

NYSE

magazine

A PUBLICATION OF NYSE EURONEXT

NYSE EURONEXT
**CEO
REPORT
2012**

More than 600 leaders of public companies and U.S. small businesses weigh in on the economy, job creation, innovation and more

RAVE REVIEWS

CEO Jeremy Stoppelman is making Yelp the place to turn for reviews of local businesses the world over

Darwin,
chief Yelper



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FALL 2012

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magazine

Sarah Alger DEPUTY EDITOR
Leslie Shiers ASSOCIATE EDITOR
Syndi Becker DESIGN DIRECTOR
Beatriz Gamez GRAPHIC DESIGNER
Victoria Rich PHOTO EDITOR
Sara Cahill COPY CHIEF
Jane Mayers SENIOR MANAGER,
PRE-MEDIA OPERATIONS
John Kiriluk ASSOCIATE PRODUCTION DIRECTOR
Joe Kane SENIOR WEB PRODUCER

ADVERTISING

Paul Kostial GLOBAL MEDIA SALES DIRECTOR
paul@audienceinnovation.com
888.241.6634 x719
Robert Bruder EAST COAST SALES MANAGER
robert.bruder@audienceinnovation.com
888.242.6634 x703

CONSULTANT TO NYSE EURONEXT

Jeanne Cotroneo Darrow

Time Inc.
CONTENT SOLUTIONS

PUBLISHING

Chris W. Schraft PRESIDENT
George J. Baer III EXECUTIVE DIRECTOR
248.988.7896
Cynthia Manalo ACCOUNT DIRECTOR
212.522.9752
Hans Helmers GENERAL MANAGER

EDITORIAL

John Godfrey VICE PRESIDENT, CREATIVE
Gordon Bass VICE PRESIDENT, EDITORIAL

NYSE magazine welcomes reader comments at nysemagazine@nyse.com. Send e-mail subscription changes to nyse@timeinc.com.

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Cover photograph by Jonathan Sprague



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YELP INC.

Word on the Street

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the economy



growth forecast



global outlook



job creation

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MORE INSIGHTS FROM THE 8TH ANNUAL
NYSE EURONEXT CEO REPORT

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- Check out CEO views on the economy and growth
- Get the forecast on jobs and workforce issues
- Learn strategies for driving innovation
- **Ingredion Incorporated** (NYSE: INGR) rebrands to reflect its global growth
- **Accretive Health Inc.'s** (NYSE: AH) CEO on the Affordable Care Act

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VIDEO SERIES: "UNLOCKING POTENTIAL"

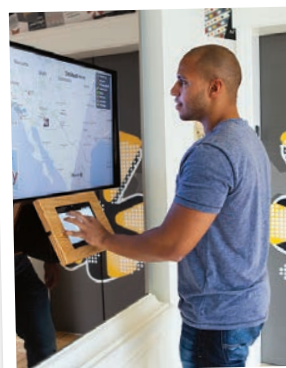
In the first of a series of videos from the NYSE Big StartUp, startup guru Guy Kawasaki interviews Phil Libin, CEO of Evernote Corp., about the company's launch. (Read the related story on page 24.) Look for more videos to come, with other entrepreneurs sharing their success stories.

➔ nysebigstartup.com

TOUR YELP'S HEADQUARTERS

Yelp Inc. (NYSE: YELP) says its energetic office atmosphere is one way it attracts top talent in Silicon Valley. Download the iPad edition for a photo gallery depicting the nontraditional workspace.

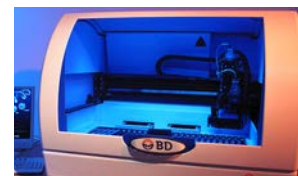
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EARLIER DETECTION

The BD Max molecular diagnostics system from **BD** (NYSE: BDX) is helping medical labs detect diseases at an early stage.

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on iPad
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inside

NYSE EURONEXT



WANTED: Growth & Jobs

Business leaders seek tax cuts, better access to capital and a more favorable business environment.

In each of the past eight years, we've taken the pulse of business leaders, gathering hundreds of CEO views on topics affecting the future of their businesses. In addition to our listed-company CEOs, this year for the first time we surveyed U.S. small business owners, who — as the NYSE Euronext CEO Report confirms — are expected to be the drivers of job creation yet struggle with access to capital and other resources needed to grow. It is clear that leaders of companies, small and large, are guardedly optimistic heading into the U.S. election season — hoping for change that would ease their tax and regulatory burdens. This story is told through a series of interviews that begins on page 22.

At NYSE Euronext, we want to help create opportunities for small businesses and ultimately boost job creation. The NYSE Big StartUp initiative connects listed companies with small businesses and provides greater access to capital (see page 5). An active corporate partner is Yelp, the subject of our cover story. See page 19 to read about the free marketing and finance workshops we're providing to small businesses across the U.S.

Our Veteran Associate Program also aims to combat unemployment, notably the staggering 23.5 percent rate among

American military veterans aged 18 to 24. As you'll read on page 9, we were delighted to engage this summer with 15 former service men and women who proved just how well their skills translate to the private sector. We look forward to helping other companies develop similar programs.

This issue also showcases many of our newly listed companies, reflecting the year's robust listings activity: the first-ever listing on our London Gateway of Groupe Eurotunnel (see page 7); the cross-listings of Chemtura (page 27) in the U.S. and Paris, and Core Lab (page 13) in Amsterdam; U.S. technology IPOs that included ServiceNow (page 15), Demandware (page 26), ExactTarget (page 28) and Millennial Media; and market transfers including Teva (page 10) and TD Ameritrade. We are committed to unlocking potential for these and many more businesses as they continue to grow and thrive.

Sincerely,

Duncan Niederauer
NYSE Euronext CEO

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain articles about NYSE Euronext in this magazine may contain forward-looking statements, including forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, but are not limited to, statements concerning NYSE Euronext's plans, objectives, expectations and intentions, and other statements that are not historical or current facts. Forward-looking statements are based on NYSE Euronext's current expectations and involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such forward-looking statements. Factors that could cause NYSE Euronext's results to differ materially from current expectations include, but are not limited to: NYSE Euronext's ability to implement its strategic initiatives; economic, politi-

cal and market conditions and fluctuations; government and industry regulation; interest-rate risk and U.S. and global competition; and other factors detailed in NYSE Euronext's reference 2011 Annual Report on Form 10-K and other periodic reports filed with the U.S. Securities and Exchange Commission or the French Autorité des Marchés Financiers. In addition, these statements are based on a number of assumptions that are subject to change. Accordingly, actual results may be materially higher or lower than those projected. The inclusion of such projections herein should not be regarded as a representation by NYSE Euronext that the projections will prove to be correct. Articles in this magazine speak only as of Aug. 28, 2012. NYSE Euronext disclaims any duty to update the information herein.

