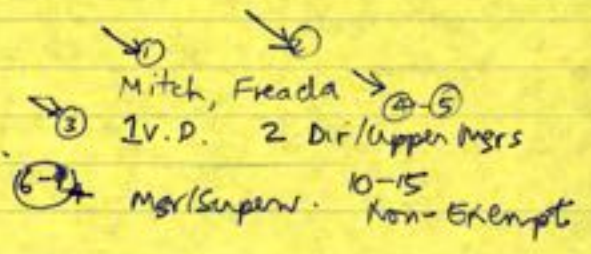
→ Focus on General Issues "Quality of Work Life" themes
 "Process" more than "Content" not "Business Issues"
 Arep from each func group, but reps are at different job grade levels [identification is more by function than level]

Life at Lotus, not Lotus in the world

The Council would sponsor an open house (annually) to bring in family members

1. START WITH COMPANY-WIDE COUNCIL.
- 2.

- ① Design membership
- ② Write up charter + ground-rules.



? overlap w/ staff issues
 how they communicate to the group
 ? overlap w/ complaint / grievance files

sibs to report comm. informally

don't set false expectations
 can't be pure discussion
 people w/ power have resp. to recognize issues which must be dealt with

→ can't be witch hunting, protect confidentiality
 personalities need to be kept out of it

*F. Vent County
Reading*

TO: MITCH KAPOR

FROM: FREADA KLEIN

DATE: July 27, 1984

RE: VERTICAL COUNCIL

Lotus' Vertical Council will be composed of approximately 15 employees, reflecting various departments and job grades within the company. Its overall purpose is to encourage open discussion on the quality of work life at Lotus. As a communication vehicle, the Vertical Council will focus on macro-level issues and concerns, rather than situations involving specific individuals. In addition, discussion will center on life at Lotus, not Lotus' business plans. Although the Council's role is advisory, it may pursue topics through forming task forces or providing recommendations to decision-making bodies within Lotus.

The Vertical Council will meet bi-weekly to evolve its structure and style. After it has hit its stride, it will meet monthly, rotating the site of its meetings between different Lotus sites. Membership will be voluntary and viewed as part of member's work responsibilities. Initial terms will be 9-15 months, so that on-going participation will be one year terms, rotating on a staggered basis. Mitch Kapor and a representative from Human Resources will be permanent members of the Council.

As the Vertical Council develops, its relationship to other communication/feedback mechanisms at Lotus will need clarification. Specifically the Council's agenda may overlap at various times with ideas or action emerging from any of the following: Minority Issues Committee, Lotus' Grapevine, the employee attitude survey, or concerns brought to individuals within Human Resources.

Case Study #1

→ AA

Loretta walked into the employee relations office and burst into tears. "I refuse to do it any longer. I don't want to go [pick up his shirts from the laundry]. That's the only task he ever asks me to do. Whole days go by and all I do is answer his phone, make dinner reservations for him, and occasionally run a personal errand." I took this job to learn concrete skills, as an entry level step to what I had hoped would be a long career in marketing. I have no chance to develop, to learn anything, or to get to know other managers in this department.

Fritz

FK - There were 4 Loretas...

- 1) who bears responsibility for this situation?
- 2) how can we fix it?
- 3) how can we prevent its reoccurrence?

- ① what about [Personal errands] as policy? Is this a good use of funds...
- ② Bad communication? - work out how to do it better...

FK: [It's DONE OFTEN...]
 ↳ by men only, or ever by women?
 ↳ what do the ER statistics show?
 [Expectations] ↘

People

The Role of Support Staff
Is there a need to restate a corp policy about errands

Did she feel free to say no...
what would have happened if she had...

assumption: ~~Person~~ + sit under? - depends on on-site business meetings... - what if somebody goes out everyday...

if every was reasonably - if they had a good relationship, then it's OK... [should they feel free to say...]

if likely, could be addressed:

? Role playing (as long as you're going to site...)

⇒ *good! Mutual Respect - even so, policies set
Limits on "AA abuse". [VERY KEY ISSUE]
• when it sets to be expected, there's a problem... etc.

on the limit issue [set the limits 20% further back]

(+ use this in supervisor training)

How reciprocal between mgr & supervisee...

(can't leave it solely up to mgr. + personal
discretion + good communication ...)

The line of reasonableness shifts

[those or pmr have an obligation
not to ask - (beyond taxing me
for answer)]

people want to open to - which solves their own problem,
but not the manager's problem... (or leave the company...)

* need to clearly evaluate mgrs more harshly than
employees (not just wrt firing...) must observe that
person initially w/ his supervisee... → critical to
evaluate mgrs on moment (not on 3 h scale, or time, or
training) mechanism is there, but not well applied...

IF we remove the shirts apart

(in the early days, we had ppl's
who couldn't even file...)

- is the job clear & is it graded properly
- are the expectations correct?

✓
[lots, in the early days, didn't had big title issues -]
didn't want to call anyone a sec'y... pseudo -]
equality + unevenness - (too many ex-social workers &
non-enterprises)]

It rhd, saw wrong impression (a person got wrong
expectation) - This is a perception/comm problem
or a mishand ...

confusion about career paths

Stu's over-pervence w/ knowing about career paths ...

→ return of the Big Sil!, could be

* do we have the correct job support staff?

Need to ex include urgency

↳ Mismanaged expectations

Let Him know from Day 1

Case Study #2

Rodney had worked at Lotus for 18 months as an engineer. He had made significant contributions to early products, had received rapid promotions and pay increases. Rodney's manager, a director, has just informed him that a new manager was being hired in over him, and that his job duties would be reduced. The director cited Rodney's shortcomings in managing people and projects as the major motivation. Rodney felt demoted and angry. He had been working at least 60 hours per week since joining the company and had juggled many tasks. He felt unrecognized, demoted, and as if his career path had just hit a dead end.

Lack of Communication
Hired informant outside vs. inside

- How expectations got there?
- The meaning of events
- Better explanation by Mgmt...

opened an opp'ty to compete it?

- 1) is this a problem of substance, a problem of perception, or both?
- 2) how can we fix it?
- 3) how can we prevent its reoccurrence?

Keep which parts of old Lotus values?

communications

How much from Ter Bellini's
of chaotic growth?

When do jobs get posted?
Does seniority play any part?
— should it?

Technical vs. Managerial?

- + Type A personalities at Lotus + high stress Linda M
- + People who feel lost in the shuffle Jeff H
 - unaware of HR services
 - " " satisfaction mechanisms
 - don't know how to ask
 - fear of being exposed as a complainer
- + People are busy, + therefore sometimes uncooperative (as a standard) Rami
 - ↳ which goes along w/ achieving personality
 - I'll get it done, I'm responsible, I'll take the credit for it
- + Fragmentation of functions - (Amito) inarticulate?
nobody knows what anybody does or turns Linda
or specifics
(need a department directory)

Transition from people acting as independent operators in fluid environment - now there's a bureaucracy. (Rob)
Amito "form over grid"

There was a sense of family

* People are pulling for promotions that aren't there. (Audrey)

= Lotus is a different environment than other places
People have different expectations

Yet another memo

The stamp ^{things} coming from on high

St. them to talk to each other
group process

Amy

Length of service important to people who are here?

→ Real Discussions don't happen in Dept. meetings
→ Dissemination of info... (bureaucracy)

Teaching people how to hold meetings
people feeling participation, not being talked down to...

=

groups becoming isolated from one another
'like a big cocktail party'

Time is a limiting factor

Physical makeup of location - dispersed,
people feel isolated - Tours of other buildings

3 years

36 4 months, 3 mos, 10 months, 13, 14, 20, 23, 25, 11, 8, 8, 14, 21, 17

→ avg. 16 mos. media in W. 8 months!!

Real unrepresentative

→ were self-centered. opitys weren't here as delivered!

Hiring outside experience people - disappointing expectations

from people didn't have "Lotus" values
CONTROL - concern who's pulling what strings

(*) (The hidden power structure) - not so well hidden

→ wanting to hold together as family

- news at top mgmt

The goddamn power hierarchy is all over the place here.
Levels all over the place?

what is the needed nature of supervision?

80% here are supervisors
30% in co. as a whole supervise someone!
(small span of control)

People in (no one reporting to them [20 some odd])

~~not~~
There are politics in Ford co-ops

Avols. done strictly to rate of change?

Type A

done

much more relaxed atmosphere here

You can still be creative here!

Trading off against a sense of security

is how many people here are supervisors?

W

setting approp. expectations for new hires - unintentionally

people shd be hired according to pos'n + exp'd in that
Too much over-hiring, overqualified - squeezing my

~~work~~

generalist → specialist Transition

"I've been here 6 weeks + I haven't been promoted" - Audrey - "why not"
stones from a past era ...

Have to teach mgrs + supervisors how to interview
Put people in touch w/ reality
need for mgmt Training

Internal Xfer Policy

=

People's work records not taken into account for promotion
Rather hire from outside based on quals. v.o.t. internals
w/ experience. Not recognizing indiv's ability.

The paper resume fit

Going outside to hire too much? Promote from within?
The carrot gets removed from the stick
[or is it bad expectations?] in an environment disillusionment

supervisors aren't working with their people
or helping them improve. ~~not~~ Teaching what can do to do a
better job.

? use Perf Reviews - only annually.
if superv. is in another bldg. More direct, quality time

Perf Reviews are confrontational + impractical

TO: Mitch

FROM: Freeda

discuss @ Mgmt Comm
copy for IRV

DATE: August 20, 1984

(M) 9/6

RE: Vertical Council

After you left the Vertical Council meeting on Aug. 16th, we continued for about 45 minutes. The discussion remained, for the most part, a listing of issues rather than exploring any particular theme. The highlights included:

- Paranoia is rampant; employees are afraid to come forward with complaints or problems; there is great fear of recrimination.
- There's a hidden power structure which only partly intersects with the articulated power structure.
- Some individuals are "untouchable" no matter what they do or how they treat people.
- Little "empires" are being built; building an empire is one way to become an "untouchable".
- A double bind exists between building empires and the small number of reports to each supervisor. Regardless of how many supervisors and sub-managers are present in an area, there really is only one manager at the top of an empire. This is part of the hidden power structure.
- In the interest of getting something accomplished, boundaries get crossed and levels get skipped. Several things contribute to this problem: deadlines (using proper channels takes too long); Lotus people expect first class treatment and go right to the power source; there's a lack of understanding of different individuals' responsibilities and knowing the appropriate person to seek out.
- There has been a transition from no organization to bureaucracy. Bureaucracy impedes getting things done and results in a lack of communication both between and within departments.
- There's a contradiction between people wanting to maintain a casual style to Lotus and the company being too large to sustain that style.
- The goal should be to have structure without bureaucracy. We don't know whether our present structure is working.
- Those who make decisions don't have to implement them, and often don't understand the implications of their decisions. Those at the bottom are least informed.
- Too much crisis management exists. The effects of a single decision reverberate throughout the company. Even when planning is undertaken, it gets pre-empted by another crisis or decision.

The meeting wound up with many expressing enthusiasm for the Council's potential. Some concern was voiced that the group focus on solutions as well as problems and that specific recommendations get proposed to the appropriate groups within Lotus.

NEXT MEETING: THURSDAY, SEPTEMBER 6TH, 3:30-5:00, Boardroom, First St.
(I wrote it in your calendar)

F Vertical Council

M E M O R A N D U M

TO: ALL EMPLOYEES
FROM: Freada Klein, Employee Relations Manager
DATE: November 2, 1984
RE: LOTUS' VERTICAL COUNCIL

Lotus has instituted a Vertical Council, composed of 16 members, reflecting various departments and job grades within the company. Its overall purpose is to encourage dialogue on the quality of work life at Lotus. We discuss impressions about our corporate culture--daily working conditions, values, and morale. Our focus is on issues directly relating to people, and that are common throughout the company. Mitchell Kapor and Jim Manzi are permanent members of the Council.

We are still experimenting with the Council's role and process. Our "data" for discussion include our unique and collective experiences, anonymous case studies based on concerns brought to employee relations, and topics suggested by any employee. THE VERTICAL COUNCIL OPERATES ON CONFIDENTIALITY--we discuss issues, not specific individuals. In the future, we will work with the results of the employee attitude survey. During 1985 all employees will be surveyed to solicit their opinions on general life-at Lotus issues, dynamics within each work unit, and Human Resources topics. This information will provide the Vertical Council with company-wide trends.

The Vertical Council's role is advisory, not decision-making. After discussing an issue if we have unanimous conclusions, we will forward these to the appropriate management decision-making group. If we are not in agreement, we may convene a task force for additional fact-finding. If the topic concerns only one work unit rather than the company as a whole, we will refer it to the appropriate person or group.

The representatives are listed below. They are vehicles to relay information to the Council, not problem-solvers per se. You may contact them to suggest an agenda item for the Vertical Council. To find out the topics we are discussing, agendas will be available from Human Resources. We encourage you to use the Grapevine to send concerns to the Vertical Council. If the Council is not the appropriate forum, we will let you know a better avenue to discuss your issues.

