Company Name: CA, Inc. (CA)
Event: CECP CEO Investor Forum 2.0
Date: September 19, 2017

<<Gianna McCarthy, Director of Corporate Governance>>

Good morning. I'm Gianna McCarthy. I'm the Director of Corporate Governance at the Office of Controller, Thomas P. DiNapoli and he's the trustee of the $192 billion Common Retirement Fund, which provides benefits for New York State workers in retirement. I today have the opportunity to introduce Mike Gregoire, CEO of CA Technologies. I'm particularly gratified to introduce him today because not only are we a shareowner in the company, but CA Technologies is in New York-based company. Mike joined CA Technologies in January of 2013 and I understand that he came out of an idyllic retirement on the West Coast, enjoying mountain biking and other things, but couldn't resist taking on the new challenge, and we're very glad that you made that decision. Mike is a 25-year veteran of the software industry and has held leadership positions in not 1, but 2 companies that were purchased by Oracle. Most recently, he was CEO of Taleo, which was purchased for $2 billion. Looking forward to hearing about the long-term plans in this really potentially disruptive and transformative, rapidly changing business.

<<Michael P. Gregoire, Chief Executive Officer and Director>>

Thank you very much. Well, good morning. I'm the next speaker after President Trump's UN speech. For those of you that were wondering, it wasn't as much fire and brimstone as we all planned, but he did call Rocket Man, Rocket Man. So that was interesting to see in the UN General Counsel. I don't think that's ever been done before. So first of all, a couple of things about CA. I'm very pleased to be here and talk about our long-term shareholder plans and our long term – how we drive long-term shareholder value. And you will see how having a stable, thoughtful, profitable company can ripple into sustainability and things we can do to help communities around the globe.

A little bit about CA, first of all. We are a $14 billion market cap company that generates about $1 billion in free cash flow. And this ability to generate that kind of cash flow and that kind of operating margin is – really puts us in a position to do a really good job of our capital appreciation or – sorry, our capital plan. First of all, at the very three – the first of our three pillars is the dividend. We play one of the highest dividends in the tech industry, always somewhere above the 3% yield ratio. So if you take a look at most tech companies, that's a pretty, pretty large dividend.

Second, we have a $750 million capital appreciation – sorry, $750 million share buyback program that was put in place by our Board of Directors. As of last quarter, there's still $650 million of that program in place. And then thirdly, we spend about $300 million to $500 million annually on acquisitions. That money spent on acquisitions, coupled with the $500 million to $600 million a year we spend on organic development, puts us in a situation where we can invest for the long term, continuously investing in net new technologies, investing in our infrastructure, investing in our go-to-market and investing in our marketing, to ensure that we are a relevant company not just for today, not just for next month, not just for next quarter, not just for next year, but we have a much longer view with respect to technology and what it takes to be relevant in an extraordinarily fast-moving economy.

Now when we do these things and we make these kinds of investments, it's – the purpose is to fulfill our mission, which is to eliminate the barriers between an idea and a business outcome. In the fast-moving technology space, where companies are founded and in a very short period of time, they can go from zero to $200 million, $300 million, $400 million and even $1 billion in a relatively short period of time, they can also, if they're not paying attention to technology and to trends and to customers and buying patterns, they can shrink equally as fast. We've got a very tight view on what we think technology is going to evolve to, and we're very close to our customers. We have over almost 12,000 customers, most of them are the largest customers on a global basis. And by having a seat at the table with their most mission-critical technology decisions, we can really listen to what their needs are and pay very close attention to what they're looking for.

And why is that important? Well, 66% of business leaders believe that software is the most important thing that they need to invest in. This is the way that they're going to differentiate themselves. So in our lingo, every company is becoming a software company. When we compete for talent, we used to compete with other software providers. Now we compete with some of our customers for the same talent. The notion of being able to build software and for that to differentiate your relationship with your customers is becoming more and more important. And when we think about the quality of software and the process of building that software, whether it be on mobile, mainframe or anything in between, whether it be a public cloud or private cloud, we are the company that drives that together by helping them build the applications with Agile.