Community Conversations

Sound bites from recent NYSE Euronext events



CORPORATE GOVERNANCE

"A CEO and a CFO have to balance each other out. Two different points of view make for a stronger decision."

—Jeff Immelt

CEO, GENERAL ELECTRIC CO. (NYSE: GE)

GE Capital Business
Leader Summit,
May 22



MARKETS

"In finding a solution and preventing future financial disaster, we must be careful not to create a second complex system."

—Jan Kees de Jager

DUTCH FINANCE
MINISTER

ING Groep NV's
(NYSE: ING, NYSE
Euronext: INGA)
Dutch Day, June 21



ENTREPRENEURSHIP

"Sound economic policy that promotes small business growth and job creation is important for our nation's economic success, and for preserving and promoting the American opportunity."

—Jay Fishman

CHAIRMAN AND CEO, THE TRAVELERS
COS. INC. (NYSE: TRV)

NYSE Euronext/Travelers
Institute's Small Business,
Big Opportunity Symposium,
July 17

Want to take part in discussions on these topics and more? Follow @NYSEEuronext on Twitter for the latest from the Exchange and its listed companies.

NYSE Corporate Connections Launches

New platform helps match startups with large companies

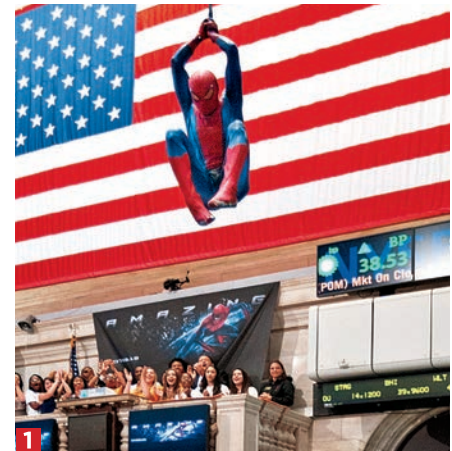


AS PART OF THE NYSE BIG STARTUP initiative, NYSE Euronext has launched Corporate Connections, a platform through which startups and large corporations can connect and collaborate. Corporate Connections provides a "front door" for startup engagement that can't be found on a procurement punch list. This summer's beta launch of the Internet-based tool provides trusted

introductions, allowing startups to engage with major corporations. Those corporations, in turn, gain by connecting with innovative vendors and suppliers.

"Connecting corporate America to young-growth businesses and entrepreneurs is a powerful combination," says Scott Cutler, executive vice president and head of global listings at NYSE Euronext. "Through collaboration in the NYSE Big StartUp, businesses will engage in productive conversations, new opportunities and ideas will emerge, and new growth and jobs will result." — Jeanne Cotroneo Darrow

To learn more about how Corporate Connections can help you, speak with your NYSE Euronext client services representative or visit nysebigstartup.com.



It Happens Here

Familiar faces spotted at the Exchange

1 SPIDER-MAN drops in to promote *The Amazing Spider-Man* from Sony Corp.'s (NYSE: SNE) Sony Pictures Entertainment and its "Be Amazing, Stand Up and Volunteer" program.

2 MARIANO "MO" RIVERA, the legendary closing pitcher for the New York Yankees, speaks to the press after ringing The Opening Bell®.

3 BRIDGET MOYNAHAN & TOM SELLECK, the stars of *Blue Bloods*, visit the trading floor to kick off the third season of CBS Corp.'s (NYSE: CBS) popular prime-time NYPD drama.

NEW LISTINGS

These operating companies are among those that joined NYSE Euronext between April 5 and August 15.

Gold by Gold (NYSE Alternext: ALGLD)
 Steel Partners Holdings LP (NYSE: SPLP)
 Forum Energy Technologies Inc. (NYSE: FET)
 Oaktree Capital Group LLC (NYSE: OAK)
 ID Logistics Group (NYSE Euronext: IDL)
 MRC Global Inc. (NYSE: MRC)
 Seabridge Gold Inc. (NYSE MKT: SA)
 Phillips 66 (NYSE: PSX)
 Sandridge Mississippian Trust II (NYSE: SDR)
 Tumi Holdings Inc. (NYSE: TUMI)
 Infoblox Inc. (NYSE: BLOX)
 Midstates Petroleum Co. Inc. (NYSE: MPO)
 GigOptix Inc. (NYSE MKT: GIG)
 NovaCopper Inc. (NYSE MKT: NCQ)
 TD Ameritrade Holding Corp. (NYSE: AMTD)*
 Ares Commercial Real Estate Corp. (NYSE: ACRE)
 Banco BTG Pactual SA (NYSE Alternext: BTGP)
 Vexim (NYSE Alternext: ALVXM)
 Acquity Group Ltd. (NYSE MKT: AQ)
 Edgen Group Inc. (NYSE: EDG)
 Hercules Technology Growth Capital Inc. (NYSE: HTGC)*
 EverBank Financial Corp. (NYSE: EVER)
 Pacific Coast Oil Trust (NYSE: ROYT)
 PetroLogistics LP (NYSE: PDH)
 Tilly's Inc. (NYSE: TLYS)
 Tahoe Resources Inc. (NYSE: TAHO)
 WageWorks Inc. (NYSE: WAGE)
 Western Asset Mortgage Capital Corp. (NYSE: WMC)
 Core Laboratories NV (NYSE, NYSE Euronext: CLB) See page 13
 United States Antimony Corp. (NYSE MKT: UAMY)
 ImmunoCellular Therapeutics Ltd. (NYSE MKT: IMUC)
 Teva Pharmaceutical Industries Ltd. (NYSE: TEVA)* See page 10
 Chemtura Corp. (NYSE, NYSE Euronext: CHMT) See page 27
 Ellie Mae Inc. (NYSE MKT: ELLI)
 Healthcare Trust of America Inc. (NYSE: HTA)
 DE Master Blenders 1753 NV (NYSE Euronext: DE)
 Gold Standard Ventures Corp. (NYSE MKT: GSV)
 Alexander & Baldwin Inc. (NYSE: ALEX)
 XPO Logistics Inc. (NYSE MKT: XPO)
 Tronox Ltd. (NYSE: TROX)
 Burger King Worldwide Inc. (NYSE: BKW)
 KMG Chemicals Inc. (NYSE: KMG)*
 Cencosud SA (NYSE: CNCO)
 EQT Midstream Partners LP (NYSE: EQM)
 Pioneer Energy Services Corp. (NYSE: PES)
 ServiceNow Inc. (NYSE: NOW) See page 15
 Whitestone REIT (NYSE MKT: WSR)
 Methanor SCA (NYSE Euronext: ALMET)
 Engility Holdings Inc. (NYSE: EGL)
 Groupe Eurotunnel SA (NYSE Euronext: GET) See page 7
 Intelligent Sensing Anywhere SA (NYSE Alternext: ALISA)
 Palo Alto Networks Inc. (NYSE: PANW)
 Natural Grocers by Vitamin Cottage Inc. (NYSE: NGVC)
 Northern Tier Energy LP (NYSE: NTI)
 AmREIT Inc. (NYSE: AMRE)
 Globus Medical Inc. (NYSE: GMED)
 Manchester United PLC (NYSE: MANU)
 U.S. Physical Therapy Inc. (NYSE: USPH)