If you have any questions, please contact me at x6203.

(O V E R)

V E R T I C A L C O U N C I L

<u>MEMBERS</u>	<u>EXT.</u>	<u>DEPARTMENT</u>
Audrey Banks	4700	Software Development
Rob Frankland	4525	Product Development
Linda Gage	6321	Finance
Anita Harris	3540	Marketing
Jeff Hill	4610	Product Development
Mitchell Kapor	4503	Administration
Freada Klein	6203	Human Resources
Jim Manzi	3237	Administration
Rhonda Narable	6018	Operations
Linda McGlinchey	6000	Operations
Rami Merlin	3579	Marketing
Dan Murphy	3308	Marketing
Jim Napoli	2055	Operations
Leon Navickas	4584	Software Development
Mary Jean Mockler	6038	Communications
Walter Thoma	3285	Operations

ANTICIPATED QUESTIONS/CONCERNS ABOUT BUSINESS PRODUCTS DIVISIONALIZATION

Overall concern: final stage in shift from development-driven to marketing-driven organization.

Perceived demotion of development as an organization.

is relatively unknown to development people--can he represent their interests? does he understand their needs?

No longer will a development person report directly to Manzi; can represent both marketing & development perspectives, especially when they're in conflict?

is new & generally perceived as fair--needs to be made clear that this isn't a surprise to him nor a response to his performance.

How will development's level of autonomy &/or input into product ideas, schedules, etc. be affected?

Suggestions:

- Business purposes be clearly articulated
- Above concerns be addressed when the announcement is made
- give his clear support
- host a series of meetings with development people

July 18, 1985

CONCERNS RAISED SINCE ANNOUNCEMENT OF BUSINESS PRODUCTS DIVISION

ISSUES:

- 1) Lotus is viewed as a company whose priority is shifting to this quarter's earnings, at the expense of a focus on creativity, long-term planning and employee morale. *we need not to fall into the trap. MIC+JIM resp.*
- 2) Marketing appears to be a more hierarchical organization than development which is relatively flat--how will the different structures and philosophies be merged? *in light of product marketing org*
- 3) _____ is perceived as hard-driving, pushing people perhaps beyond their limits; when development people do not yet know him, this is viewed skeptically; employees feel they are means to an end, not individuals. *not relevant*
- 4) A concern exists with the hiring of senior marketing people who do not have industry background--how will this impact their understanding of developers' needs and communication between the two organizations? *who?*
- 5) If _____ reports to _____, is this now the model for all project teams? (i.e. Will marketing always be the final decision-maker?)
no longer the case..

SPECIFIC QUESTIONS

- 1) Is the Business Products Division merely a maintenance organization for new releases of existing products? Will there be room for creativity?
- 2) How will product decisions be made--does development now have less of a voice?
- 3) What level of autonomy does Gabriel and his organization have? (In general for organizational structure and functioning, and specifically for product decisions>>)
- 4) How will individuals be assigned to projects? Will employees be seen as specialists continuing to do the same type of work, or is there an opportunity to learn new skills?
- 5) Will ALL jobs be posted? How is a promotion (which need not be posted) distinguished from a new position for which internal candidates may apply?
- 6) What's the time frame for documentation, production & QA jobs opening up in other divisions?
- 7) What will be done about any duplication that now exists between

marketing jobs and development jobs?

PEOPLE & PROCESS ISSUES THAT NEED TO BE ADDRESSED

- 1) [redacted] role & autonomy needs to be clearly defined.
- 2) On-going exchanges between marketing & development should be structured to get to know each other & to evolve a standard framework for on-going working relationships.
- 3) [redacted] needs to be more visible and accessible to the development organization.
- 4) Two-way communication mechanisms (upward & downward in the hierarchy) should be established &/or reinforced (e.g. grapevine, informal open discussion groups, etc.)
- 5) [redacted] relationship will be studied as a model for how all marketing & development people will interact.
- 6) Career pathing & development need some attention.
- 7) Company-wide supervisory skills training (5-day course to be launched this fall) should take care of some of the anxiety about fairness/favoritism issues.
- 8) If needed, intradivisional, interorganizational team-building workshops could be convened.

August 8, 1985

A. Could we do 6 month fee on
mgmt training?

~~Freeda~~

ORG?

TO: **Mitch** *Freeda* CC: Janet
FROM: Freeda
DATE: Nov. 4, 1985
RE: Major issues in BPD

Attached are two lists of concerns I prepared over the summer. The first covers anticipated concerns prior to the announcement of divisionalization; the second distills issues that were brought to me after the division was created. Unfortunately, much of both is still accurate.

In reviewing my notes from BPD visitors over the last three months, several recurring themes cluster into three categories:

- Leadership
- Decision-making
- Low morale

1) Leadership (who's in charge of what?)

Turf issues replace cooperation and respect for each other's expertise between development and marketing

Confusion between the organizational roles of program managers, product marketing managers, and product directors

role is particularly unclear

2) Decision-making

Decisions are made quickly, often without full information, and are viewed as oriented towards the bottom line and this quarter's earnings at the expense of quality & people

Employees who could provide information or who will be significantly impacted are not involved in decisions

Decision-making is perceived as closed and inaccessible, without reasons being communicated

Often those making decisions are not seen as possessing the necessary technical background to fully understand the decisions themselves nor the consequences of certain choices

3) Low morale

Constant change has left people weary; there is usually not a clear understanding of why certain changes have been made nor do changes seem to result in a tangible improvement; constant turmoil has led to employees not embracing a new assignment for fear it will change before completion

A "cover your ass" mentality has set in--making only narrow decisions documenting steps, checking with layers for approval--replacing a spirit of innovation and risk-taking

Projects being cancelled and employees unassigned to projects for long periods has left many feeling insecure about their future

BPD in general is seen as a maintenance organization, where people specialize and without opportunities to develop new skills

Favoritism is seen as prevailing in project assignments and promotions; it is not necessarily good managers nor solid contributors who are rewarded

JIM R

TO: Mitch

FROM: Freeda

Mitch

DATE: Feb 18, 1986

RE: Feedback

Attached is a composite of responses to the first part of the questionnaire, How's BPD Doing?

Twenty-one of the 25 returned the questionnaire. I've tabulated overall sentiments under each question; totals don't always add to 21 for one of two reasons: item was left blank or there was no clear gist in the response.

A few people have indicated their willingness for you to read all or part of their feedback; I'm in the process of getting back to others who did not indicate their requests on confidentiality &/or anonymity.

If the format for Part I is acceptable, I will finalize the composite views for Part II (How's Mitchell Doing?).

I did not separate responses from Marketing vs. Development, nor manager vs. non-manager since surprisingly, there were not consistently differing views of the BPD world.

Let me know how you would like me to proceed on Part II.

**w/ib responses
Part I Response
set of general comments
helpful, painful sometimes & caring
Thank you for your sincerity & caring
what I learned (about myself)
My own path ...
accelerated my decision not to try to do it all*

I.1 Cooperation & mutual respect for each other's expertise between development & marketing.

Improved - 14 No change - 4 Worse - 3

Comments:

Marketing & development should sit down together; I feel that upper management doesn't trust marketing.

Separation of divisional and corporate marketing is good; marketing doesn't know our products well enough.

Marketing changes have been well received in development.

Recent marketing changes are good; both groups are guilty of insufficient knowledge of each other's functions.

Should arrange presentations by marketing groups to developers they work with and use a "case study" approach to problems.

More interaction, but not real cooperation.

Starting to respect each other's contributions.

Marketing is not technical enough; increased cooperation exists, but not respect.

Mitch's solicitation of input from both groups is a good change.

Cooperation has improved.

Greater distance between the groups as the role of marketing manager has moved away from product content.

Project focus should replace functional focus.

Mitch has made it clear that development and marketing should be involved; is an obstacle to marketing information filtering through to development.

General suspicion of most people's capabilities exists from top management.

Lower and middle managers are making a greater effort to work together; under Mitch there's a better balance and greater sharing of ideas.

Marketing has consistently made bad calls and development's "gun shyness" is expected.

Improved significantly, but Mitch still has to function as "tie-breaker"; departmental presentations between development, marketing & sales would be good.

On an individual level, working well together.

I.2 Clarity about organizational roles, especially between program managers, product marketing managers & development directors.

Improved - 5 No change - 14 Worse - 2

Comments:

Product managers & product marketing managers aren't able to clearly define their roles.

Product manager position needs more definition--i.e. who makes final decisions.

Shift toward development decision-making is clear, but actual roles are not.

Resolved pretty well for 1-2-3 & Symphony.
Reorganizations have muddled WHO is responsible for WHAT.
Still don't know who has utmost responsibility & authority.
Improved but still considerable overlap exists.
Should be made clearer what each department's role is in the development of a product.
Clarity has not changed much lately.
Original concept of "wiring diagram" to clarify roles hasn't been addressed.
Roles on individual projects is much clearer, though not sure we've found a general solution; need to formalize organizational "wiring diagram".
Divisional "wiring diagram" isn't available yet.
Product marketing has been relegated to fit perceived skill level, not what the job should be.
Role of development director not clear, but other roles are. Roles lack the power to get the job done.
Roles aren't clear; need to hold post mortems on projects to sort out problems.
Much talk of "organizational wiring diagram" but nothing has been forthcoming.

I.3 Decisions are made too quickly, without full information & oriented towards the bottom line rather than quality.
Improved - 14 No change - 4 Worse - 2

Comments:

Decisions made by overworked people who do not have enough time to find the facts.
I think we learned our lesson from 1-2-3 Rel. 2, but need to continue to be aware of past mistakes.
Decisions made TOO SLOWLY and therefore lots of idle time in Doc & QA.
Roles & process are still not clear.
Bottom line is more of a factor than it should be, but we still do better than most companies.
Strong perception exists that Mitch won't allow this problem to happen again.
Deadline pressure and more features are replacing concern for bottom line.
Decisions made too quickly because we're chasing good ideas without appropriate analysis.
Decisions made too quickly without prior research.
Mitch is very wise about identifying which decisions need to be made and which to leave alone.
Definite improvement--more long run development emphasis replacing short run results.
Sacrificing quality for short term financial targets doesn't appear likely to happen again.
Mitch has enormously improved standard of decision-making; this is one of the most visible changes in BPD.

Decisions to cancel projects are still made too quickly.
No concern for P & L within BPD.
Decisions now are more rational with greater concern for our customers;
no clear financial objectives to use for decision-making.
Improved, but harsh judgement is passed when responses aren't made quickly.
Problem with decisions now is there's no clear process--who has responsibility & authority.

I.4 Employees who could provide information & who will be significantly impacted are involved in decision-making.
Improved - 15 No change - 2 Worse - 1

Comments:

Still poor.
Problem lies with intermediate levels, not with Mitch--especially regarding those who will be directly impacted.
We have better project teams since Mitch took over BPD.
Development is now included earlier than before, but committees are too large for quality decision-making.
This needs to be globally implemented.
Things are now weighted toward development.
Mitch does encourage input from all levels, but matrix management theory is stretched too far.
New project-centered focus helps, but many decisions cut across projects.
Mitchell solicits information but then relies on the opinion of only a few trusted people.
Mitch encourages involvement, but can't keep track of all the issues.
Mitch makes 90% of decisions; input which supports his thinking is accepted.
BPD needs to exchange information outside of the division--e.g. with sales & manufacturing.

I.5 Reasoning behind ORGANIZATIONAL decisions is being clearly communicated.
Improved - 5 No change - 13 1

Comments:

Too many rumors, too much mystery, then delay for the "official announcement".
Reorganizations leave confusion about BPD's goals.
The message of decisions like eliminating _____ job is that when the company no longer needs one's skills, the employee goes.
Questions exist about Corporate Communications, Product Marketing, Tradewinds moving, what's going on in QA.
Information doesn't flow downward; I have to spend a lot of time tracking down the truth.

Recent product marketing layoffs are a problem--why were these people not assisted in finding other employment internally?

Problems surround Corporate Communications, Product Marketing, and role.

Tradewind transfer unexplained.

Communication is clear, but the reasoning is not.

Some changes are dealt with publicly, others are not (e.g. what's going on in Corporate Communication, Product Marketing, QA, and why is leaving).

Organizational changes are explained well within the department, but not within the division as a whole.

I.6 Reasoning behind PRODUCT decisions is being clearly communicated.
Improved - 12 No change - 7 Worse - 1

Comments:

Where are the product decisions? Don't know about products or their scope.

We've traded one set of problems for another--decisions are less arbitrary, but still reactive to the media.

Varies from project to project, but works best when decision-making resides in one or a few people.

When Mitch presents the information, it's clear what we're doing and why, but when he doesn't, we get contradictory information from different sources.

Being part of the process is eye-opening; I've learned much about interactions between companies & improved my communication skills.

Decisions change along the development cycle.

Business plan reassessment & discussion have been helpful; communication is one of Mitch's strong points.