Getting into a little bit of a geeky thing of how do you get an idea truly into production, that's the merging of development and operations. We're definitely the pioneer with respect to merging those two things. And as you've all picked up the newspaper in your own companies and some of the companies you invest in and some of your funds, security is a really, really big deal, we're one of the biggest security providers, especially for large-scale enterprises.

Now when we think about all of these things, we try to put it into a package of making it repeatable. Now this isn't to make it into a commodity, this is to make it go faster. And we use the metaphor of a modern software factory. And having this metaphor of a modern software factory is the way that we can reduce risk and accelerate speed for our customers. The notion that you're going to be building applications is very pervasive. If you take a look at the analytics company, App Annie, they think that there's going to be 6.3 trillion applications by 2020. That's up from 1.3 trillion applications today.

When you talk about users, right now there's about 3.4 billion people using applications on a global basis. By 2020, they think that's going to be 6.3 billion users. So when you really think about the Application Economy, it is absolutely on us right now. And to the extent that you can help customers get these applications from the idea of the smart man or woman in your company into production, that's a very difficult process. We're trying to derisk that process and make it as quick as possible so you can be on the right platforms with the right security and once again, touching your customers as quickly as possible.

Now why is this, once again, so important when you take a look at disruption? This is a survey that was done that just takes a look at 15 industries. I interviewed 2,000 CEOs, that comes from the Russell Reynolds index. And you can see, this is just one year, how much is software going to disrupt you in one year? Right now, four out of ten companies within the next five years will be completely disintermediated by digital disruption. When you think about the business effects, the social effects, the economic effects of that level of disruption, if you're not investing in that and understanding how it works, you're going to be one of the four – you'll be the four of the ten that does get disrupted.

And when you take a look at these industries. At the top of it, you can obvious see media. It's not hard for anyone to understand that digital is really taking a hard hit in how people consume media, and they're doing it completely digital. And you move that all across to every single industry. When I was early on in my software career and if you actually had a sales quota, one of the things you never wanted to do is have sales quota for retail. They're very, very cheap. They were not forward thinking.

Nowadays, when you take a look at retail, it's hard to believe, next to financial services, they're the most prolific users of digital technology. Not necessarily because they wanted to, it's because they have to. Their customers are demanding it. So when you think about digital disruption, this is here to stay. Customers want to engage with you from a – on a digital capacity. And the way that you are going to be represented is going to be based on your acumen and your capability of getting applications into production in a secure way.

Now this is one of the reasons why we partner with Code.org. This is a fascinating organization. We participated in their day of coding and had 25 million users use our BlazeMeter testing tool just last year. This is a significant organization that puts on tutorials on a global basis. Their tutorials are in 43 languages, 180 countries. They've educated, just in the last year, 57,000 people with respect to coding. And they do a lot helping teachers, making sure that they have the ability to teach. Because it's not something that is easy for different generations of teachers to understand how to code or what is computer science or what are algorithms, especially when you start laying on some of the more popular or more forward-thinking technologies such as artificial intelligence, machine learning, Internet of Things.

This is a charity that really focuses on helping them learn these things, and they've educated 600,000 teachers on the base fundamentals of computer science, which, in turn, they're using that to teach properly children in K-12 to understand coding. I can't tell you how important that is, especially for a company like ours, that needs that ecosystem to continue to grow. This is something that shocks me as well. When we take a look at our industry, we are suffering. We have 500,000 open IT jobs here in the United States. We have significant operations in Europe, Latin America and Asia. In Europe, where we have data, there's another 500,000 open IT jobs there.

When we take a look at our future, we have to bring more people into computer science. That's why we really focus hard on the K-12. We think that that's an area that if we focus early on in helping them understand technical skills and STEM that they might have an opportunity to come, one day, maybe work for us or at least be in the industry. One of the areas that we focused on a lot is women in technology. Our industry, once again, you don't have to get – go too far with a Google Search to see how well our industry does with diversity in general and how well we do with diversity with female engineers, not very well. Fact of the matter is 57% of college graduates, four-year college graduates, are women, and only 17% of them come into STEM-related careers.