* TRANSFERRED TO NYSE FROM NASDAQ



Man Utd Scores an IPO

English soccer club **Manchester United PLC (NYSE: MANU)** raised a reported \$233.3 million on the New York Stock Exchange on its listing day in August. Founded in 1878 as Newton Heath LYR Football Club, it is one of the world's most successful and popular professional soccer teams. Its IPO makes it the first sports team to go public in the U.S. since 1998.

WITH ITS TRANSCONTINENTAL LISTING on NYSE Alternext in Amsterdam and the São Paulo Stock Exchange this past spring, **Banco BTG Pactual SA's (NYSE Alternext: BTGP)** IPO marked the biggest by an investment bank since 2010. "The listing represents a consolidation of our history as well as an important step for us in the capital markets," says André Esteves, CEO of BTG Pactual, which the company says is Latin America's largest investment bank, with a presence in Brazil, the U.S., the U.K. and China.

SOUTH CALIFORNIA ACTION SPORTS

retailer **Tilly's Inc. (NYSE: TLYS)** reportedly raised \$107 million on the NYSE with its IPO this spring. President and CEO Daniel Griesemer says the proceeds will help the company add locations (it had 155 stores in the U.S. as of July 28, but is aiming to operate 500) and grow its e-commerce business.





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about these companies on
the NYSE magazine app.



➤ **THE CONGLOMERATE** formerly known as Sara Lee Corp. completed a 12-year reorganization in June, rebranding itself as **The Hillshire Brands Co. (NYSE: HSH)**, and completing a spin-off of its international coffee and tea division as Netherlands-based **DE Master Blenders 1753 NV (NYSE Euronext: DE)**, which listed in Amsterdam. Hillshire Brands CEO Sean Connolly says this strategy will help his company grow its iconic brands, which include Hillshire Farms, Jimmy Dean and Ball Park. DE Master Blenders will focus on its rich coffee and tea brands, a list that includes Douwe Egberts, Pickwick and Tea Forté.

➤ **AFTER 20 MONTHS** in the private sector, **Burger King Worldwide Inc. (NYSE: BKW)** re-established its home on the New York Stock Exchange in June. The world's second largest fast-food hamburger chain is planning joint ventures that will establish new locations in China and Russia over the next five to seven years. "We will continue to focus on creating profitable growth for our franchise system while delivering best-in-class food and service for our guests," CEO Bernardo Hees says.

Burger King's latest menu
additions include smoothies,
frappés and salads.



➤ **THE JULY IPO** of enterprise network security company **Palo Alto Networks Inc. (NYSE: PANW)** further expanded NYSE Euronext's roster of technology companies. President and CEO Mark McLaughlin says he is excited about the company's future, given the explosion of cloud computing, SaaS and mobility. "We've pioneered the next generation of network security by reinventing the firewall, which is any business's main line of cyber-security defense," he notes.

THE JOURNEY OF EUROTUNNEL

*Channel Tunnel operator is the first
to join NYSE Euronext London*

On July 19, the management team of **Groupe Eurotunnel** (NYSE Euronext: GET) rang The Opening Bell® at NYSE Euronext in London, then traveled through the Channel Tunnel to NYSE Euronext in Paris to ring The Closing Bell®. The executives' journey represented not only the vital link the tunnel has become between the U.K. and Europe, but also the start of the company's continental European trading on NYSE Euronext: That morning, the company became the first to have its stock traded on NYSE Euronext London.

"The Channel Tunnel is a worldwide achievement that attracts the best class of investors from around the world," said Chairman and CEO Jacques Gounon. "This move allows investors easier access to Groupe Eurotunnel shares."

Now that Groupe Eurotunnel trades on NYSE Euronext's single order book at a single price (in euros), investors have better access via a single trading platform. At the same time, Groupe Eurotunnel gains direct, convenient access to those investors constituting one of the largest global trading pools. This translates to improved liquidity, given NYSE Euronext's global strength and visibility.

NYSE Euronext hopes that Groupe Eurotunnel will be the first of many issuers that choose to raise capital and list their securities on its London market. "Groupe Eurotunnel will immediately benefit from our leading position in the European cash markets, gaining access to a deep and liquid investor base from the U.K., Eurozone and global investor community," said Dominique Cerutti, NYSE Euronext president and deputy CEO. "We believe we offer a superior alternative to companies wishing to list in London, thanks to the strength and visibility of our global brand." — *Jeanne Cotroneo Darrow*

➤ For more information on NYSE Euronext London, visit nyx.com/nyseeuronextlondon.