Mitch has at any point in time a clear vision of how everything fits together, and he communicates it regularly.

Product decisions reflect Mitch's interests not necessarily what's best for the division.

Mitch has wonderful insight into the industry; BPD overview is well done

Some decisions are communicated clearly; others are not (e.g. I read about MicroSoft Windows in WSJ rather than hearing it here).

Works best when there's a single channel for decision-making and the information flow is established.

I.7 Risk-taking and innovation are NOT rewarded; rather, people merely carry out orders.

Improved - 4 No change - 10 Worse - 5

Comments:

Inertia, fearfulness, and continuing upheaval make people risk-averse, defensive and hostile.

Innovation is only rewarded to those on the incentive plan; others have

to leave Lotus to innovate.

Mitch has done a good job making us feel a good idea might be acted on and rewarded.

Forward-thinking projects have been cancelled and the list of people who've left to have their ideas considered--

--says risk-taking & innovation are not rewarded.

We haven't yet found the line between innovation, efficiency, deadlines, and quality.

People are still afraid to take risks.

System only awards a handful of developers; ideas which would improve the general product environment are resisted.

No real incentive exists for initiative; group of programmers are interested in more training, better communication, functional specs, etc. but afraid to go to management because they might be labelled dissidents.

The only reward is the bonus program which is disappointing.

People just carry out orders.

Good rewards exist for innovation & initiative.

A few specific individuals are encouraged to innovate; Mitch appropriates others' ideas as his own.

Real risk-taking is a privilege enjoyed by few; BPD has an institutional willingness to take risks, but not always backed by institutional patience to play them out.

→ Innovation is only signed off on if you're

continue. Mitch has to embrace an idea before he lets it

I don't know of anyone who is rewarded for risk-taking or disagreeing with Mitch.

→ Disagreeing with Mitch is a dangerous proposition.

While Mitch demands excellence, the system assumes mediocrity.

Innovation is not rewarded; over-promoted managers are threatened by their people & don't develop them; people have to carry out orders because 'going over someone's head' is punitively discouraged; have to leave the company to innovate.

Innovation is not rewarded because failure is not tolerated; best formula for success is to guess what Mitch likes and give it to him.

I.8 BPD is merely a maintenance organization, without opportunities to develop new skills.

Improved - 7

No change - 9

Worse - 2

Comments:

A new attitude exists which favors buying new technology rather than developing it in-house.

Many more interesting projects have come our way in the last six months. Fewer and fewer places exist for senior programmers to go within the division.

This has been strongly addressed & clarified by Mitch.

Varies between managers--Abbot encourages self-improvement technically;

there has been improvement in project allotment.
If it's challenging, someone from ISD, R&D or outside will get it; BPD will have to rev it and clean up the mess later.
Plenty of opportunities exist now; the problem has been not planning new projects when old ones wind down.
Some people feel that real success & recognition are available only to a few superstars; unless we develop our own people, there are real obstacles to growth.
Junior people have more opportunities; senior people have to go to other divisions for new opportunities.
Mitch appears to have little interest in marketing; therefore, decisions are made outside BPD (e.g. advertising, release 1A).
Opportunities exist in development only.
With each new acquisition, it's clear that creative projects exist outside of Lotus.
One is trapped below the skill-set of their manager; one has to leave BPD to be on a non-maintenance project team.

I.9 Fairness rather than favoritism prevails in project assignments, decision-making &/or promotions.
Improved - 5 No change - 8 Worse - 3

Comments:

Much better--Mitch & HR should take the kudos together.
The exception to fairness within development is QA.
This has not been a problem within development except for the perception that many resources have been allotted to No Comment.
Headcount seems to be the overriding concern. Preference is still given to who's "in" at the moment.
Providing opportunities to a greater number of employees is the key to softening the impact of favoritism.
Certain individuals have a favored status--all of their ideas are considered interesting & worthwhile.
Overall, things are fair, although politics are involved in assignments; everyone is not as fair and responsible as Mitch.
There's a small circle of individuals who Mitchell thinks highly of; confidence is not expressed in those with a skill set that differs from Mitch's.
Not everyone has the same opportunities or influence, but this is not necessarily unfair. BPD has very few low "flash", extremely competent, dedicated employees who are widely respected throughout the company (is my mental model here)--we need to develop this kind of person.
Mitch puts people in three categories: 1) people he doesn't know or fully understand their duties but respects them; 2) people he doesn't know or fully understand their duties but can't understand why they don't do their jobs better; and 3) people he thinks he understands exactly what they do and knows he can do it better.
Lack of consistency undermines fairness--people quickly franchised with

power then disenfranchised.

New people have more difficulty proving themselves; assignments go to the tried and true; no career pathing exists so it's difficult to judge promotions. Order-followers tend to be promoted over innovators.

Mitch gives more weight to the opinions of his favorites.

I.10 Overall, morale is improving & employees are recovering from their weariness at change.

Improved - 10 No change - 8 Worse - 1

Comments:

Morale peaked when Mitch became GM, but has declined slowly.

The biggest boost is having leadership now that understands what a development team is and how it functions.

GA & Doc have low morale, and this affects program management.

Each new reorganization pleases some and unnerves others.

Morale is best where employees have clearly defined roles. GA and marketing are in flux. Until BPD's structure and process are nailed down, the lack of confidence and concern for job security will undermine productivity and the quality of the work environment.

We've gone from concern over no projects and poor management to concerns over headcount, efficiency and layoffs.

Morale amongst the developers is low--decisions are out of our hands, and too many projects are done outside the company.

Corporate Communications' situation has led to wondering, "will my department be next?"

Morale improved greatly at the time of the GM change; now morale is very low amongst BPD management.

Mitch has simplified the organization enormously and this helps group morale.

Although morale is improving, most people are running scared.

Mitch has to spend more time making people feel good about their roles, contributions and their ability to make decisions.

It is unclear ~~from moment to moment~~ whether your group will survive the next reorg.

Reorganizations are unsettling, but offer the promise of change. Definition of roles, career tracking and encouragement of innovation will raise morale.

Morale improved for awhile, but is sinking again.

To: Philantropods
fr: Steve

RE: DISCUSSION OF OUR GUIDELINES

Even though I'm away on vacation (sorry, but that's the breaks), I wanted to contribute some of my thoughts to our discussion of guidelines. This has turned out to be ten times longer than I anticipated (I warned you that I'd written books on this topic!), so feel free to ignore any or all of it.

I. Why focus on racism?

We can't fund everything. We have to make choices and narrow down the field in order to make our jobs manageable and have some hope of making an impact in our chosen area. So, out of all the problems in the world, all the injustices, how should we decide on a focus?

There are a lot of ways in which life is not fair to lots of people. However, many of these are beyond our control. Some are acts of nature. Others are human creations, but randomly distributed and without connection. For these injustices, the appropriate response is person-to-person empathic support, that is, individual acts of kindness and aid.

Some kinds of social injustices do fall into patterns. Of these, there are several that I would consider to be "core" or "systemic", meaning that they emanate from social dynamics that are central to the very functioning of our society (perhaps of all societies) and play a significant role in shaping a large percentage of our social existence. (There are other injustices that fall into patterns, but I do not consider them to be as vitally integrated into the core dynamics of our society, or else I see them as derivative of those I've labeled core.)

I would include among these core dynamics: class relations (having to do with the division of labor in the process of production and consumption), sex role patterns (having to do with child rearing and nurturing/aggressiveness social roles), and community relations (ranging from extended families to ethnic/racial groups to nationalism). All these (and other systemic issues) interact, but they can also be looked at somewhat independently.

The systemic and interconnected character of these issues makes them powerful but also means that every ameliorative effort has potential ripple effects upon large spheres of social life. For example, a change in sex role patterns could also effect class relations, improve child nutrition, reduce family violence, create healthier communities, etc.

Of the three systemic issues I've identified, class is not appropriate for our committee to focus on. First, it is the least clear of the three since merely defining the issue involves arcane debates between marxian and non-marxist theorists. Second, I doubt if a majority of Lotus employees would agree about its importance or even its very existence. Third, even if the employee's supported us, the Board would

never approve a focus on attacking class oppression.

Sexism is a more appropriate focus for us. Even those Loti whose analysis is not radical enough to consider it a systemic pattern are still likely to consider it a legitimate issue. Second, its manifestations, at least in the economic sphere (e.g. tracking of women into "women's jobs" and unequal pay for work of equal intrinsic worth as well as sexual harassment), are clear and attackable. And third, some of its non-workplace manifestations, such as abuse and rape, are flagrant and violent enough to create a climate of support.

However, despite the current anti-feminist political climate, I think there is a strong women's movement in our society composed of women of all classes that has the resources and ability to push forward. In fact, it is precisely because the women's movement is a cross class movement, whose leadership is mostly drawn from the professional and managerial classes, that it has access to relatively enormous resources. There are enough professional, managerial, and bourgeois class women (originally by birth or marriage and now by virtue of their own jobs) to serve as an effective pressure group. In addition, women are a majority of our population. They have the numbers needed to create a significant social force. If we were to focus on sexism, I'd want us to focus specifically on projects aiding working class or poor women, particularly women of color, who are the least likely to benefit from the movement's resources. Making sexism our focus would be a legitimate, but relatively "safe", decision.

Community is, on the positive side, a way to creating support systems and culture that help give meaning to life. It is also a way of differentiating between "us" and "them". Under negative conditions, meaning under the conditions that most people have experienced for most of history, the "them" is considered of less intrinsic value than "us", and if "us" is stronger it uses its power to dominate and exploit "them".

There are various degrees to this pattern of community hierarchy. If a minority can socially and economically integrate itself with a dominant majority, the newcomers can be considered part of the majority's "us" and quickly accepted as a subgroup of the majority. If the nature of the interaction between the two groups is such that the methods of domination and exploitation are relatively moderate in their dehumanizing effect, the newcomers can be considered a distinct ethnic group. But if the methods of domination and exploitation are extreme, the newcomers are marginalized as a separate "race".

The most important and confusing thing to understand about race is that it has absolutely no biological reality. There is no group of genetic characteristics whose presence or absence can be used to divide humanity into groups that have any resemblance to the "races" we were taught about. There is much, much greater genetic variation within the people considered "white" in this country than between "whites" and "blacks" as groups.

Race is totally a socially created phenomena. For example, people of

European and African ancestry who are divided into two non-overlapping races in this country are divided into at least three often overlapping races in Brazil. The majority of Puerto Ricans come to this country and find themselves suddenly divided into black and white--a process that has frequently divided members of the same family.

The definitions of racial groups changes over time. When the Irish first arrived in this country they were treated as a separate racial group. Now, outside of South Boston's ethnic enclave, they are a subgroup of the American mainstream. Japanese immigrants were lynched less than 50 years ago and rounded up into detention camps about 45 years ago. Now they have a 50% rate of intermarriage with people outside their own community and are commonly accepted as a legitimate ethnic group.

Over the years, racism has become intertwined with nationalism and imperialism ("the white man's burden", "the yellow peril", etc.). It has become a part of the attack upon progressive reform ("they're not willing to work, they only cheat welfare"), and a tool for dividing the work force. Because of its integration into every part of our social system, it is a controversial and explosive issue. It is also one of the most important issues facing us.

The anti-racist movement faces other disadvantages. The average wage of non-white workers are much lower (I think about half) of whites; the average unemployment rate of non-whites is much higher (I think double); the average net wealth of black families has recently been computed to be about \$3,000 while the average net wealth of white families is about \$39,000. In addition, people of color are a minority in this country and the number of Black professionals and managers small. All this combines to give the anti-racist movement relatively few resources, a relatively small social base to draw upon, and relatively few allies. Nonetheless, it remains one of the core dynamics of our society, and of our world.

The Philanthropy committee should focus on racism because it is one of the core issues of our society, because it is an issue that lacks access to needed resources, because it is a particularly acute issue here in the Boston area, and because our efforts can make a visible and important difference in the efforts of anti-racist programs. True, it is a more risky choice. However, I see this as a positive reason. We has the chance to take larger risks than most other companies' giving programs. We should rise to the occasion.

II. What does a good proposal to fight racism aim to accomplish?

Our approved guidelines say that we want to fund projects that address both the causes and effects of racism. To understand how to apply that guidelines requires first examining the different types of racism in our society.

I consider there to be several types of racism. First, there is the level of personal feelings, called attitudinal racism. This is the belief by one person that his/her "racial group" is superior to another.

While I don't like such attitudes, by themselves they are not a social problem. It's not always clear what to do about attitudes, if anything. Attitudes seldom change because of direct confrontation. However, if the general climate of the country is anti- or non-racist, then racists usually keep their attitudes to themselves and pay lip service to public norms.

Second, there is the level of personal actions of discrimination. This occurs, for example, when a landlord refuses to rent to a black family. These actions can only be stopped by strong anti-discrimination laws and enforcement. Again, if the political climate is anti-discriminatory, there will be much fewer occurrences of this type of action.