When you take a look at the total population of all of us software companies and the companies that are building software inside of nonsoftware companies, 50% of the population that works is women and only 24% are in technology. So in order for us to survive, there's no way that we will be successful if we keep tapping the exact same methods. We have to make sure we get more people into our industry and into STEM, and that's not something that's easy to do. We rely on a lot of organizations to help us. One of the ones that we're very enthused with is one that we've partnered with the Boys & Girls Club called Tech Girls Rock. I can't tell you how exciting it is to be with these young ladies and participate in their education.

We've trained 2,000 young ladies in K-12 since we started this program in 2006. This is one of our flagship programs where we are a true partnership with them. We had 1,700 CA employees that participate and volunteer to help teach these young girls how to use robotics, how to code. And when they get that kind of experience, especially if we can get female engineers to teach the course, when they respond back to us, they say that, "I think I would like to have a career in STEM." And more importantly, they'd like to have a career in computer science. They really don't understand what it is that a person that works at a technology organization does until they can actually talk to somebody that does it all day, every day.

There's this misconception that if you take – if you go work for a company like ours, you're sitting in a room by yourself, eating pizza and Jolt Cola. When you take a look at the diversity of things you do in a software company and how software has changed with the concept of Agile, which is a methodology in how you build software, it's not about the lone wolf anymore. It's about your ability to collaborate. It's about your ability to work with others. And when we have an opportunity to show them that and they get to meet people firsthand, we feel we start tapping into something that I don't think we would otherwise be able to tap into.

Now these are two organizations that we participate in, both Code and the Boys & Girls Club with Tech Girls Rock, but we have a vast majority of the major technology charities that we really focus on. One of them I'm on the board of called NPower, and what we're trying to do is once again extend the net as far as we possibly can. Some of this is for K-12, but we're also tapping into veterans. We're tapping into disenfranchised, nonhigh-school graduates and trying to help them get into the early stages of a tech career. We do that with NPower. We have three or four other charities that we work with here in the United States, but we've also extended it globally.

We work in Australia with one charity, the Pratham Foundation in India, and we've also expanded to a number of different charities in Europe, all with a central theme of getting people to understand that STEM is a way to prosperity, STEM is a way to have an enriched life, STEM is a way to have an interesting career and STEM is a way to collaborate with like-minded people. So this is something that we are very proud of. And if you take a look at our track record, we've reached over 110,000 students through STEM-focused charities that we support.

And diversity. Once again, our industry notoriously poor with respect to diversity. We do publish our diversity metrics on our web page, for those that want to take a look at it. We're getting better. I'm not anywhere where I think we should be, and there's a business reason to be diverse. If you take a look at McKinsey's study on diversity, the top-quartile companies that if you have – if you're on the top quartile with respect to diversity or gender diversity, you have a 15% increase in operating margin. If you have a more diverse workforce, which is not just including females, you have a 35% increase in operating margin.

So diversity makes sense, and we attack this every way we can. When we're hiring, our policy is you have to have a diverse slate of candidates. Now we're going to hire the best possible person, but ensuring that a diverse candidate is in the mix gives the interviewing team a better view of different skill sets, different attitudes and what they can uniquely bring to the table especially as you're doing Agile development or design skills, collaboration skills become much more important than just pure technical skills.

We also – let me back up one. We also participated in a program called the Green Button Alliance, and the whole notion of this is making sure that companies were providing the information of energy use to their customers. A company that's one of our customers that has done a phenomenal job with this is PG&E. They use our API technology. And what they do is they report back to their customers with respect to what their energy usage is. And what this has done is save their customers $227 million. It's given their customers an idea of how much energy they're using and when they're getting charged more in peak periods of time, information that they would never have known before.

