

## Letter from the Grand Consul

Joseph Chung, **Johns Hopkins 2005**, has been working to bring awareness to Bill George's, **Georgia Tech 1964**, new book, *True North: Discover Your Authentic Leadership*. In one of our recent discussions, he shared the following expanded excerpt from the book that spoke to the notion of "When your values conflict with those of your boss."

What are your values? You may not know for certain until you find yourself under the pressure of working with someone whose values differ from your own.

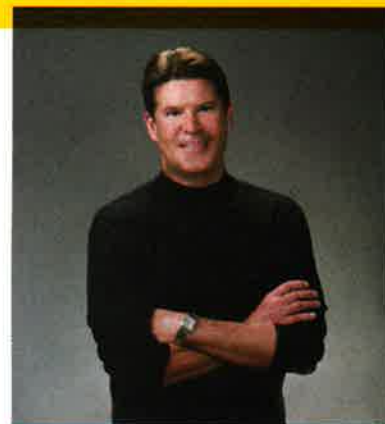
That was the situation founder and former chairman and CEO of Ariba, Keith Krach, found himself in shortly after he joined a Silicon Valley startup. Krach ventured out to Silicon Valley on his 30th birthday following his meteoric rise at General Motors where he became the youngest vice president ever at the age of 26. Krach left the security and prestige of working for a company that was at the top of the Fortune 500 to risk it all by going to what he calls "the West Point of Capitalism where entrepreneurs reign king in a true meritocracy." Krach joined an early high-risk venture-backed enterprise software company as its COO with the commitment from the founding CEO and Chairman that he would take over the reigns as CEO within a year.

*"It was clear from the beginning that the [company] founder and I didn't share the same values. I'll never forget the first time I heard her say, 'Let's hide this from the board members,' I was shocked because I always believed that board members should be trusted partners. My philosophy has always been, whether in the ivory towers of GM or the makeshift Silicon Valley boardroom, that you have to share the good, the bad and the ugly with your board ... and, because board meetings [run] short on time, be brief with the good and focus on the bad and the ugly. After nearly a year of employing every case study I learned at Harvard and every practical lesson I learned at GM in an effort to try to change the company culture, it became crystal clear to me that the deficit was in the core values of the company leadership. The values that guided me—what I call the Four F's: Faith, Family, Friends & Fraternity—were replaced with the values of dishonesty and cowardice. Although I had never resigned from anything in my life, I realized that if I stayed there, I wouldn't be able to look myself in the mirror. My career up to that point was like running the 100-yard dash and this epiphany was like getting smacked in the face with a two-by-four. When that happens, you have to get right up and go back to the basics of what you believe in and hold near and dear to your heart. The principle closest to my heart and at the core of all my decisions is that without being true to my moral compass, I could never leave a legacy in any aspect of my life that I would be proud of."*

The moment of reckoning came during the birth of [Krach's] first son. While Krach was at the hospital experiencing one of the greatest moments in anyone's life, the [company] founder kept calling him, demanding that he come back to the office for an important meeting with the executives of IBM. After repeated attempts to assure her that his team was absolutely prepared to handle the meeting in his absence, she still insisted. Krach dug down deep and gave a response that his Dad would have been proud of, telling her that there was no way he would miss the birth of his son. He then simply said two last words before hanging up the phone, "I quit."

*"That was a defining experience in my life. I learned more at my first Silicon Valley company in a few months than [in] any other time in my life about how important it is to live by your values everyday no matter what the cost."*

Krach was rewarded for his integrity. He went on to join the founding team of Rasna Corporation as the COO. Krach helped lead Rasna to be recognized as No. 3 on *Inc.* magazine's list of the 100 fastest-growing companies. Rasna was sold in 1995 to Parametric Technologies for \$500 million. Krach then became the first entrepreneur-in-residence at Benchmark Capital, where he assembled the team that founded Ariba in 1996. Krach served as CEO for the first five years of Ariba's history and chairman of the board for seven years. Under his leadership as CEO, Ariba not only pioneered business-to-business (B2B), but



Keith Krach, PURDUE 1979



### VISION

*To be the preeminent collegiate leadership development organization—aligned, focused and living our core values.*

### MISSION

*To develop values-based leaders committed to the betterment of character, campus and community.*

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# Letters



Dear Readers,

Over the past few months, I have met some great brothers who serve as examples of what's good with Sigma Chi. Meanwhile, TV screens have been filled with pictures of what's wrong with fraternities or Greek-letter organizations. Perhaps it's human nature to focus on the negative, and that is what you see when people make bad choices to harm themselves or their chapter. There's no ignoring those situations: they must be confronted.

Yet as we explore the topic of personal responsibility in this issue, it's important to remember what the TV screen doesn't show—the fact that a bad decision affects everyone in the organization, not just the chapter. And it's important to realize the resolve with which concerned brothers work to correct the problem. Brothers rush to offer support to those affected by the situation. That, to me, is personal responsibility.

Enjoy the issue and send me your feedback to [editor@sigmach.org](mailto:editor@sigmach.org).

Sincerely,

**Susan Lorimor**

EDITOR

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also grew rapidly to become the dominant global player in the ever-evolving B2B e-commerce industry. During his tenure as CEO, Krach took Ariba public, ultimately achieving a market capitalization of \$34 billion and helping Ariba become one of the fastest-growing software companies in history. In honor of his accomplishments in e-business, Ernst & Young named Krach the 2000 National Entrepreneur of the Year, the same year in which he was honored at the World Economic Forum in Davos, Switzerland, with the Technology Pioneer Award.

*"As I look back over my career and the many times along the way that my values served as my guide in times of conflict, I think of the advice that I offer to all the CEOs I mentor: Never lose sight of what is really important in life and why you are doing this in the first place. What matters most is your ability to look your children in the eye, and look at yourself in the mirror, always knowing that no matter what the stakes are, you stayed true to yourself and what you believe in."*

Brothers, enjoy this issue as we revisit difficult situations from our members' past where their values have conflicted with those around them. See how they responded when faced with adversity. Ask yourself ...

"What would I do in these situations?"

"Does the man stare straight back at me in the mirror when I make decisions?"

Brothers, guard well the honor of the cross.

In hoc,

**Keith Krach**

PURDUE 1979

64TH GRAND CONSUL