Third, there is the level of cultural discrimination. This is the culturally embedded belief in the superiority of one group over another. I think that this is actually very malleable. We have lived through a sea-change in our society's attitude towards Asians (Japanese and Chinese in particular), as well as towards Afro-Americans. I know enough history to know about the enormous change in social stereotypes of Irish and Italians. I think cultural racism is manipulatable and is, in fact, manipulated.

Fourth, there is social discrimination. This is widespread, usually state-sanctioned, patterns of overt discrimination. This was the situation in the United States for most of the past 300 years and it was what was largely destroyed, only twenty years ago, by the Civil Rights Movement.

If social discrimination is maintained over a long enough period of time, it can turn into the fifth type: institutional or structural racism. This is a situation in which unequal access to resources and opportunities is built into the fundamental structures of a society. At this level, racism is "impersonal", it happens as part of business as usual without requiring conscious decisions by the majority. For example, if you are poor and live in a slum you probably have poorer health, poorer education, less chance for advanced training, less connections with or exposure to people with inside connections at good paying companies, and therefore you are more likely to end up poor and recreate the whole cycle. None of this requires any overt discrimination by anyone.

Of these different types of racism, I believe there are some we should not make a priority. For example, I believe attitudinal racism waxes and wanes according to large scale social forces as well as being very hard to deal with since it is such a personal phenomena deeply rooted in each person's childhood. And cultural racism, while infuriating and reinforcing of dehumanizing stereotypes, is too abstract and too much controlled by top-level corporate/political forces beyond our reach. (For example, remember how the national image of China suddenly reversed itself from Red menace to industrious allies after Nixon's trip to Beijing!)

On the other hand, I believe we should make a priority of the remaining types: preventing personal acts of discrimination, fighting any

resurgence of social discrimination, and attacking the cycles of institutional racism. I choose these because they can be addressed by the type of local, small scale projects that we are capable of funding. I also prefer them because they are, I believe, the key methods that racism is perpetuated in our society.

Fortunately, a common strategy helps prevent all three types of discrimination. That strategy is putting pressure on the government, via grass roots organizing or legal action or legislative campaigns or media exposure, to pass and enforce strong anti-discrimination laws.

Unfortunately, dismantling institutional racism involves more. To some extent, it involves supporting programs that aid all poor or unskilled working people. Headstart helped people of all colors, but disproportionately helped people of color because they are disproportionately poor.

However, color-blind solutions are not enough. Care must be taken to make sure that these programs actually include and serve people of color or else the weight of past discrimination will seep in and shape these remedial programs in discriminatory ways. Therefore, there is a urgent need to enforce equal opportunity to existing programs. Creating equal opportunity requires going beyond business as usual: it means making affirmative efforts to reach out to the non-white community when recruiting for new hires, it means making affirmative efforts to include people of color in decision-making processes.

In fact, I would go further. I think true affirmative action involves more than equal opportunity. It involves providing some amount of additional resources specifically targeted at people who have been the victims of past patterns of discrimination. Therefore, a strategy that addresses the causes of institutional racism involves supporting equal opportunity as well as affirmative action.

The effects of racism are too numerous to list. However, we should give priority to those projects that also address the causes. The way to do this is to help empower individuals in the context of building action-oriented organizations that are providing new resources to the non-white community or pressuring outside institutions (government, firms, unions) to provide more resources and opportunities to the non-white community.

III. Can the Arts be a useful tool for fighting racism?

Perhaps. But I still don't think we should be funding most arts projects. We have previously discussed, and I think we should formally adopt, guidelines for the acceptance of arts projects.

First, I think we should affirm that our general priority is funding grass roots, activist projects that follow the strategies outline above. Second, we should declare that we don't see ourselves as an arts-oriented funding source. Third, we should say that we will fund an arts project under the following conditions: (a) it is locally based and amateurish rather than free-floating and professionally aspiring.

(b) it is tied in to a local organization that has a life of its own separate from the arts activities. (c) a majority of the participants are people of color. (d) the project, in some manner, directly addresses the issue of racism.

IV. Should we fund capital improvements (or contribute to general operating funds)?

If the organization is working on projects that would fall into our guidelines and that we would support, then we should help those organizations in the way that the organization itself decides is most useful. If buying or fixing a building is what the group needs in order to accomplish its goals, then let's fund it!

Similarly, I think we should formally decide (although not publicize) that we are willing to give money for general operating funds rather than specific projects. The key issue is the same as for capital funds: If the organization is working on projects that would fall into our guidelines and that we would support, then we should help those organizations in the way that the organization itself decides is most useful.

V. Is media-arts education considered skills transfer?

No. Our guidelines specially state computer-related. If a media project has a large computer component it would fit. However, a camera is not a computer.

VI. Is the mere use of a computer in an educational program considered skills transfer?

Sometimes. It depends on what else is going on.

VII. What kinds of skill transfer projects should we fund?

When Rhonda, Rob, and I went to talk with the people at the Science Museum, several themes emerged that we felt were relevant to all our skills-transfer projects. First, the project should be computer related. Second, it should provide hands-on training leading to specific skills. (This means we are not interested in projects that merely "expose" people to computers or help them get over computerphobia.) Third, it should be locally based, part of an ongoing community-oriented program, that specifically targets groups of people who have not previously had access to this kind of training--specifically meaning people of color, immigrants, and poor and working class people. (This means we are not interested in broad based programs that give a little to lots of people with little chance for organized follow up.) Fourth, if the program is for adults, we prefer that it be connected with some employment opportunities, or that it be a joint parent/child activity.

LOTUS' GRAPEVINE

747



JA-
How were these answered?
Times Mon

Loti:

You may use this form to:

- voice an opinion or suggestion
- ask a question
- share a concern

If you choose to include your name, someone from Human Resources will contact you *confidentially*.

If you choose to remain anonymous, you will not receive a direct response. If your opinion, question or concern is of general interest, it will be included in a monthly report circulated to all employees. However, no information will be given that might identify you.

Opinion, Question or Concern:

Is there anything special that the employees at 161 should know about how to keep your job? If we all move over to the Lotus Building will we still have jobs? What if there isn't enough room for all of us? Will we be "LET GO"?

I enjoy my job. I enjoy working at lotus. I don't use capital letters anymore when I spell lotus. I am not as proud as I used to be (or as secure!!!!)

Date: _____

Just fold up this form and drop it in any Lotus Grapevine Box. These boxes are emptied daily by a member of the Human Resources staff. If you have indicated that you'd like a confidential response, you'll hear from us within one week. Thanks for your participation. Freada Klein, Employee Relations Manager x6203.

Optional:

Name _____ Ext _____

I don't understand what is happening at 161 First Street. One of the most dedicated employees I have ever worked with has been "let go" because a piece of machinery he operates is moving to the other building and there isn't "room" (a position) for him over there. Is this real? If he was already in the "other building" and the VAX was moving, would he be let go? I think it STINKS. I don't believe this is happening at Lotus.

He has proved his dedication over and over again. Is it poor seating arrangement that is getting him canned? It can't be his ability to getting his work accomplished because if it was, he would be at the Head of the Department.

FYI #

I was shocked and dismayed to learn about the termination of [redacted] and [redacted]. It is understandable that as Lotus grows and develops, certain positions will change or be eliminated altogether; the question in my mind is why more of an effort wasn't made to find them comparable positions, especially as such positions do exist currently in the company.

[redacted] and [redacted] were both loyal and dedicated employees, often extending themselves beyond the call of duty and the services on the First Street VAX reflected their hard work. I feel that their termination is not only a loss of two fine employees but a disgrace to the fair, ethical corporate values for which Lotus claims to stand. Is this the way that Lotus now recognizes and rewards high quality work?

This incident, if not publicly accounted for, will act as an active discouragement for many of the other dedicated, industrious and loyal employees who knew [redacted] and [redacted].

7VI

I think that Lotus is giving Dan Doorley and Bill Vaillancourt a really raw deal. The way that they were treated was shameful. Lotus prides itself as an 80's company with 60's values. I didn't know that the 60's had anything to do with canning employees who were not problems. They fell quickly on the "161-2" and I think it stinks!

When I joined Lotus almost a year ago, this type of thing would never have happened. Shame on ALL involved parties for treating two dedicated employees so poorly. I know personally that Dan has always helped me over and above the call of duty. If this can happen to him, where do I and the rest of Lotus' dedicated employees stand? ON THE CHOPPING BLOCK TOO

FVI

I would like to express my concern and disapproval with the recent dismissal of two "161 First Street" employees...Bill Vaillancourt and Dan Doorley. Why was this necessary? I have been at Lotus as long as both of these people and I consider them to be two of the hardest working people at Lotus. Dan Doorley has been especially helpful to me many times. I have seen him here on Saturdays and late at night. YOGI has many more features than the other VAX's and this is due totally to Dan's hard work and enthusiasm. His loss disturbs me. Who is next?

The way the situation was handled is inexcusable. If Lotus is looking to throw some "dead weight overboard", there is plenty around in other departments. Next time, why not consider an employee's performance and seniority?

IF YOU HAD, DAN WOULD STILL BE HERE!!!

LOTUS' GRAPEVINE

FYI

Plan

Although I am not a member of the Corporate Communications Department, I have been extremely disturbed by the events taking place in that group. And, from speaking with people in my department, I can tell you that everybody is affected by the Corp. Comm. organizational changes.

The need for change is not in question. However, the methods used to implement the change are highly questionable.

As I understand it, Management has:

1. Informed Corp. Comm. employees that they must cut the department back by a third.
2. Asked employees to assess their chances of remaining, to resign by Friday 1/17 if they don't think their chances are good (and receive 3 months severance pay), or to stay and run the risk of being asked to leave by the end of the month, (2 weeks, not 3 months severance pay.)
3. Told everyone that new job descriptions will be written and that the people who decide to stay after Friday must all apply for new positions.

I believe that Lotus could have better solved the problem this way:

- * Evaluate new job requirements
- * Identify # cutbacks required
- * Assess current personnel/job fits
- * Determine employees who could be trained to fit new jobs
- * Offer new jobs to those people
- * Give 3 months severance to other people in the department

If Lotus sets a precedent of erasing the board every time a game plan doesn't work, we might as well kiss goodbye any commitment to corporate values grounded in concern for people.

Above is just one of the many alternatives that would better suit the philosophy of this company and that could meet financial objectives. Whatever solutions we choose, we must put an end to the disturbance, instability, and mistrust that is growing in this company.

P.S. If you still circulate reports on Grape issues of general concern, I hope you will address this question. It is certainly of general interest.

9017189

FYI

1/16/86

I don't disagree with the reality of trimming back overstuffed departments. But I do feel strongly that the Corporate Communications cutbacks could have been done in a cleaner, more humane manner.

Since it was management who hired (who unfortunately grew the department into something which did not serve the company) management should have taken the responsibility to identify the positions needed and the people who could have been trained to fit the new jobs. Give three months severance to the other people in the department; Do not make people gamble away their financial security because of the company's mistakes.

The procedure Lotus employed to restructure Corporate Communications seems the antithesis of the Lotus way of treating people. If Lotus prides itself on its unique culture, then it has the responsibility to uphold it, even when it puts the burden of responsibility on management.

Signed,

A concerned employee not in Corporate Communications

9017190

Corporate Values

Quality is paramount at Lotus; we will strive to achieve the highest level of quality in every aspect of our business.

We will deal with our employees fairly within a system where rewards are based on merit. Lotus will strive to provide equal opportunity in employment and in compensation. We seek to build a diverse work force where the dignity of each individual is respected and valued.

Lotus people will bring the greatest degree of honesty, ethical behavior and personal responsibility to our jobs in order to maintain the overall integrity of the company, our products and the individuals working here.

Teamwork and cooperation are essential ingredients in the work environment at Lotus. Each employee is expected to be not only an individual contributor, but also a contributor to the efforts of the group. No one individual is or can be responsible for our success.

Lotus people must have the flexibility to respond quickly to situational changes, and be open to adjusting behavior accordingly, without compromise to our other fundamental values.

We place a high value on creativity, innovation and initiative; those characteristics will be eagerly fostered. We will strive to maintain an atmosphere where risk taking is encouraged and consideration of new ideas is supported at all levels of the organization.

Asense of humor is an important asset. It is indicative of the way individuals look at themselves, and reflects how they deal with other people. It is important that people not take themselves too seriously, as they may be the only ones that do so.

Lotus' Statement of Non-Discrimination

Lotus Development Corporation strives to create and maintain a work environment characterized by fair treatment, diversity, and respect for the individual.

Lotus is committed to offering equal opportunity for employment, advancement, and benefits to all employees. Lotus' policy is to stand against discrimination in all areas, including recruiting, hiring, job assignments, supervision, training, promotions, rates of pay, and benefits because of sex, race, religion, national origin, age, veteran status, disability, or sexual preference.

Discrimination generally takes three basic forms: differential treatment, differential impact, or the presence of a hostile/offensive/discriminatory work climate.