The other thing that we've seen with PG&E is how they've been able to save money by taking advantage of technologies we have and passing that on to their corporate-giving programs. They've put $25 million into their own program, and they've also put an employee program in place where they have an opportunity to take time off work and build parks, helping their communities on any approved charity. And this is something that they feel they've been able to do because they've made their own organizations much more efficient. We also partner with them with respect to two or three different ideas in communities in California where we have like-minded interests where we'll jointly together work on teaching in K-12 organizations.

When they put all of their programs together, they focus them on very tight communities, and their notion of being able to give back has put multiple different charitable buckets that they use to target very specific things that they're trying to get done. And what I find and it's interesting about PG&E, they're very specific on what their outcome needs to be. We're going to do this, and this is the kind of outcome we want to get. And so they're measuring it. Just like they measure the utilities, they're measuring the outcomes of their giving programs, which I think is a really big step forward with respect to making sure that they're getting value for the dollars that they're spending on these things.

There's a famous book that was written, Built to Last. It's a great book, and I use this with our staff, and I used this as a theme last year with our customers. When I was taking a look, unfortunately, at the Built to Last companies, there's a whole bunch of them that are no longer in business. And the concepts with respect to Built to Last are great, but the thing that I feel was missing is a more important concept, Built to Change. And when you're in our industry, when you get too locked into any particular idea or any particular technology and you're not willing to cannibalize your own revenue stream, when you're not willing to change, change your hiring process, change your demographic outlook, I think you will be one of those companies that is no longer around.

If you want to be built to last, you had better build yourself to change. You have to be agile. You have to be very attentive to what your customers want. And when you think of our company, customer experience is at the forefront of everything we do. We're reaching down into all of our customers. There's not a single piece of R&D that gets done that does not have a customer participating in the scrum, which is the group that actually builds the software. We are violently against the committed vet. We're not so arrogant that we're going to think of a great idea, and this is field of dreams, build it and they will come.

Usually, you build it and they don't come, and you've wasted millions and millions of dollars. You've frustrated hundreds and hundreds of engineers. You've got a disassociation between you and your employees. Employees that come to work want to do something productive. They want to feel good about themselves. When they're engaging with a customer and that customer is part of the development team and you're getting that customer validation quickly, the probability that whatever you're building is going to be used in production and will be used by multiple customers is much, much higher. So paying very, very close attention to customers I think is one of the forefronts of making sure that you're building a company to last. And if you're building a company to last, you're going to be able to participate in communities, participate in sustainability and focus on the programs of the future.

Now one of the things that is also interesting about a tech company, most people would not associate a tech company with paying attention to greenhouse gas emissions. Make no mistake about it, computers use a lot of energy. And when they're using a lot of energy, they dissipate a lot of heat. When you dissipate a lot of heat, you've got to keep it cool. We are huge users of electricity. So we jumped on to the greenhouse gas emissions program in 2006, and we had a commitment to reduce our greenhouse gas emissions by – this year by 30%, we’ve done 37%, we’ve just signed up for 2016. We're going to take it down another 40% over the next measurement period. We've been rewarded by this and measured by this. We're in the Dow Jones Index with respect to clean energy companies, and we get recognized across the board for our focus on trying to reduce the amount of compute power.

Now the place where I don't think we get as much credit is we do that not just for ourselves, but we do this for our customers. When we're building applications that are very efficient, when we're able to monitor applications, we're able to get a process to run on one computer rather than another computer because we can take into consideration peak time usage, that reduces our customers' footprint. So even though we're only measuring ourselves, we think we have a pretty significant knock-on effect industry-wide in helping people compute more efficiently. And if you're computing more efficiently, you're not using as much processing power and you're not using as much processing power, you're not cooling down these huge data centers, whether that be in a private cloud, a public cloud, in your own personal data center, on a mainframe or on a basic Linux server.

The one that I'm very pleased with is two years in a row, we've been named as one of the most ethical companies, and I can't tell you how important this is. When we're selling software, you're going to get evaluated whether you're a good person to do business with, whether you understand that consciously or unconsciously. When people buy from us, the switching costs are very high. They're making a big commitment to CA. And in order for them to make that commitment, they want to understand who they're doing business with. And it's not about buying from Mike or the person that they're buying from. They want to understand that the whole company thinks about doing the right thing. And when we think about that, we measure it. We focus it. Our DNA, there's 10 principles, they're what we call our DNA, and it's very much focused on doing the right thing.