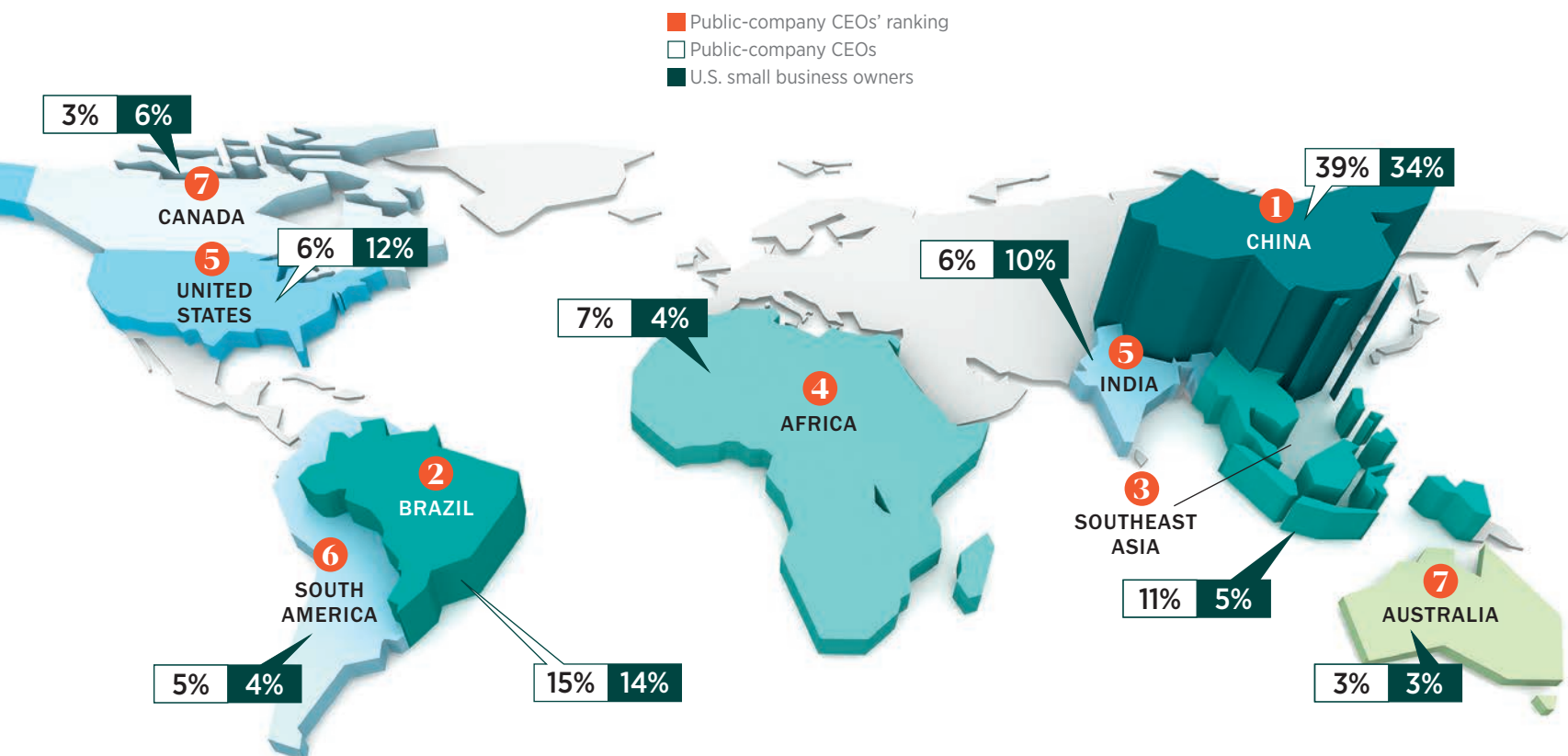


Groupe Eurotunnel executives are the first to ring The Opening Bell® at NYSE Euronext London.

GLOBAL COMMUNITY

The Worldwide Forecast

The 8th annual NYSE Euronext CEO Report asked business leaders which region will experience the most growth through 2013.



Find more results of the 2012 NYSE Euronext CEO Report and executives' insights on page 22, on iPad and at nysemagazine.com/ceoreport.

HEARD ON THE STREET

“It’s so important today to have great leaders in fast-growing regions, but it’s also harder to find them. We have a solid plan, but we need leaders with vision to drive it.”

— Craig Rogerson, chairman, president and CEO, **Chemtura Corp.** (NYSE, NYSE Euronext: CHMT)

Rogerson and other executives share more thoughts on current workforce challenges on iPad and at nysemagazine.com/2012jobs.



Program participants
Jayson Browder,
Mario Bonifacio,
Kimberly Taylor and
Eugenio Oliva

Wall Street Values Veterans

Internship program helps military alums apply their skills to the private sector

LIKE MANY veterans, former U.S. Army Sergeant Kimberly Taylor faced a difficult return to civilian life — and the working world. Easing her transition: NYSE Euronext's Veteran Associate Program. This summer, Taylor and 14 other alums of the U.S. armed forces participated in the inaugural session, which helps equip service men and women with the hands-on training, experience and resources needed to obtain future jobs. One of few in the industry, the initiative aims to address the 23.5 percent unemployment rate among vets ages 18 to 24 by allocating 20 percent of all NYSE internships to military veterans.

"Our heroes returning home can also be stars in business, as their training, skills and discipline translate extremely well to the private sector," says NYSE Euronext CEO Duncan Niederauer. "We hope to educate them about our company, the financial markets and the business community, and enhance their employment prospects." The Exchange hopes other companies will follow its lead and is offering to

advise corporations that are interested in launching similar programs.

During their eight weeks at the NYSE, participants took part in educational sessions, carried out assignments, and received guidance from sponsors via the NYSE Veteran Employee Resource Group, whose members have served in the armed forces and/or support the cause.

At a roundtable discussion, NYSE Euronext Deputy Chairman Marshall Carter — a former Marine Corps officer and Purple Heart recipient — told this year's interns that their military background has given them "technical competence, adaptability, and the ability to communicate both up and down the chain of command" — three key leadership traits that benefit employers.

Lucas Mohr, a former Army supply sergeant from Racine, Wis., spent the summer working in the Global Listings group. "Vets don't want handouts; we want opportunities," he says. "This experience takes me an extra step toward my future career." — *Corey Trippiedi*

Customer Tool Kit

Suite of services expands with Corpedia, Equilar deals

THIS SUMMER, NYSE Euronext acquired Corpedia, a leading provider of governance, risk and compliance (GRC) solutions to corporations around the globe, and formed a strategic partnership with Equilar, a leading provider of executive compensation data and C-suite mapping technology. "Connecting customers to innovative products, thought leadership and superior services is a prime objective of NYSE Euronext," says Jean-Marc Levy, SVP and head of global issuer services. "These transactions are perfect examples of that commitment and will help unlock the potential of our global community by linking capital, issuers and innovative ideas."

REDUCE COMPLIANCE RISKS

NYSE Euronext companies can now tap high-value GRC education, communication and advice from Corpedia, which develops innovative ethics and compliance training and communication programs in addition to providing program management tools and materials to help organizations reduce risk exposure. Serving more than 500 customers across all industries, Corpedia maintains benchmarking data on more than 2,000 corporate compliance and anticorruption programs that help clients pinpoint key compliance and risk areas. "Compliance and governance have evolved into a comparative exercise," Corpedia President Tim Erblach says. "Everyone needs to know how their program compares to their peers'."