- Differential treatment refers to instances where the employer, through its policies or management, treats some employees differently than others because of their race, religion, sex, national origin, age, veteran status, disability, or sexual preference.
- Differential impact involves employment practices that seem neutral, but which in fact affect one group more adversely than another. The brunt is often borne by groups of individuals with a shared characteristic such as gender, race, religion, age, national origin, disability, or sexual preference. Differential impact cannot be justified by any business necessity.
- Discriminatory work climates are those characterized by subtle, yet repeated offensive practices and behaviors that have the effect of making certain groups of individuals feel excluded. Racial and sexist comments engaged in by managers during work meetings or events are examples of behaviors which contribute to a discriminatory work environment.

Lotus' preference for a diverse work environment comes out of a recognition that difference among individuals enriches our lives and the life of our company. Since prejudice and discrimination are widespread in our culture, it is generally an uphill battle to create a workplace that is universally respectful of and responsive to individuals of diverse backgrounds. Our goal, therefore, is to build a company which nurtures, supports, sustains, and draws from all its members with regard only to merit.

Employee Relations

The primary function of Employee Relations in Human Resources is confidential problem-solving. The staff members meet with individuals, mediate problems or clarify miscommunications between employees and supervisors, and relay trends to managers, directors, and vice presidents. In addition, they recommend and implement policies and procedures aimed at improving communication and life at Lotus in general.

Certain programs have been implemented to identify problems and improve overall communication. These include the Lotus Grapevine and the Vertical Council, described below, and an employee attitude survey. Other responsibilities include administering the performance appraisal system, drafting and implementing an affirmative action plan for the company, which includes the Affirmative Action Advisory Committee (AAAC), and DIRECTCONNECT, described below.

DIRECTCONNECT

Employee Relations attempts to address an individual's issues in terms of the whole person, not just as a Lotus employee. One result of this commitment is DIRECTCONNECT, a counseling referral program available to any Lotus employee. A Symphony database, available for use in your office, offers about 200 providers' names to choose from when seeking advice on a specific issue such as stress management, bereavement, family counseling, or other personal issue you may have. The database will give you pertinent information about the group or professional you have chosen, information gathered from careful screening for credibility and professionalism. If you want to use DIRECTCONNECT, pick up a copy from the reception desk in Human Resources.

Vertical Council

The Vertical Council provides a forum for discussion of issues as one way to improve the quality of work life at Lotus. Committed to acting in the interest of all Lotus employees, the Council is composed of twelve members chosen to reflect the company's departments and grade levels, with gender and racial balance in mind. The group discusses impressions about the corporate culture: daily working conditions, values, and morale. The focus is on company-wide, people-oriented issues, not specific individuals.

The topics for discussion include both individual and collective experiences, anonymous case studies based on concerns brought to Employee Relations, and topics suggested by employees via the Grapevine and direct communication with the members. Because the role of the Vertical Council is advisory, not decision-making, relevant issues and recommendations are forwarded to a person or group if the Council believes that action is appropriate. The Council negotiates timeframes for resolution and monitors progress toward the goal. The Council also periodically notifies the Lotus community about the progress of issues in the Lotus Newsletter, and by publishing the minutes of its meetings.

All employees are encouraged to use the Lotus Grapevine to send concerns to the Vertical Council, or to talk with the Employee Relations staff.

Lotus Grapevine

You have undoubtedly noticed the bright purple boxes on the walls in various places around the Lotus buildings. These hold the grapes of the Lotus Grapevine, the comment forms that communicate the opinions, suggestions, questions, or concerns employees have about Lotus. Grapes may be submitted by any employee at any time. An Employee Relations representative reviews all Grapevine concerns, has them typed and forwarded to the appropriate individuals, and sees that you receive a response within a week if you request a response on the form. (To expedite the process, they ask that you type your grape, if possible.) All responses are made carefully and confidentially. If you choose to remain anonymous, you will not receive a direct response; but if your question is of general interest it will be used in the "Grapevine Column" of the Lotus newsletter. No information will be given that would identify you.

Lotus Product News

Program Management publishes *Lotus Product News*, a resource for public information about Lotus products: software, books and the magazine. It is printed and distributed more or less monthly, depending on the schedule of public announcements. Since it is the official printed word on what can be discussed freely outside the company, every employee receives a copy of the publication and should be aware of its contents.

aaaac

Affirmative • Action • Advisory • Committee



Together ... We Can Close The Gap.



At Lotus Development Corporation, we aim for quality and excellence in every aspect of our business. Our products, 1-2-3[®], Symphony[™], and JAZZ[™] symbolize our achievements and reflect the commitment of those most responsible for our success — our valued employees.

We recognize that a major challenge in achieving our Corporate Objectives for growth and market leadership in the high technology industry is to provide a diverse work environment that encourages everyone to grow and succeed; for it is only in the continued development of our people that we can attain our stated goals.

For these reasons, the Affirmative Action Advisory Committee (AAAC) was established. The committee, consisting of employees from various departments, will be responsible for advising and implementing policies, procedures and/or programs that reinforce Lotus' corporate values.

Project List For 1985

To keep our work force diverse, the AAAC will assist the Human Resources department in developing and implementing effective recruitment, hiring and training programs. In addition, the committee will respond to all affirmative action/equal employment issues and concerns of any Lotus employee, in a confidential manner, with the aim of assuring a rewarding and bias-free working environment.

I invite you to join with us in our continued efforts to keep Lotus Development Corporation a company of which we can all be proud.

- I. **R**ecruitment Outreach Program — Working with the Recruiting Department — the AAAC will provide assistance in locating additional recruitment sources with a major focus on locating potential minority candidates.
- II. Lotus Scholarship Program — the AAAC will explore programs that sponsor minority students (through scholarships) to major engineering schools, such as M.I.T. The ultimate goal of this program is to respond to the current lack of minorities in the field of engineering.
- III. Youth Summer Employment Program — Working with individual managers, the AAAC will locate potential summer employment at Lotus for teens in an effort to help reduce the high teen unemployment rate among black youth.
- IV. Multicultural Seminars — These seminars will be conducted in an attempt to foster multicultural sensitivity throughout the corporation and will eventually appear as part of an intensive training program.
- V. Community Service Program — The AAAC will give financial and/or active support to organizations/activities that foster racial harmony, crime prevention, aid for poor, homeless, battered etc., or any other organizations/activities performing a worthwhile public service.
- VI. Minority Vendors — Working with the Purchasing Department, the AAAC will assist Purchasing in locating credible minority vendors for Lotus.

Objectives

Contribute to the creation and maintenance of an environment where all employees have an opportunity to voice issues and concerns without fear of reprisal.

Insure that company policies and procedures are in compliance with EEO/Affirmative Action guidelines.

Assist the corporation in locating qualified minority candidates for management and professional positions.

Expand job opportunities and build support mechanisms through a centralized community-based information network.

Provide an additional avenue where employees can address issues and concerns in a timely, professional and confidential manner.

Motivate and assist employees, upon request, in achieving their career objectives through referrals to an appropriate internal or external source.

Assist in creating a system that fosters good public relations, increases positive company visibility in the communities in which Lotus conducts its business.

Increase the Lotus community's awareness and understanding of their responsibilities toward accomplishing Equal Employment Opportunity/Affirmative Action goals through workshops, seminars, and other program activities.


Broaden committee awareness of company projects and goals by extending invitations to various officers and employees in the company to speak at committee meetings.



Committee Members

Jackie Curvan, Chairperson
Anny Cooper, Vice Chairperson
Edee Carty, Secretary
Carolyn Reid, Treasurer
Matt Stern
Alma Carter
Regina Blaber
David Matthews
David Nollman





Lotus Development Corporation,
55 Cambridge Parkway,
Cambridge, MA 02142.



Front row: Brendan Saunders, Gwendolyn Goodwin, Gustavo Mendez. Back row: Thomas Garcia, Jonathan Glater, Gary Holmess, David Holmess, Frank Goon, Amable Peguero. Not pictured: Monterio Weaver.

Summer internship program

"These students are extremely bright and amazingly focused," says Jackie Curvan of ten young people who spent July and August working in various departments at Lotus as part of this year's summer internship program.

The Affirmative Action Advisory Committee (AAAC), of which Jackie is director, began sponsoring the program at Lotus last year. Statewide placements are arranged by Jacqueline Lindsay, director of the Massachusetts Pre-Engineering Program for Minority Students (MassPep), an organization that aims to help high-potential minority students in grades 7 through 12 prepare for admission to college-level programs in engineering and science and to successfully complete such programs.

MassPep matches students with company sponsors, schedules interviews to make sure work assignments are appropriate to the students' areas of interest, and helps set clear goals at the beginning of the internship. Halfway through the summer, all the interns meet off site, usually at Boston University, to discuss their experiences at corporations all over Massachusetts. At the end of the internship, supervisors review the interns' performance.

That's the process, and all concerned seem to think it works. As Jackie says, "programs such as MassPep are doing a great job preparing high-schoolers for future careers in engineering and science, and we're pleased to assist them in that endeavor." □

PROMOS & TRANSFERS

Recent Promotions

Donna Carpenter to Accounting Supervisor in Control . . . **Brian Debasitis** to Senior Product Support Specialist, Symphony. . . **William Destefanis** to Applications Consultant in Sales Administration. . . **Larry Dyer** to Copy Center Operator in Office Services. . . **Judith Giordano** to Telephone Communications Manager in Corporate Services. . . **Peter Greene** to Product Support Supervisor, Symphony. . . **Marie Healy** to Marketing Representative in Chicago/Minneapolis. . . **Martha Irving** to Senior Administrative Assistant in Control. . . **Winifred Jackson** to Communications Services Assistant in

CONFIDENTIAL

MANAGEMENT COMMITTEE

5/15/84

Attendees:

Mitch ✓
Mead
Janet
Palmer
Jim
Irv Pollitt
Judy Doe (guest, for item #1)

F

1. Judy Doe presented the overall space allocation plan for Riverside Place (see attached exhibit). It was approved except for the size of the library. The sense of the Committee was that only a modest amount of space should be allocated to library reading space. Mead will meet with Vicki and both of them will meet with Judy and the architects within the next week.
2. A proposal by Leo McCloskey procuring a security "hardware" system for all Lotus locations was passed out and discussed at some length. The Committee members agreed to read the proposal before the end of the week and get back to Palmer on approval, disapproval, or concerns relative to the two major issues: 1) the overall security concept, and 2) the expenditure itself.
3. Palmer presented a recommendation that 37,000 square feet at Four Cambridge Center be leased in order to meet our previously-defined need for additional space beginning this summer. After a discussion of pros and cons, the proposal was approved. Mead will inform Kate Todd that the final negotiation of the lease is underway and that it will be submitted for Board approval upon completion.
4. Janet presented three action proposals from Freada Klein which were discussed at some length, with the following results:
 - a. Employee Suggestion System. It was agreed that this proposal was mis-named -- it really seems to be a system to improve vertical communications and feedback throughout the corporation, with Human Resources being the coordinator. In that vein, it received general support. Further refinement is the next step.
 - b. Employee Attitude Survey. Again, the Committee supported this idea, but there was an overall concern that it be done "right". Further definition of goals and process is needed. Janet will have Freada work with Irv to come up with a more complete proposal.
 - c. Minority Issues Committee. There is an overriding need for the corporation to come to grips with the concerns of minority employees at Lotus. Freada proposes the creation of a committee of minority representatives to help us to begin dealing with the many issues.

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Top management participation and support is essential. As the next step, Freada will attend the next Management Committee meeting to present additional background and thoughts.

5. Jim raised the issue of how Lotus employees should be handling offers of "favors" from outside agencies -- primary current and potential suppliers of goods and services. There was general agreement on a number of points; however, additional information on other companies' policies will be helpful. Palmer will follow up and pull together a proposed policy for Lotus.
6. Mitch presented his thoughts on Lotus' endorsement of outside products and services -- in short, we don't do it. Palmer will take Mitch's notes and turn them into a formal position statement.
7. Mead presented an updated look at anticipated Second Quarter sales and earnings, including a discussion of implications and concerns. In terms of longer term action, reassessment of Product/Software Development projects has already reduced planned hiring by some 20-25 people. The implications of the reduction in projects on the Sales/Marketing hiring plans are now being reviewed; the other departments will follow suit.
8. Packages containing disks and instructions for Second Half '84 headcount rebudgeting were distributed and explained by Mead. Completed disks need to be returned to Finance by Tuesday, May 29th. It was pointed out that diskettes for new cost centers were not included. Mead will have his people follow up on that problem.
9. Drinking at company parties is a continuing concern. As an initial step toward moderation, the length of the bi-weekly Friday parties will be limited to two hours.