When I'm talking to the staff about this and they always ask why I bring it up at almost every town hall. And I do that for two reasons: One, it's just the right thing to do; secondly, it's the only way for a company like ours to stay in business. I cannot build the rules fast enough and sitting in an office on 53rd in Madison and monitor it. I need to know two things for sure. Number one, you know what to do. Your functional capability to do your job, you've got that. Number two, I need to know that you're going to do the right thing. When you have those two things, you can move faster than all of your competition. So if we can make sure that we hire the best and brightest and diverse teams, and they absolutely know what it is they need to do, informed by their customers and when they have to make a decision when nobody else is there and they have to make that decision quick, they've got the ethical and moral fortitude to make the right decision.

And this has become a very big part of our corporate culture. And that's why you see so many CA employees, I think, participate in the charitable programs we put in place. We have a matching program. We'll match up to $10,000 of any charity that you feel passionate about, and we did $1.7 million worth of matching last year. When I take a look at our employee population, we have more than 25% of our employees donating their hours on an annual basis each and every year to the programs that they think are important. We give them up to four days off to be able to do that. And I think that all of this fits into the culture of the company and makes us a lot stronger and makes us extraordinarily innovative and competitive in a highly competitive industry. So when you take a look at CA, you're going to look at an enterprise software company. I definitely feel that we are much more than just an enterprise software company, and we're informed by the things we believe in, and we're informed by the customers that we support.

Thank you, and I'm happy to take any questions that you have.

Q&A

<Q>: I have one question from the app. It's related to that book. What did you say, Built to Not Last?

<A – Michael P. Gregoire>: Built to Last.

<Q>: Built to Last. Oh I got that wrong, sorry. What keeps you up at night? Is it the threat of an activist investor? Is it lack of talent, human capital that isn't educated enough? You mentioned STEM. And what in your job gets you most excited? So best and worst.

<A – Michael P. Gregoire>: I'll unpack that, and they're pretty easy. The thing that I worry most about is do I have the right team? Am I leading that right team in a way that's going to drive long-term shareholder value? What gets me most excited is when I see a team that builds something completely organic, and it gets resonance in the marketplace. If you're ever part of one of those teams or you're associated with one of those teams, I got to tell you, in our business, that's the most exhilarating feeling you can possibly have.

Buying companies is interesting, and I love the companies that we buy. But when we can take their road maps and help them get to where they really wanted that company to be. Because we don't buy for cash, we only buy growth companies. And when we're buying a growth company, they're looking for two or three things, either they don't know how to scale, which we absolutely know how to do and execute; or they don't have enough capital to build the next iteration of their product, and we have both of those things. When we get a team together that takes that vision and blows it like 10 times past what they thought they could do or we have an organic team that puts a product out into market, I mean, that is absolutely, in our business, the most amount of fun.

<Q>: Excellent. Any questions? I think, Mike Wallace, I saw you first? Okay.

<Q – Mike Wallace>: Hi, thank you. Great presentation, Mike Wallace from BrownFlynn. Your entire business is built around human capital. You got a lot of investors here in front of you today. And when you do a merger or acquisition, you're looking at these targets and you're looking at human capital. So what three things do you look at when you're looking at the human capital within a company you're targeting?

<A – Michael P. Gregoire>: Sure. Let me take it back and it's a broader question. First of all, we don't get sold companies. We buy companies, and there's a big difference between the two. We have a strategy, and we won't go a standard deviation outside of that strategy. So that means we know what we're about. We know what our customers want. And there's bankers running through my office all the time telling me they need to sell me this, they need to sell me that. We've never bought one of those. We pick the companies we want, start a relationship with them and help them understand that with their boards and the CEO, we only do it in a friendly way and talk about how their team and their technology and their IP and their future ideas can be more well represented in a company like ours.