900+
THE NUMBER OF
ETHICS & COMPLIANCE
COURSES THAT
CORPEDIA OFFERS

MAXIMIZE RECRUITING AND NETWORKING

Listed companies can also access Equilar Atlas — an Internet database of 300,000 in-depth executive profiles — via the NYSE Connect portal. By connecting a personal network to the Atlas network of C-suite contacts, NYSE Euronext issuers can use Equilar's best-in-class data and innovative technology to identify executive and board member candidates, maximize networking opportunities, and gain exposure to new business and recruiting opportunities. — *Jeanne Cotroneo Darrow*

➔ To learn more about these and other tools, visit nyse.com/issuerservices.

innovations

Trends and breakthroughs in
the global business community

A DIFFERENT DRUG PIPELINE

*Teva Pharmaceutical Industries
makes branded medications — but
also embraces the generic industry.*

AS MANY BLOCKBUSTER DRUGS lose their patent protection in the next few years, few novel therapeutics are in the pipeline to take their place. **Teva Pharmaceutical Industries Ltd.** (NYSE: TEVA), which reports it has the world's largest generic drug portfolio, has positioned itself for this challenge with a different approach to drug development: It reports that it is the first drug company to integrate its branded and generic drug R&D. "Innovation in pharma is usually assumed to be only about creating a novel medicine," says Jeremy Levin, president and CEO. "It isn't. Innovation is also about making an existing medicine much better — by combining doses so patients aren't taking handfuls of the same pills, for example." By merging R&D technologies from both ends of the drug pipeline, Teva can reduce costs and improve formulations of branded drugs while making generic drugs easier to take, thereby enhancing patients' compliance, says Levin. "Now," he adds, "Teva can focus on the most important question of all: How can we make a medicine that is more effective and purer, and do so in a smarter way?" — *Anita Slomski*

▶ For a slideshow of Teva's rich history, download the iPad edition.

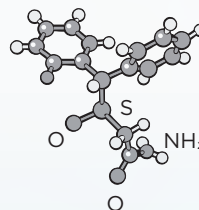


DIVERSIFICATION STRATEGY

Teva CEO Jeremy Levin discusses why generic drugs are a growth driver on iPad and nysemagazine.com/tevaqa.

WORKING BOTH ANGLES

Developing a branded drug can be a long process for a company. When that same company produces the generic version, the timeline is swift, as Teva demonstrated with Provigil.



Discovery

In 1993 the drug company Cephalon Inc. (acquired by Teva in 2011) gets rights to the compound modafinil, implicated in narcolepsy, and begins developing the drug for the U.S. market.

Trials

From 1993 to 1997, the drug progresses through human trials to test the drug's efficacy and determine the correct dosage.



New Drug Application

In 1997, Cephalon submits trial data to the FDA for evaluation. A year later, the FDA approves Provigil, and in 1999, the drug is launched in the U.S.



Path to Generic

Thirteen years after the debut of Provigil, Teva launches its generic modafinil in April 2012, right after Provigil goes off patent.



Source: Teva

CREATIVITY, CUBED

3D Systems aims to democratize design and manufacturing with its in-home 3-D printer.

MEDICAL PROSTHETICS, car parts and iPhone cases are just a few of the tangible items that savvy manufacturers are making with 3-D printing technology. But in May, **3D Systems Corp.** (NYSE: DDD) opened up this world of creation to everyday consumers with the Cube, a personal 3-D printer that President and CEO Abe Reichental promises even an eight-year-old can master.

"It's the ultimate *Star Trek* replicator," Reichental says with a smile, demonstrating how the desktop printer pulls heated plastic material from a single-color cartridge, then applies layer upon layer with a jet print nozzle to create a tangible item. The Wi-Fi-enabled printer can be programmed via Cubify.com, a Website where users can tap into apps to build crowns, robots and more (Cube owners get 25 free blueprints to start), and where designers can post, share and sell digital files for creations they've invented. Reichental describes the site as a mash-up of iTunes-like content delivery and a Facebook-like social community for the design-minded.

Although the printer's starter kit designs include a castle piece and a sling-shot — and the company expects children (and schools) to be early adopters — the Cube is much more than a toy, says



THE IDEA MACHINE

- The Cube can print items measuring up to 5.5" x 5.5" x 5.5" in size.
- Existing Cubify apps help users print ID cards, rocket ships, earrings and more.
- The Cube prints plastic, but 3D Systems offers systems that print in 100+ materials.

1,130
REPORTED
NUMBER OF PATENTS
3D SYSTEMS
NOW HOLDS

Reichental: "It gives individuals and startups access to the technology traditionally reserved for deep-pocketed corporations. We're empowering entrepreneurs to create and make."

In fact, the Cube could mark the beginning of a new industrial revolution, Reichental says. "It brings manufacturing right to the point of use," he notes, citing the benefits of on-demand production (no overruns or material waste)

and local manufacturing (reducing the world's carbon footprint).

"This is just the tip of the iceberg," Reichental adds, noting that a commercial chocolate printer is among his big ideas. "I can see endless possibilities for the Cube in the arts, sciences and learning." — *Leslie Shiers*

➔ Could the Cube spark interest in manufacturing jobs? Read Reichental's take on iPad and at nysemagazine.com/3Dsystemsqa.

EFFICIENCY DRILLS

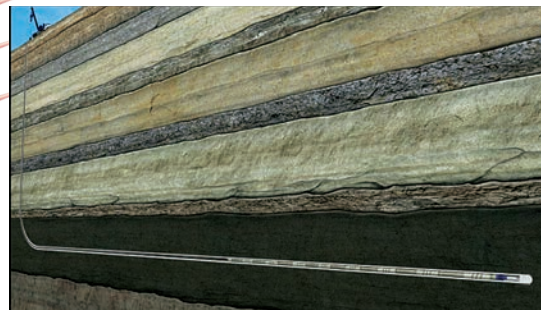
Core Lab's new technique ups reservoir production.

DESPITE CHALLENGES POSED, Core Laboratories NV (NYSE, NYSE Euronext: CLB) is seeking to boost production from the world's oil and gas shales. "Right now the world is producing about 89 million barrels per day, but on average we lose more than 2 million barrels a year due to natural reservoir aging," says CEO David Demshur. Two years ago, after hearing a client discuss this challenge, Core Lab began developing its HTD-BLAST™ (Horizontal Time Delay Ballistic Assisted Sequential Transfer) technology — a simpler approach to completing traditional horizontal wells in shale formations that could increase a reservoir's productivity.