CONFIDENTIAL

MANAGEMENT COMMITTEE MEETING

6/5/84

Attendees:

Mitch ✓
Dave
Dale
Janet
Jim
Mead
Palmer

1. The roll-up of the latest headcount "budgets" resulted in a company total of 904 by year end. This is in spite of the project cutbacks made over the past two months. The number is far too high. After much discussion of the issues, it was decided not to react arbitrarily across the board. Mitch will set up individual meetings with each V.P. to review possible cutbacks, establish growth restraint criteria (e.g., number of people vs. company revenues), and establish a course of action for each area.
2. Various approaches to and ramifications of dealing with new venture "spin-outs" were discussed at length. How this is handled will have major impact on Lotus, its people, its culture, and the way we do business. The payoff of doing it well is substantial, however. Mitch will continue to develop his thinking on this matter and will be using a number of people for sounding boards.
3. **Freada Klein** participated in the meeting for a discussion of her proposal to establish a "minority issues committee". After listening to Freada's inputs it was quickly decided to sponsor such a committee. Freada, Janet, and Irv Pollitt will put together a concrete plan and recommendations for implementation. As part of the discussion, the whole area of minority hiring and advancement was reviewed at some length. It was clear to everyone that Lotus has not been doing a good job in this area, and it was agreed that the Committee would support a formal program to address problems. Among the proposals which seemed to have the most potential were: a dedicated minority recruitment program, establishment of professional trainee headcount authorizations which would facilitate career skills development, and commitment to goals formalized as part of a corporate-wide minority affirmative action program. Again, Mitch asked Janet, Freada, and Irv to pull together the details.
4. Mead presented an updated status on 1984 capital spending which indicated that spending this year could approach \$35 million, vs. an original budget of \$20.6 million. Since the memo was first distributed at the beginning of the meeting and the basis of some of the numbers was unclear, further discussion was delayed until Mead and Palmer could do some more work on the numbers.

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RECEIVED JUN 8 1984

Series: Lotus Development Corporation

Subseries: HR Policy, Procedure, Employee Measurement Data

This subseries consists of Lotus Development Corporation Human Resource policy, procedure, and data sets. Included are employee handbooks and employee survey data germane to the perception of and experience of bias, harassment, and respectful treatment in the workplace. The surveys were developed by Freada Klein, Director of Employee Relations Lotus Development Corporation. The files consist of .5 linear feet of material and span the years 1985-1988.

Box	Folder	Span Dates	Folder Title
	1	1985	Employee Attitude Survey, Spring 1985
	2	1986	Employee Attitude Survey, September 1986
	3	1985-1987	Survey data, Termination Rate Models
	4	1985-1987	Survey data, Path Models
	5	1986-1987	Survey data, Parenting / Dependent Care Survey
	6	1986	Survey data, Administrative Support / Companion Survey, September-November 1986
	7	1987-1988	Survey data, Micromentor
	8	1985	The User's Guide to Lotus: An Employee Handbook
	9	1986	Corporate Policy Handbook, Lotus Development Corporation

Points to make

EFF started as foundation to make grants for technology and civil liberties projects. Did so to CPSR and ACLU---which about exhausts the organizations in the field. Clearly need for more funding and more staff and resources. EMPASIZE THAT YOU ARE DOING Your share. That Benton, Tides, Bauman, and few others have helped but need more. New emphasis is computer---telecom foundation grants have been mass media oriented in the past. The democratic potential of new computers is a key issue now.

EFF has chosen to become a new org bringing tech and civil liberties advocacy and public policy together to achieve democratic potential of computer technology. Uniqueness: The Tech expertise plus public policy smarts with a focus on public policy (not simply CPSR stuff like privacy or ethics). Necessary? Yes. Government marshalling its resources, NSA, FBI, and also big corporations. Who will represent the public, consumer, citizen as consumer of information and participant in the new electronic public forums.?

Kapor is contributor with funds and 90% of time. But cannot be successful without diversity of funding and support. We want to get members, foundations, individual donors and diverse institutions for non-partisan efforts (CPF).

A score of issues need foundation PROJECT type support.

White paper on digital telephony issues

White paper on Encryption and Privacy

State research and advocacy support for PUC advocacy on issues like caller id and new infrastructure (Marc has done some of id stuff, we are trying to do new digital technology

Project money to bring new consumer groups from education, environmental, etc orgs to have voice in telecom and electronic free speech---the marketplace of ideas in future.

Crucial: Help poor and minorities get involved in new technology policy. Danger of haves and have nots. Computer activism too too white. Computer power and literacy is a civil rights issue, we would like to help to address.

We are here to talk about what we are doing but also to get you to let us know that you are interested in hearing in more detail about our work. We are fishing. Are there any nibbles?

9-21-1995

Democracy, Technology and The Civil Rights Project

Caesar L. McDowell
Harvard University

Marianne S. Castano
Harvard University

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Democracy, Technology and The Civil Rights Project

by Ceasar L. McDowell and
Marianne S. Castano

Democracy and Public Dialogue

Democracy has been defined as “a political system in which the whole people make, and are entitled to make, the basic determining decisions on important matters of public policy.”¹ While the United States is often touted as the world’s leading proponent of democracy, many U.S. citizens find themselves unable to engage in one of the central acts of democracy—creating public voice through public engagement. Public engagement in the United States is constrained by our inability to talk through our shared, complementary and divergent values. This lack of public engagement and our inability to speak in a “public voice” is also driven by a cultural tendency to reduce complex public issues to simple “for or against” policy positions. The process of building a public voice in the United States is further complicated by the vast racial, ethnic, linguistic and economic diversity, and the imbalance of power that exist among these separate sectors of our society.

The history of this country is replete with the struggles of people to overcome these power imbalances and create opportunities for their voices to become an integral part of the public voice. But, as the 21st century approaches, these same citizens find themselves on the brink of a new battle over citizen participation. This battle is being defined around access to and use of technology. Currently, most Americans are merely bystanders watching the rapid advances in technology shift the political, economic, and social terrain in which their viability as citizens is being determined. For members of the African-American community, and indeed for all communities of color and for economically disadvantaged communities, their ability to participate as “equal” citizens will now, in part, depend upon their ability to shape the technological world that is redefining the concept of public discourse and public involvement in the political process.

It is in response to these changes that early last year, The Civil Rights Project, Inc. (CRPI) of Boston, Massachusetts undertook, as part of its mission, to inform, educate and expand our society’s capacity to promote democracy and social justice in a technological age. Established in 1985 as the non-profit educational partner of Blackside, Inc., producers of award-winning historical film documentaries such as, *Eyes on the Prize*, *Malcolm X*,



Ceasar L. McDowell



Marianne S. Castano

The Great Depression, and most recently *America’s War on Poverty*, CRPI’s early efforts concentrated in grants management, education, and archival work for Blackside. With this new effort CRPI seeks to provide opportunities for the American public to deliberate on policy issues that affect our lives.

CRPI has initiated several projects to encourage and facilitate public dialogue and community discourse on issues of major, national concern which include: The Public Dialogue Initiative, The Community Technology Study Group, and The National Identity Project. Each of these projects seeks to promote opportunities for people of color, the economically disadvantaged, young people, and those least often heard to effectively enter into, participate in, and shape our current public dialogue and political debates. In each of these projects, technology based on the information superhighway, plays a vital role in providing opportunities for engagement.

In developing technology-based projects we have learned that, for many organizations, both within and outside of these communities, discussions around and investment in technology are limited to providing community members with hardware and software; and in some cases the use of the Internet without serious attention to content. This attention to access is a reasonable goal given the way in which economics is driving the availability of the technology. But as we learned from the history of television, if we focus only on the delivery system (i.e., getting television sets and reception to all neighborhoods) we will not guarantee the development of content that will best serve all communities. We believe that content, what is learned and understood through the use of the technology, is as important as learning to use the technology.

Through our projects we hope that policymakers, advocates, and funders will increasingly support processes by which communities are able to affect content issues associated with the new information technologies. The three projects highlighted in this essay represent our preliminary efforts to address not only the access issue, but also the issue of content.

The Public Dialogue Initiative

In 1994, CRPI launched The Public Dialogue Initiative (PDI) which is an effort to use documentary film as a

basis for providing a historical framework for public dialogue on contemporary issues. Through PDI, CRPI/Blackside collaborate with national, local, and community organizations to hold public forums that coincide with the broadcast of documentaries that are designed as historically informed presentations on issues of national concern. These forums and dialogues are intended to provide a framework which allows forum participants from diverse sectors of society to deliberate on fundamental values that shape their understanding of a public issue.

We believe that content...is as important as learning to use the technology.

Blackside's most recent production, *America's War on Poverty*, provided a window of opportunity to engage Americans in important discussions about poverty. PDI presented a historical context for Americans to come together and strategize about the most pressing problems of poverty facing our communities. This effort, employed as part of *America's War on Poverty*, was comprised of 3 strategies: community, national, and technology. The community strategy, which encouraged the convening of local forums, was designed to lead complementary public action such as allowing opportunities for dialogue concerning pressing public issues. Through this effort, community-based organizations partnered with local PBS stations to hold forums in churches, libraries, and schools, and to produce special television call-in and radio programs, and youth videos, all focusing on poverty-related issues. The *national strategy* worked along with various national organizations to encourage their constituencies to promote a series of public dialogues within their communities and among members of other communities. Through both these strategies, the *America's War on Poverty: Viewers and Discussion Guide to the PBS Series* was distributed to individuals, organizations, libraries, media centers, schools and universities to support other dialogues throughout the country. Lastly, the *technology strategy* used communications technology to support and link these various public forums through the use of televised electronic meetings and electronic forums on the Internet, and information sharing via the World Wide Web (WWW.) The information superhighway not only provides people with an opportunity to engage in dialogue, it also serves as an information resource by providing direct access to print and other materials that CRPI creates to support public dialogue. For both the community and national strategies, technology played a vital role. Apart from providing participants with Internet and WWW access, CRPI also provided a toll-free information line.

Through these efforts community-based organizations created a variety of approaches for opening public dialogue. In Boston, Massachusetts, for example, The Boston Foundation's Persistent Poverty Project supported

six community organizations representing the diversity of Boston's population (e.g., Chinese, Vietnamese, Haitian, Portuguese, Spanish, blacks, and Anglos) to hold forums among their constituencies. In these forums a cross-section of Boston's citizens discussed poverty in their neighborhoods and developed strategies for developing neighborhood-based response to poverty. In Anchorage, Alaska, the National Native News of the Alaska Public Radio Network produced an award-winning radio program, "Native America's War on Poverty," which used *America's War on Poverty* as an opportunity to tell the story of Native American poverty. The five-part national radio program focused on the historical causes of poverty in native communities and the activism that evolved in the 1960s. The Native American Broadcasting Association awarded this program with the Best News Reporting for 1994. This national radio call-in program reached more than 150 tribal and public radio stations from New York City to the Pine Ridge Indian Reservation in South Dakota. In Philadelphia, PA, The Philadelphia Foundation, in partnership with the Scribe Video Center and WHYY-TV, created an opportunity for six young people to produce a half-hour film entitled, "Youth in Action: Agents of Change." In this film they interviewed young people on their ideas about poverty and what should be done about it. The film also highlighted the importance of the role of youth activists in Philadelphia and the connection of youth to the history of activism.

As these examples demonstrate, by using the three strategies of the Public Dialogue Initiative, CRPI has been able to create a mechanism for supporting the public's effort to build a sense of common, shared and complementary values that can serve to build a more cohesive public voice in the United States.

The Community Technology Study Group

Through PDI, CRPI demonstrated the potential of technology to provide opportunities for the public to engage in public dialogue. However, as the link between technology and democratic participation increases, a concerted effort needs to be made to ensure that people of color and the underserved communities are afforded the knowledge, opportunities and resources necessary to ascertain their political participation in an increasingly technological society. In an effort to model one process for attending to this issue, CRPI invited Boston-based African-American, Hispanic and Asian-American community leaders, media professionals, public officials, and university professors to learn about and craft a response to the promises and problems the emerging information superhighway presents for urban and minority communities. Referred to as the Community Technology Study Group (CTSG), these individuals, one of whom is an elected official, head community-based organizations such as The Boston Foundation, YWCA, Inquilinos Boricuas en Accion, and Boys and Girls Club, and represented media like *The Boston Globe* and WCVB. With the assistance of Mitch Kapor, MIT professor and co-founder of The Electronic Frontier, CTSG members

were provided hands-on experience in navigating the Internet and in using the Internet to support community work. In addition, members were introduced to the broad range of policy issues that continue to shape the use of and access to the information superhighway.

What the CTSG has demonstrated is that, while Massachusetts is often referred to as the “high tech state,” the knowledge and resources associated with that title have not made their way into the day-to-day workings of minority communities. As a result, the more information originated on the Internet, the more the minority community could be left out of access to the information needed to make informed decisions. In short, the information superhighway is becoming the new “back room” of American politics. Since completing its initial six meetings, the CTSG has continued to meet and craft a strategy for helping Boston’s minority communities address this issue. The first step into the process has been to broaden the group to include key individuals from other community organizations.

There are many ways that people can participate in the democratic process. CRPI has started to provide opportunities for public voice to be created and heard, and for community leaders to learn about the information superhighway so they can formulate policy issues that affect their constituencies. The last project CRPI will be undertaking, The National Identity Project, marries two salient ideas of the previous projects.