So the first thing is the strategy. The second thing is the cultural fit. We're not trying to be everything to everybody. When we put together our corporate DNA, that was one of the things that we really focused on. You go to half of the companies you invest in, go grab their mission and vision statements, they're all the same. You can't tell the difference between the two. Ours is different. And when we're recruiting, we're very explicit about what it is we are and who we are. And this might not be the best place for you, but it's the best place for what we're trying to get done. And we're very upfront with the companies that we buy that this is what we're about: We're a large-cap, mission-critical publicly traded company, and there's a sense of responsibilities that come along with that. There's a sense of expectations that come along with that.

And one of the things I find that many of these small companies don't get, they get – they over-pivot on creativity, and they don't pay enough attention to execution. And in the process of doing that, they come into a company like ours that's dealing with the biggest companies in the world at scale. That's an impedance mismatch because great creativity with weak execution gets you into all kinds of trouble in our business. You have to remember, about 30% of our revenue is in security. This is not two decimal points of precision. I need four decimal points of precision with respect to that. We're protecting hundreds of thousands of identities. I cannot have that be sloppy in any way, shape or form. Some companies and cultures are just not fit to be able to do that. We need to inspect that immediately.

And then thirdly, when we're taking a look at these companies, it's all about the future. I mean, what you have today is somewhat interesting. What you're thinking about for tomorrow is much more interesting. Because I can't buy a company for parity. I need to buy a company for differentiation. So that's kind of how we look at acquisitions. We're very disciplined. When we do buy a company, we take a senior executive, usually, a Senior Vice President and we – they have to move and go move in with the acquisition. And their whole purpose is to do no harm. You get a big company like ours taking over a small company, it's very easy to take that culture and in all the things you liked about it and have it become vanilla. That's not what we want. We want something that's going to be additive, and we want to protect that. So we take a little bit longer in our integrations with most of our companies, probably up to a year. And we find that, that works out well where they really get to know us, we get to know them and we absolutely maximize value.

<Q>: Next question?

<Q – Mark McDivitt>: Great speech. Mark McDivitt, State Street. Quick question. If you could elaborate a bit on how you are measuring and reducing your carbon footprint, that'd be great.

<A – Michael P. Gregoire>: Yes. There's a whole team that goes ahead and does that. Part of it is really simple. We take a look at the total number of kilojoules used in a given year and compare that to – you want to take that down each and every year, and that kicks off a particular carbon footprint. There's other things that go into that, that I'm not super in touch with. I see Erica here. She knows it like the back of her hand. If you wanted more information on that, we'd be happy to get it to you.

<Q>: Next question? I've seen your hand up four times. Gentleman here. Yes?

<Q – Stephen Davis>: Steven Davis with the Harvard Law School. Thank you for your remarks. Ever since, I think, Bill McCracken was at CA, the company has been a pioneer, I would say, in the governance practice of separating the Chair and the CEO. And I'm wondering whether, as you talk about the characteristics of a company built for change, is that something that you feel is part of that formula?

<A – Michael P. Gregoire>: I don't really have a strong opinion of it. I've been both. I've been Chairman and CEO, public-traded company. I'm not the Chairman of CA. I work great with a very experienced Chairman. I don't have strong opinions of it one way or the other. I think that it's up to the board to make that decision. I can work in either environment. I've seen companies with Chairman and CEO that do fantastic. JPMorgan being one of them. I've seen some less fantastic. So I think it really depends on who the lead independent director is and the makeup of the board and the mission of the company.

<Q>:We have time for one more question. There's got to be one more question. I saw a lot of hands. Anyone that hasn't asked a question before? No? Okay.

<Q – Judy Samuelson>: Hi, Judy Samuelson with The Aspen Institute.

<A – Michael P. Gregoire>: Great to see you again.

<Q – Judy Samuelson>: Yes, met you on the mountain. Yes.

<A – Michael P. Gregoire>: We were at The Aspen Institute earlier this year.