Typically, shale wells are completed in stages: first perforated with special charges, then fractured hydraulically to get the oil or gas flowing to the surface. But "the perforating guns have to be pushed or pumped through," says Jeff West, Core Lab's vice president of production enhancement, noting that the process can take days and requires a pricey drilling rig.

Super HERO™ Plus charges perforate the reservoir formation.

A time-delay fuse gives operators time to push the unit farther into the wellbore.



HTD-BLAST™ TECHNOLOGY

Pushed into the end of a wellbore (as pictured above), Core Lab's completion system (left) can perforate several zones per run.

Core Lab's alternative is a coiled tubing system outfitted with up to 27 perforating guns separated by timers, West says. Once it is placed in the farthest reach of a wellbore, a perforating gun fires; above-ground operators then pull the unit back to the next stage, and six minutes later it fires again. "We're perforating eight stages in less than an hour where it would take a day or two using a drilling rig," West says, noting that precise positioning helps achieve maximum flow.

Approximately 3,000 of the 8,000 horizontal wellbores drilled worldwide in the past year were created using HTD-BLAST™ technology, West says. Plus, Demshur notes, it is helping Core Lab's clients produce incremental hydrocarbons over the life of their fields. — *Chris Warren*

PAY WITH A WAVE

INSIDE Secure expands the practice of mobile payments.

Few retailers today allow customers to pay for items by waving their phones at a contactless payment terminal. But that may change as **INSIDE Secure SA** (NYSE Euronext: INSD) enables more contact-free smartphone transactions. A pioneer of near field communication (NFC), the company says its MicroRead hardware will create convenience for everyone: Envision waving your phone in front of an NFC-equipped concert poster to buy tickets.

Or picture a home health-care system in which a patient wears a patch that sends readings to a doctor. President and CEO Rémy de Tonnac notes: "NFC is the bridge between the physical world we live in and the virtual world where we're getting more and more done." — *Don Willmott*



GOING DEEPER

Seadrill's latest rigs advance the technology of ultra-deepwater drilling.

SINCE ITS INCEPTION in 2005, drilling contractor **Seadrill Ltd.** (NYSE: SDRL) has been developing increasingly sophisticated rigs capable of tapping previously inaccessible oil reserves in ultra-deep water. These reserves are of particular importance, given that over the next 20 years, according to **BP PLC** (NYSE: BP), roughly 30 percent of the world's energy stores will come from these sites, which are found 15,000 to 30,000 feet below the ocean's surface.

The Bermudan firm, which operates a fleet of 66 drillships, semisubmersibles, jack-up rigs and tender rigs, is expanding with a reported 18 new rigs under construction, including six ultra-deepwater drillships and two ultra-deepwater semisubmersibles. Costing in the range of \$500 million to \$600 million to build, according to Seadrill, these rigs must be able to withstand the harshest environments — from ice-filled northern seas to southern hurricanes — as well as wellhead pressures that can reach 15,000 pounds per square inch and temperatures that can hit 350°F.

Here's a look at the West Mira semisubmersible, which Seadrill expects to launch in Q1 2015. The company estimates that this rig will be able to reach a maximum drilling depth of 40,026 feet, or 7.6 miles, far below the ocean floor. — *John R. Quain*

➔ Seadrill CEO Alf C. Thorkildsen discusses the most promising areas for ultra-deepwater exploration on iPad and at nysemagazine.com/seadrillqa.

1 DYNAMIC POSITIONING

Dynamic positioning systems keep the rig precisely situated over the wellhead. Hydroacoustic systems and GPS direct eight thrusters to keep the rig secure in nearly all weather conditions.

2 THE DECK

Larger than a football field, the deck has a control room where the crew members monitor balance, alarms and dynamic positioning. A multistory "hotel" below the bridge houses up to 150 personnel.

3 BLOWOUT PREVENTER

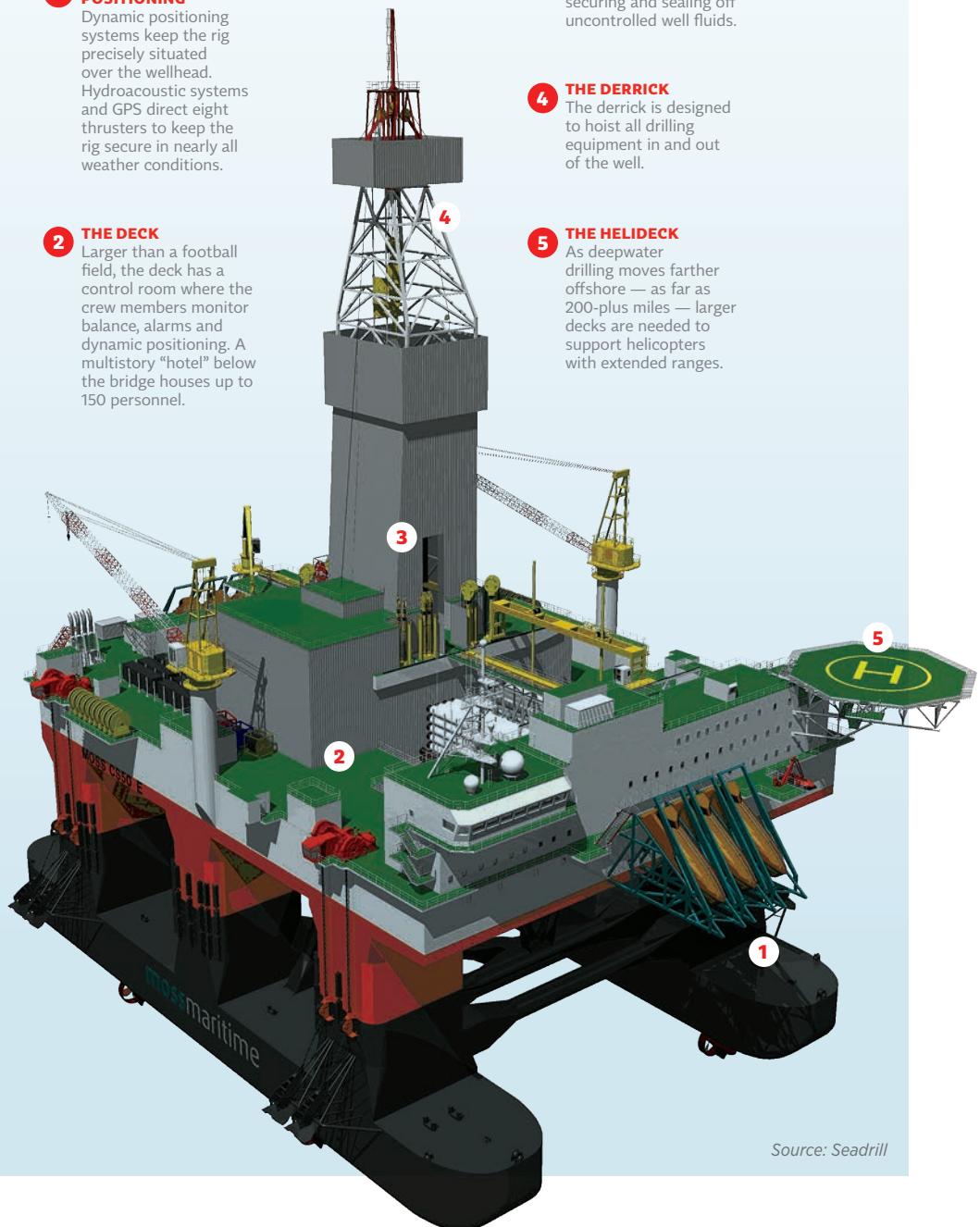
The blowout preventer (BOP) helps stop the uncontrolled flow of liquids and gases during well drilling. The BOP consists of several types of valves capable of securing and sealing off uncontrolled well fluids.