The National Identity Project

One of the major issues confronting the viability of our democratic society is our ability to create an inclusive national identity. The historical lessons of the American struggle for identity and the maintenance of democracy has much to offer as we confront the contemporary issues of who we are, albeit shifting demographics. Through a series of conversations within the Greater Boston area, CRPI will work with various local and national organizations to explore the relationship between American identity and the social contract—values and agreements that serve as the “glue” to bind individuals to each other, to their communities, and to their country.

At the core of this exploration is the creative use of the World Wide Web to produce a national mosaic of American identity that will frame a series of conversations within the Greater Boston area. These conversations will be facilitated by CRPI staff. Through this project CRPI will provide instruction and technical assistance enabling communities and individuals to create multimedia profiles of their individual, as well as

community identity. Each of these individual and community profiles will be linked electronically on the World Wide Web creating a national electronic quilt of American identity. For instance, the personal home page created by an African-American woman with her autobiography, a description of her sense of self, and her aspirations for her community and the country, may be linked to an Asian-American man’s home page where he may talk about his family tree, the problems he and his family encountered upon arrival to the United States, and his own assessment of racial diversity in this country.

This electronic quilt, or series of personal identity profiles, will serve as a living example of our perceptions of American identity and will provide a tool for teaching and learning about the diversity inherent in the concept of American identity. Through the similarities and differences in these individual and collective histories and experiences, the electronic quilt will provide an opportunity for students, teachers, community members and others using the WWW to develop a sense of connectedness and belonging. This electronic quilt will continue to grow as more and more home pages on identity are created.

As we enter the 21st century, the vast diversity of our nation and the enormous changes that technology has on the ways in which we communicate make the work of democracy increasingly complex and difficult. The challenge for communities of color, the economically disadvantaged, and people least served by our society is not to minimize the mess of democracy, but to make certain they are active players in the process of making democracy work. Through the Public Dialogue Initiative, The Community Technology Study Group, The National Identity Project, and other efforts, CRPI seeks to demonstrate that diversity and technological innovation are not challenges to the viability of democracy, but rather opportunities that can serve to build a more open and expansive democracy in the United States.

Note

¹William Outhwaite and Tom Bottomore. *The Blackwell Dictionary of Twentieth Century Social Thought*. (Oxford: Basil Blackwell, 1993).

Cesar L. McDowell is president of The Civil Rights Project, Inc. and an assistant professor at the Harvard University Graduate School of Education.

Marianne S. Castano is program officer at The Civil Rights Project, Inc. and a doctoral student at the Harvard University Graduate School of Education’s Human Development and Psychology program, specializing in technology in education.

DePaul University Commencement Address

College of Communications and College of Computer Science and
Digital Media

Mitch Kapor

June 15, 2008

DRAFT 9, June 12, 2:30 PM

Members of the Board of Trustees, Reverend President, Distinguished Honorees, Members of the Faculty and Administration, Graduates, Parents, and Friends. Thank you.

[opening humorous remark]

I'd like to share with you a couple of stories, first about somebody I've come to know well, who is just a year ahead of you as a college graduate, and who, like many of you has a degree in computer science. And second a story about me, and the intersection of our lives.

The recent graduate's name is Anthony, and I met him through a scholarship program at University of California at Berkeley founded by my wife and me which serves under-represented students of color who get into the school through race-blind admissions.

Anthony is a child of Latino immigrants; neither of his parents had the opportunity for more than an elementary school education. His dad is a janitor at a country club. His mom provides in-home childcare. Anthony hails from one of the worst public high schools in the SF Bay Area. It was extremely poorly resourced; not only were there no guidance counselors but there was no expectation its students would go on to four year colleges. Yet he managed to gain admission to Berkeley, and did this without affirmative action, which has been illegal in California since 1996.

In the face of this, and the subsequent precipitous decline in enrollment of African-Americans and Latinos, we started a program which not only provides financial aid but also recognizes the vast differences in degree of preparation and access to resources between our students and their more privileged peers; we seek to close these gaps by removing barriers to success. We provide laptops, tutoring and mentoring, and access to summer internships, which are critical to being competitive in the job market or in applying to graduate school. But most importantly, we help create a community of peers with high aspirations and few role models.

Anthony worked for me as a summer intern at a software startup. He brought his own carefully packed lunch to work every day. He sent back the money he saved by not buying lunch to his younger brother,

so the brother could go to summer school. Why? Not because he was failing but because his school didn't offer the courses required to apply to a top tier college. With the prerequisite taken in summer school, using the money Anthony sent back, his brother did get into Cal and in fact was accepted into the same scholarship program, the IDEAL Scholars.

His next summer, Anthony accepted an internship at Microsoft. When Anthony graduated, he was offered a job by Microsoft doing quality assurance at a starting salary far greater than his parents' combined income. Seeking security and a desire to help his family, he would have taken it. But through our program, he met a successful entrepreneur who now had launched a Silicon Valley incubator of startup companies. Anthony could work on developing the latest generation of web applications, receive stock options and participate in the success of the startups, and nurture his own entrepreneurial dream of starting a software company in a few years.

Anthony's talent and ambition have gotten him far, but without a program that recognizes and removes bias and barriers, he wouldn't have had access to this other world.

I'm delighted for Anthony. I'm delighted for all of you who have worked so hard to get where you are. I am moved to be honored by DePaul, which has such a strong commitment to students from first

generation university students and those from disadvantaged backgrounds, but I'm deeply troubled that so many students with the potential to succeed still don't get that chance.

Growing up, I didn't face the same barriers that Anthony did, but I had the opportunity to participate in a program as a high school student that also built a community of peers, that recognized my talents instead of excluding me for them, and put me on my path to success. I learned how having the right kind of educational opportunities can transform a life because they transformed my life.

When I was growing up there was not a lot of respect for kids who were good in math. This was decades before Bill Gates was a household name. There was no Internet to reach out over and meet people like myself, and "Google" was a sound babies made. I was socially isolated and lonely. Having skipped a grade I was much younger than my classmates and was a target for bullies.

So how did I find my way?

50 years ago the Soviet Union launched the first satellite into space. The complacency of the 1950's gave way to shocking realization the US was falling behind not only in the space race but in preparing its young people for the world to come.

Through the National Science Foundation, the federal government played an active role in identifying talented young students at public schools and offered them access to programs during the summer, on weekends, and after school to accelerate their development. I was fortunate to attend a couple of these programs while in high school. They made an enormous difference.

They inspired me, gave me my first access to computers, then a rare privilege, and for the first time let me see myself as part of a group of other people like me and see myself as having a future in tech.

Within a few years after my college graduation, the first personal computers appeared. By modern standards, early PC's like the Apple II were insignificant in their capabilities, but they inspired a few of us with the possibility of something truly revolutionary, the idea that computers could be liberated from their glass-walled enclosures they were enclosed in, tended by high priests of computing called systems programmers, and be made into tools for productivity and communication for ordinary people.

The idea was crazy then, and only a few people like Steve Jobs, Bill Gates and myself took the idea forward.

Based on the success of its flagship 1-2-3 spreadsheet, Lotus was the first great explosive growth technology startup.

As I look back, it's clear Lotus' lasting legacy is not its business success but in the people who worked there. Lotus 1-2-3 was supplanted by Microsoft Excel, and the company itself acquired by IBM in the 1990's, but I still hear from employees how Lotus was the most important, valuable, and meaningful workplace experience for them, setting the standard by which all other experiences are compared.

It owes to the fact that when I suddenly found myself as the CEO of the world's then largest software company, I thought about my own prior work experience. I always had some problems with authority, and thought all of my bosses were stupid. At Lotus I saw an opportunity to create the kind of workplace that even I would want to be part of.

So, Lotus had values and took values seriously. They included initiative, respect, teamwork and also a sense of humor.

It integrated those values into day-to-day worklife. For example, managers bonuses were based in part on how well they exemplified corporate values.

We had a diversity committee in 1984 with broad representation, including employees of color, women, and gays and lesbians. We signed on to the Sullivan Principles, refusing to do business with South

Africa under apartheid; we were the first corporate sponsor of any AIDS walk; employees were part of our philanthropy committee. Our culture fostered risk-taking, innovation, respect, and created a safe way to speak up, ask questions, or let us know about those who weren't living the values.

I am as proud of creating a progressive workplace culture that inspired its employees as I am of the business success we achieved.

I ask you to reflect on what you believe in; what do you value? It's probably not that hard to answer if you take just a few moments to sit quietly. What will you stand for? Who have you become during your time at DePaul? Who will you be as you enter the graduate life of our country and our world?]

As you go forward, I have two simple "do and don't" pieces of advice.

Don't reject an opportunity because the idea seems totally crazy. You could be passing up the next Lotus or Google.

Do be choosy about your employer.

Find an employer who values employee voices and open communication-- especially within junior ranks.

Find an employer who is willing to talk about failures openly, what they learned from it, and how they came back stronger.

Find an employer with employees who look like the outside world... in age, race, gender, sexual orientation, etc.

As you now leave college, the society that awaits you faces some deep challenges. Is the USA going to be a country of opportunity for all? Will people still be able to rise up?

We are at a unique moment where usually competing interests are aligned: U.S. competitiveness, and indeed the standard of living of all of us — rests on our ability to stay at the forefront of technology innovation. Our looming talent shortage could be solved by developing our own talent at home, all of the kids like Anthony who have talent but not access, who have drive but come from crumbling schools that don't adequately prepare them. This country has a unique opportunity to simultaneously solve technology challenges, keeping the U.S. competitive in innovation, and creating a level playing field for access to careers in science, technology, engineering and mathematics, fields collectively known as STEM.

While technical progress, led by US innovation, over the past few decades has been truly impressive, overall social progress has not.

Consider the following:

The speed of access to online services has increased by a factor on 10,000 in the past 15 years.

Yet over that period median incomes have remained flat.

The amount of storage on a typical personal computer has increased, not by a factor of ten thousand, but by a factor of one million over the past 30 years.

At the same time the global rank of American students on standardized math & science tests has remained mired in the lower middle.

And between 1983 and 2006, the share of computer science bachelor's degrees awarded to women dropped from 36 to 21 percent.

(Commission on Professionals in Science & Technology, 2006)

While African Americans, American Indians, and Latinos constitute 30% of the nation's undergraduate students, fewer than 12% of baccalaureate engineering graduates in this country are underrepresented minorities. (NACME REPORT)

So, since the 1970's, we have learned many things, but we have not learned as a society to match astounding technical progress with meaningful social progress.

Just imagine what our world could look like if technical progress was used to drive social progress. You graduates can choose to play key roles in this transformation.

But what are we to do as a society about the challenges of rising economic inequality & gaps in educational achievement and global competitiveness?

First we must recognize a dynamic economy IS sometimes disruptive and so new technologies and increased trade can cause some workers to lose their jobs.

But the remedy is not to hind the adoption of new technology or raise barriers to trade. These tactics will hurt far more than they will help.

What should OUR priorities be?

First, we have to make sure the basic infrastructure for the digital era is in place, available, and affordable.

Thus, we DO need to keep the nation's information and communication highways open and interoperable, and not captive to particular commercial interests.

We have to make high-speed broadband service, the basic connective tissue of our society, both ubiquitous and affordable. It is shameful the USA ranks 17th in world on broadband access.

We must balance intellectual property rights to maximize innovation. Open source software, the Linux operating system, the Firefox web browser, and Wikipedia itself would not be possible if the intellectual property laws were written by the copyright maximalists.

What every economist tells us is that the best way in the long term to improve opportunity and decrease inequality is to improve access to education and create a the kind of workforce which is a leader in innovation.

If we do these things, we increase the chances that achieving the American Dream is more reality than fantasy.

If we do not, then we risk creating a permanent two tier society topped by a small class of the privileged.

As we face these choices, what should YOUR priorities be?

Here in the home state of Democratic nominee for President, may I be permitted to I borrow from Barack Obama's speech at the Wesleyan commencement. He said: no one is going to make you perform community service once you leave school.

If you choose, you can take your degree and focus only on advancing your own success. Or, you could recognize that your own success is tied to the success of all and thus choose to work not only for your own success but to enable the success of others.

For those of us who have been outsiders, there are two paths.

When you haven't had the advantages and know the sting of unfairness, it can make a person understandably bitter. So you could say to yourself: after I make it through a very narrow aperture in life to success, everybody else should have to squeeze through the same tiny hole I did.

Or you could say: what I went through was unfair, we should live in a society in which nobody else should have to face those barriers.

For those who have not been outsiders, it is important to recognize what portion you have earned through your talents and dedication,

and what was an accident of birth. If we focus on expanding the pie instead of hoarding our piece, better opportunities exist for everyone.

It's your choice.

Remember, for every Anthony who makes it as far as you've made it, there are so many who do not, who drop out, or get diverted and never have a chance to show what they can do.