<Q – Judy Samuelson>: Same question for you as for Tom Wilson from Allstate, kind of what's the story in terms of investing in your own employees? Great work you're doing to build the kind of STEM interest at the high school level and beyond. But what – kind of what's your program for closing the gap at CA, in terms of investing in the skills or capacities you need to hire well?

<A – Michael P. Gregoire>: Well, that's a great question. You can imagine with a company like ours with the whole value of our companies, our employees, massive amounts of investment. And we do it in – there's no one way you can make this happen. First of all, we have partnered with six different e-learning institutions, and we give that to our employees for free. They can take courses from Harvard. They can take courses from MIT. There's a handful of Stanford courses that they can take, and they get to do that and we allocate time for them to be able to take those courses.

Second, we have our own internal programs. We have our own leadership development program, which you get selected to. We get about 250 graduates a year, and we select these people based on prior track record. And then we put them through a full year program where we're trying to hone their leadership skills, so that when they get their next job, they're much more well equipped to understand the pressures of being a leader. I mean, middle management is really difficult. I mean, you got your employees. They're never happy with the manager. You have your boss and your boss' boss, and they're never happy with your manager. Then you have these things called customers, and you're usually a first-line interface to customers, and they're going to have the sense of happiness and unhappiness.

So these are really, really hard jobs. And what we try to get our leadership development program and it's preparing them for the pressures that come along with that kind of job and how to handle that kind of "day in, day out conflict resolution, coupled with just some basic skills on how do you motivate employees, how do you discipline employees. And the other thing that we do is we try to make our employees understand that they're responsible for their career. I always tell them I've never trusted a single manager I've had, and I've had some great managers with my career.

<Q – Judy Samuelson>: [Question Inaudible]

<A – Michael P. Gregoire>: We tend to hire experienced – it's hard to – if you come – if you're just out of high school and you’ve got no technical training, you're going to be in a lower-skill job. And if you get into the company that way, we'll help you get maybe an associate's degree or a bachelor's degree. But you really – in order to be successful in our company, which makes it so difficult. And I don't think that we're an anomaly, there's a certain amount of skill you have to have. And the place where I'm most frustrated with this, is in female diversity and ethnic diversity. I can't just go grab a diverse candidate and put them in a big job if they haven't had experiences either running engineering or selling software or marketing software. You have to understand the craft.

There such – as I showed you, I mean, there's such a small pool for us to choose from, and all of us are fighting to get the same kind of people, when it comes to diverse candidates, like I only mentor diverse candidates. I mean those are the only ones that I mentor, and I do that because it's such a small pool. If I find people that I think are really interesting and have the right fabric for the company, I want to invest as much of my own personal time with them as possible because I want them to stay. Unfortunately, we have a very small pool of people. And if you don't have the right kind of skills, you're kind of missing the game.

And I think that that's a big issue from a societal perspective when you take a look at all of the jobs that we displace with technology. Now there's another argument that we add an incredible number of jobs. There's a Wall Street Journal article put out two weeks ago that showed how many jobs were actually added, but it's different. And by the way, when you take a look at the United States, they're in different locations. So it's a very complex concept. I'm not ducking the question. I don't have the solution. I'm at it all day, every day. I don't think we as an industry are going to brush up against our potential if we can't figure this out.

The things that I do know, if I can get to these people when they're really young and make sure that they understand that technology is something that they could truly live the good life, I know that's the right thing. I know that when we're hiring, if we have a diverse slate of people, that's going to help. We've already adopted on a global basis where it's legal, the Massachusetts law, where we don't ask about salary history. That's a perfect example of always being behind the salary curve. If you were underpaid at your previous job and I give you a 20% raise, and you're still behind what a male gets paid for the same job, you have – you might think it's great, but you're still behind the curve. You should get paid for what the job is. So we've done that on a global basis where it's legal. So we try to attack this stuff with everything we've got, and I still don't think it's enough.

<<Gianna McCarthy, Director of Corporate Governance>>

Well, on that note, thank you very much, Mike. We really appreciate it.

<<Michael P. Gregoire, Chief Executive Officer and Director>>

All right. Thank you very much.