4 THE DERRICK

The derrick is designed to hoist all drilling equipment in and out of the well.

5 THE HELIDECK

As deepwater drilling moves farther offshore — as far as 200-plus miles — larger decks are needed to support helicopters with extended ranges.



Source: Seadrill



The medical world is using AMD technology to view stunning ultrasound images and more.

A SMARTER IMAGE

AMD's embedded processors inspire new visual technologies.

IMAGINE A NEW GENERATION of ultrasound images in 3-D and HD, digital signs that analyze passersby to target ads at them, and compact machine-vision cameras that can run full PC operating systems and “think” about what they’re shooting in real time. Such possibilities now exist for inventive product designers rethinking medical equipment, surveillance cameras, airport departure boards, slot machines and more, thanks to the new AMD Embedded R-Series accelerated processing unit (APU) from **Advanced Micro Devices Inc.** (NYSE: AMD).

This processor won’t be judged in the usual terms of raw speed and power, the company says, although that’s part of the equation. “We’re offering a processor that delivers a combination of low power, x86 processing [the basic architecture in most consumer computers] and very high-performance graphics in a highly integrated unit,” explains Cameron Swen, industrial strategic marketing manager, AMD Embedded Solutions. “It represents a balancing act between power, performance and cost.” That means the processor can deliver specialized

graphics and sharper video, plus provide superior analytics simultaneously — in products that can be surprisingly small and energy-efficient.

As a result, developers can create applications that are at once computing- and graphics-intensive. Some examples: “Imagine peaches or potatoes or widgets zipping down a conveyor belt,” says Swen. “They need to be sorted by size or weight or

quality. A smart camera can watch them go by and use the parallel processing capability of the AMD Embedded R-Series APU to analyze and sort each individual item quickly.” A synchronized air cannon could even blow the rejects off the line. Likewise, Swen continues, “a flashy digital advertising sign can be equipped with a camera smart enough to analyze the type of person walking by — male, female, adult, child — and then not only present the most appropriate targeted ad, but also monitor the viewer’s interaction with it.”

“With the R-Series,” adds Buddy Broeker, director of the industrial controls group, AMD Embedded Solutions, “we are taking our APU technology to the next level.” — *Don Willmott*

AMD SAYS ITS R-SERIES APUs HAVE MORE THAN 3X THE GRAPHICS PERFORMANCE OF ITS G-SERIES

IT ON DEMAND

ServiceNow taps the cloud to boost IT efficiency.

On a busy workday, waiting for IT help can feel like standing in line at the DMV. Frank Sloatman, president and CEO of **ServiceNow Inc.** (NYSE: NOW), a San Diego-based provider of cloud-based software that automates IT, says no one should ever have to face that frustration.

ServiceNow’s software-as-a-service (SaaS) platform brings an easy-to-use online interface to routine office IT requests, letting people solve their own problems in the same way that they would check in for a flight at an airport kiosk or buy a book online.

“Users expect workplace IT services to be as good as those they use in their personal lives: intuitive, social and available everywhere,” Sloatman says. IT staffers benefit too, as the distracting flood of incoming phone calls abates, and tools like dashboards, analytics and reports ensure that they have a handle on problems and protocol, Sloatman says. What’s more, ServiceNow customers can pass these tools to their own clients, giving them a user-friendly way to ask a question or submit a purchase order.

This is just one of the offerings from ServiceNow, which went public on June 29. By helping enterprises consolidate pieces of older systems into cloud-based services free from hardware constraints and conflicting databases, ServiceNow says, it can automate work flow for just about any service request across HR, travel and legal departments, replacing phone tag and e-mail loops with an online forms-driven process. After all, Sloatman says, “why make it more complicated than it has to be?” — *Don Willmott*



Nordstrom



542 Reviews

Department Stores \$\$\$ 0.6 mi

Ferry Plaza Farmers Market



736 Reviews

Farmers Market \$\$ 0.8 mi

Restaurant LuLu



650 Reviews

French-American \$\$\$ 0.5 mi

Dog Gone Good!



55 Reviews

Pet Boarding \$\$ 1.8 mi

WORD ON THE STREET

CEO JEREMY STOPPELMAN
plans to go global with the
power of **YELP's** crowdsourced
business reviews site.



IN 2004 the phone book's days looked numbered. A host of Internet companies, including Yahoo! Inc., Citysearch and Insider Pages, were angling to replace the big yellow book with online local business listings, enhanced with reviews. So when Jeremy Stoppelman and Russ Simmons — two PayPal Inc. alums in their mid-twenties — announced the launch of Yelp.com, the news, they admit, hardly made a stir.

"The industry didn't pay a lot of attention to us when we first launched," recalls Stoppelman, now 34 and CEO of **Yelp Inc.** (NYSE: YELP). "But early on, we thought that the natural way to find local businesses was by word of mouth, and if we could get people to share that online, we could create the ultimate Yellow Pages."

Yelp quickly distinguished itself from the competition by doing what Stoppelman says no other site had accomplished: inspiring consumers to share local information. Many of Yelp's rivals relied on designated experts, editors or hired contributors to write their reviews. Yelp turned that model on its head by inviting its users to post reviews of local businesses they held strong opinions about, for free.