Great contributions often come from unexpected places. Traffic signals, the software compiler, disposable cell phones, laser surgery to restore eyesight, and windshield wipers all came from members of under-represented groups who undoubtedly overcame huge obstacles to get their ideas heard. Imagine the innovations to come if we truly leveled the playing field.

We have a rare moment where you as individuals can simultaneously help yourselves, help others, and help the country by being innovators inside and outside of companies, and by creating access for more to follow.

To borrow again from Senator Obama: This is our moment. This is our time.

Thank you very much, and again, congratulations, Graduates, and best wishes for your future success.

Interviewer: Identify yourself. Give me your name and your title.

Mitch Kapor: I'm Mitch Kapor, partner at Kapor Capital.

Interviewer: All right. Can you spell your name for me, please?

Mitch Kapor: Yeah, it's a M-I-T-C-H K-A-P-O-R

Interviewer: All right. So tell me about the report ...

Mitch Kapor: So, we just published a report about our investments for the past eight years, which have all been in companies that, tech startups that close gaps of access or opportunity for low income communities or communities of color. And what we found is that our financial returns to date put us in the top quarter of all venture funds of comparable size regardless of whether they're impact focused or not. So why is this a big deal? It's a big deal because conventional thinking is if you're investing in a way to try to help use technology to solve social problems, you're necessarily making sacrifices in your financial returns. Conventional wisdom is you can't do both. Our data for eight years and 102 companies proves the opposite. You can because we have, and that's why we invite people to look at the report.

Interviewer: What percentage of your investment in these companies is of your overall investment. How much did you invest, put your overall money into these kind of companies?

Mitch Kapor: We've invested, in past eight years, over \$60 million into these companies, which is a significant portion of everything we've done. It's comparable to the philanthropic investments we've made over the same period.

Interviewer: When you mentioned these companies, you know their impact, what does that exactly mean? Or if you can give us examples of what these companies are doing. Can you name the companies, or if you can, name the companies or what these companies are doing that have that impact that you think are making change.

Mitch Kapor: So they ... are using information technology to help solve social problems at scale. So one company for instance, provides a lower interest alternative to payday lending and actually graduates people back into the mainstream credit system. Another company provides in-classroom software for K-12 that explicitly is designed to serve the world's poorest children, which it does now in over 30 countries, and 30 million kids, giving them tools for learning to help them close academic preparation gaps that are culturally relevant to them.

Mitch Kapor: So there are problems in all sectors.... There's a company that does smart, factory-built modular housing. A lot of people are doing that in Silicon Valley. The focus of this company though is on affordable housing. Today to build a

single 300 square foot studio, affordable housing in Berkeley is \$700,000. Nobody does it because it doesn't pencil out. When you have technology and you can build that unit for \$200,000 it's a game changer and you can begin to foresee building thousands and tens of thousands of such units and really help ease housing insecurity. So that's what we mean by gap closing.

Interviewer: Why does your company invest in these kinds of companies? Are you looking to make a difference, looking to diversity, looking to set an example?

Mitch Kapor: Well, I'm a tech entrepreneur. I am a big believer in innovation, which can be achieved through applying information technology. And when we started 10 years ago, Freada my wife, who is a partner at Kapor Capital said, "Mitch, also think about how this is being used, what the impact is of these companies that you're funding. Why not align your investing with your values about what kind of world you want everybody to be able to live in." And that seemed risky at first, but it's turned out to work really well. There's no better feeling than to help entrepreneurs in their missions to genuinely and measurably reduce inequality, and make the world a better place. I like to say genius is evenly distributed by zip code, but opportunity and access are not. We're trying to fix that.

Interviewer: Is it the job of companies, whether they are start ups or whatever. Their point is to make money. Should we be relying on those kind of companies to do that? When their interest in who is going to be investors and [inaudible 00:00:05:28].

Mitch Kapor: So, we think conventional venture capital has it wrong when it's purely financially oriented, only cares about returns. The fact of the matter is that all companies, all investments have impact, some positive, some negative, and the idea that it's okay to make money even though the companies you're investing in are making the world a worse place. That's a terrible idea. We just haven't woken up to that yet, but I guarantee our descendants are going to look back at us if we don't fix it. Some say how barbaric, how uncivilized. So we're trying to be a positive example of doing it differently to hopefully inspire others to rethink, to take some risks and to align their investing with their values.

Interviewer: So inspiring is one thing, how do you get them to actually receive ... this message and say hey, we're going to start ...

Mitch Kapor: Well we're putting this report out very widely and I could see even in two hours after we put it out on social media, it's sparking and prompting discussion. And I think the biggest thing investors are... afraid in a way, as I was afraid or skeptical at the beginning, if I do this, is it really still going to work? And when you can say, look, this is over a hundred companies over eight years and these results are more than competitive with anybody. That I think will open people up and help them overcome their fears and reconsider it, how they go about doing their investing.

Interviewer: How much of an input do you feel like you are having with these companies ultimately.

Mitch Kapor: We have a lot of input into what the companies do. In fact, the way it works is there are a lot of really great entrepreneurs who in their hearts want to create a company that is going to close a gap of some kind. They have been counseled not to talk about that when they go out to raise money. They say you won't get funded if you talk about anything other than making a jillion dollars. Our deal flow is really great because when entrepreneurs understand that we welcome and embrace that kind of alignment around values, about building great companies that create economic and social value. We wind up getting into deals that we otherwise wouldn't get into, which is to say, there's demand out there in the startup world for the kind of investing that we're doing.

Interviewer: Startup is at one point it was well received word in the Silicon Valley, but it's taking on a different term that kind of like, no, it's like a lot of the problems that we're facing. Housing, you know, it's kind of like that's dirty word now. Is that you're trying to change them with this or you're trying to evolve?

Mitch Kapor: Well, I mean there's no question the bloom is off the rose about startups. When you have a startup that turns into a huge company like Facebook that basically screws up an entire election and promotes hate mongering. I think criticism is well deserved and we say a lot of that has resulted from the mindless pursuit of growth and profit above everything else. And what we're saying is it is possible to do it differently, not just theoretically, but actually because that is what we've been doing and our results have been good.

Mitch Kapor: And so we're trying to add a new voice and a new perspective into the discussion. So it's not just theoretical, "Well yeah, we'd sort of like to be different in Silicon Valley, but we don't know how." I think in the face of what what we've been doing and the founders that we work with and the results that we've had, the excuse of, we don't really think this is going to work. That just doesn't hold up. And Silicon Valley is supposed to be smart and look at the facts and the data and make decisions and so we're throwing down the gauntlet.

Interviewer: Okay, I don't know if you have thought about this but it's a topic that comes up...

Mitch Kapor: These are good questions. Go ask and add in what you want.

Interviewer: Yeah. Uber is going through and there's a strike going on today and the information there, as mentioned, you're a major investor. What I'm talking about the cat out of the bag on how much you can control and it started out as a good idea. It still is a good idea. People sharing their cars riding, you're blaming a lot of the traffic in the bay area as far as people sleeping in their cars and things like that. How do you try to reign that in from just capitalism taking over?

Mitch Kapor: Another really great question. So, first of all in our results and our numbers, we are not counting Uber. Why are we not counting Uber? Our Uber Investment was made prior to 2011 and it was in 2011 when we went all-in on impact. When we made the Uber investment, we were still figuring this out. Had we included it, our financial returns would have been utterly astronomical. So we chose not to do that. We wanted a fair test. All that said, I think for us, Uber has been extremely instructive. By our current standards, I think we would have asked more questions and harder questions at the beginning and I don't know whether we would have invested in Uber or not. What we have done ... So partly the answer to the question of can you really steer these companies is when you make your original investment, it's important to have good judgment that the company is genuinely committed to gap-closing and that the founders mean it and that the available evidence supports it because if they don't, it's too easy to get carried away in the wrong direction.

Mitch Kapor: And that said and we put a whole case study in the impact report, specifically about Uber, the good, the bad and the ugly. We have been persistent advocates for Uber doing the right thing both internally behind the scenes and externally. In 2017 we were the first investors to speak up publicly saying this company has a toxic culture and if it doesn't do things to correct it will be out of business. At the time the investment community didn't much like what we had to say. Other people did like it and it turned out to be the right call because ultimately Travis had to step down and Dara the new CEO whom we know and have worked with has done a huge amount of work in leading the team to fix many of the cultural problems and the external problems and he knew what he was getting into.

Mitch Kapor: I don't think the company gets credit for everything they've done and there is still a huge amount of work to do, especially around drivers and a living wage for full-time drivers. I'm hopeful that Uber is going to continue to improve and get there. And it's actually easy to miss focus, to put too much focus on the problematic side without understanding that nobody really wants to go back to the world before there were ride hailing services. If you're a person of color in a major city, particularly a man, your chances of actually being able to hail a taxi cab on the street and have it stop were approximately zero if you talk to anybody or if that has been your experience. That is very different now. The access to transportation, that gap has been closed.

Mitch Kapor: For all of the reports about issues, and there have been issues about safety, parents put their kids in Ubers. single women late at night, we'll go into Uber or ride sharing. They never would have done this before ever. So not perfect. Still a work in progress, but in terms of improvements in transportation infrastructure, there's just a huge amount.

Mitch Kapor: The number of drivers who are, think of drivers, Uber or Lyft, as a fabulous second job something that works with being a student or a parent. The schedule flexibility gives them an income stream that would be impossible to have otherwise. We have to look at that as well as the issues of what does it mean to

be driving full time. Are there benefits? Are you getting paid enough? And let me be very clear. We are continuing to advocate and do whatever we can with Uber to have them continue to move in the right direction. And the final act hasn't been written yet. So that's what a good investor does. We've never been on the board. We're a very small part of their cap table. But when you're involved in these things, you really try to work with the companies and have them do the right thing. But the most important thing I'd say that we learned is when you make that first investment, look carefully at the commitment of the founders in the business plan, the alignment of the values, and make good choices there.

Interviewer: One last thing and I don't know [inaudible 00:15:23].

Mitch Kapor: We recycle the money that we make on these startups that do well, into more gap closing investments and into our philanthropy. So, to the extent there's a windfall, that's where it's gonna go.

Interviewer: Just since you mentioned that, do you think, in general, investment firms when they look at things like this, they look at it as philanthropy, and you want them to look at actually as investing because there could be a return ...

Mitch Kapor: If we're saying anything in this report, what we are saying is, looked at as financial investments, this portfolio of 102 gap closing impact companies makes sense. It's not concessionary. It's not philanthropy. It's not, no, we don't really want to do this, but it's the right thing to do. It makes sense on its own terms. That's what the data says when you compare our results to others. And that's why I'll probably get incredibly fatigued making the same point because I think it's a new message for the world of investment to take in. There is a deeply imprinted but mistaken belief that if you're going to do things that impact you're giving up financial returns. Not the case.

OUR CORE BELIEFS

At Kapor Capital we come to VC with a fundamentally different set of assumptions.

We believe that **every business is an impact business of some sort**—recognizing that some of these impacts are positive, some are neutral and some are negative.

We believe that, with some adjustment, **many negative-impact technologies can be transformed into positive impact**. Take, for example, an innovative tech-enabled literacy tool developed and sold a premium price to give children from wealthy families an academic advantage. This is a gap-widening product that fundamentally expands the education divide between rich and poor kids. But what if this same product could be sold to a school district to benefit every student? Same tech. Same profitability. Drastically different impact.

We believe that genius is evenly distributed throughout society, regardless of race, gender or zip code—but opportunity is not. That means that by perpetuating the mirror-tocracy, we inadvertently but fundamentally leave talent on the table along with the real opportunities that stem from that talent.

We believe that **the lived experiences of underrepresented entrepreneurs provide a competitive edge in innovative spaces like tech**. Their experiences inform the questions they ask, the markets they access and—importantly—the problems they identify that give rise to profitable, tech-driven solutions. These offer not only a competitive advantage for us as investors, but opportunities to grow successful businesses that tackle deep social problems.

We believe that **Silicon Valley's pernicious myth of "meritocracy" actively exacerbates the problem of who gets to identify problems and come up with tech-enabled solutions**. It tells underrepresented founders that it's their own fault if their career opportunities are limited, and let's tech bros off the hook for examining their own privileges and limitations.

We believe in the concept of "distance traveled"—**the measure of how far an entrepreneur has come and the obstacles they overcame on their path to Silicon Valley**. This is a far better predictor of long-term success than proxies like schools attended or funds raised from friends and families.

We believe that "gap analysis" should be integrated into all aspects of investment practice: deal sourcing, investment decision-making, and post-close company support. We look to there being unambiguous commitment to gap-closing in the business models as they are pitched and in the founders' commitment to it. Our ongoing support is conditioned on companies and their founders staying the gap-closing course throughout the evolution of the firm.

Finally—and crucially—we believe that **financial returns must not be the only measure of a company's success**. We want to disrupt the very way that businesses are evaluated; if any business ledger had to calculate their impacts—good jobs with living wages and benefits created or lost; pollutants pumped into the local community, air, or water; and shoring up or tearing down democracy—we'd see a different kind of unicorn company.