No single Yelp reviewer was an authority on every subject, Stoppelman notes, but taken together, the opinions of a large, engaged crowd on restaurants, bars, stores and more with which they had personal — sometimes daily — experiences became far more compelling than anything a group of selected experts could produce. Yelp's approach was intended to make reviewing local businesses fun, even cool.

BY TOM McNICHOL
PHOTOGRAPHS BY JONATHAN SPRAGUE



Customer service has never been more important for businesses, says COO Geoff Donaker.



which Yelp says is reserved for the most active, engaged, respectful and quality-upholding members of its community.

By baking social engagement directly into its site, Yelp says, it was able to collect reviews at a rate unmatched by its rivals. In April 2007, Yelp had 284,824 reviews collected for restaurants in major metropolitan areas, according to Northeastern University economics professor Zhongmin Wang — a number that he says exceeded those amassed on Citysearch, even though Citysearch had a significant head start. Yelp hasn't looked back since, its growth fueled by classic network effects: Listing more reviews drives visitor growth, which in turn draws more advertisers. And with the Yelp mobile app, which debuted for Apple Inc.'s iPhone with the launch of the App Store in 2008, the company made finding local resources even more convenient for people on the go.

In March 2012, the company went public, raising a reported \$110 million-plus to increase the company's financial flexibility as well as to help the site continue to expand aggressively into new areas, both in the U.S. and abroad. As of Q2 2012, the site reports approximately 78 million unique monthly visitors and more than 30 million reviews of local businesses in 90 cities in the U.S., Canada, Europe and Australia.

"Yelp has managed to create a strong identity and build an international brand in the very crowded field of local search," notes Greg Sterling, an Internet analyst and founder of Sterling Market Intelligence. "It's regarded as one of the most important sites on the Internet, by both business owners and consumers."

THE CUSTOMER QUOTIENT

Yelp is even changing the way local firms do business. Keeping the customer satisfied has never been more important for local merchants, since Yelp reviews can have a noticeable effect on their bottom line, COO Geoff Donaker explains. "It used to be that businesses would focus on getting from the job they were doing to the next job as fast as they could," he says. "Now, businesses are

"When we started, we thought, 'Who would write a review of their favorite dry cleaner?'" Stoppelman says. "But as it turns out, a lot of people will if there's a fun environment to share it in and if they get the satisfaction for doing so. That was an 'aha' moment for us."

What most dismissed as a saturated market looked like an untapped opportunity to Stoppelman. Yelp's site is structured so that reviewers can burnish their online reputation by writing insightful, high-quality reviews. Anyone can browse Yelp to read what others have posted, but to write reviews, a user must become a Yelp member by signing up for a free account.

Each profile summarizes a member's site activity, tracking the number of reviews he or she submits and highlighting recent posts. Yelp members can assess other reviewers' work, engage in online chats and even meet face-to-face at Yelp-sponsored social events. Yelp enlists particularly prolific reviewers to join its Elite Squad, giving them a cool badge to post on their profile and access to exclusive offline events. Users can nominate themselves or others for the Squad,



DOG GONE IT!

Darwin, Yelp CEO Jeremy Stoppelman's dog, once knocked the entire site offline by chewing through an Ethernet cable. Darwin still clocks about six hours every day at the office, with a break for his afternoon walk. For more Yelp facts, download the iPad edition.



Download the iPad edition for a photo tour of Yelp's cool headquarters.

more concerned that their current customer is thrilled with the experience so that he or she will go out and tell friends — because that's where their next sale is coming from."

Any business can advertise on Yelp regardless of its rating (one to five stars). More than 70 percent of Yelp's revenue comes from local ads, the company says, adding that paying advertisers can never change the content or order of their reviews. Keeping a close eye on the quality of user reviews is key for Yelp, which uses an automated filter to remove suspect reviews from a business's main profile.

Besides advertising, businesses can join the conversation by accessing free tools in Yelp's Support Center that allow owners to respond publicly or privately to online reviews. Every business owner (or manager) can set up a free account to post photos and communicate with his or her customers. Yelp maintains that savvy businesspeople recognize that engaging in an online dialogue with customers lends credibility even when responding to critics, because

consumers understand that even the best businesses can't satisfy everyone all the time.

About 15 percent of Yelp's revenue comes from brand advertising, says the company, which sells search and display ads on a per-impression basis. Its national advertisers include automobile brands such as **General Motors Co.** (NYSE: GM), as well as financial services, consumer goods, and health and fitness companies. One of Yelp's key selling points is that many consumers access the site when planning their next purchase — the perfect time for an advertiser to influence a decision.

BUSINESS CASUAL

Inside its downtown San Francisco headquarters, Yelp retains the energy and informality of an innovative startup. It has no dress code, no overt hierarchy, no corner offices — Stoppelman occupies a desk in the middle of the floor. The company's eight floors boast a pool table, computer games and a snack area, where a "Kegmate" wired to an iPad lets beer drinkers

BY THE NUMBERS

2004
Founded

\$83.3
MILLION
2011 revenue

\$1.19
BILLION
Market cap*

1,000+
Employees worldwide

17
COUNTRIES
Global presence including the U.S., Canada, Europe and Australia

*AS OF AUG. 24, 2012.
LISTED SINCE MARCH 2012.

Source: Yelp

BIG TIPS FOR SMALL BUSINESS

The majority of enterprises reviewed on Yelp are local businesses. So it's fitting that Yelp has gotten involved in the NYSE Big StartUp, a job-growth initiative that's helping connect young companies with corporate America. "The Big StartUp represents a great opportunity for us to engage with Main Street businesses," says Yelp CEO Jeremy Stoppelman. "It wasn't so long ago that we were in the same boat, trying to build a business. I think our advice and best practices may be helpful."

The initiative's Small Business Connections workshop series kicked off in Tucson in June, where 80 local business owners gleaned insights on social media marketing and gaining access to capital. Yelp staffers were on hand to share insights the company has acquired while helping

local businesses navigate the world of online reviews. Attendees learned how to build out their free profile on Yelp and create a Yelp Deal, which offers users special discounts, and heard best practices for replying to reviews, either privately or publicly.

"When it comes to social media, a lot of small businesses don't know what they don't know," Stoppelman says. "If you're busy trying to run your small business, it's awfully hard to figure out all of the things you're supposed to do on the Internet. So we're happy to help business owners with the practical steps they can take to use social media effectively — the things that are really going to have an impact."

Here, three key pieces of advice from Yelp:

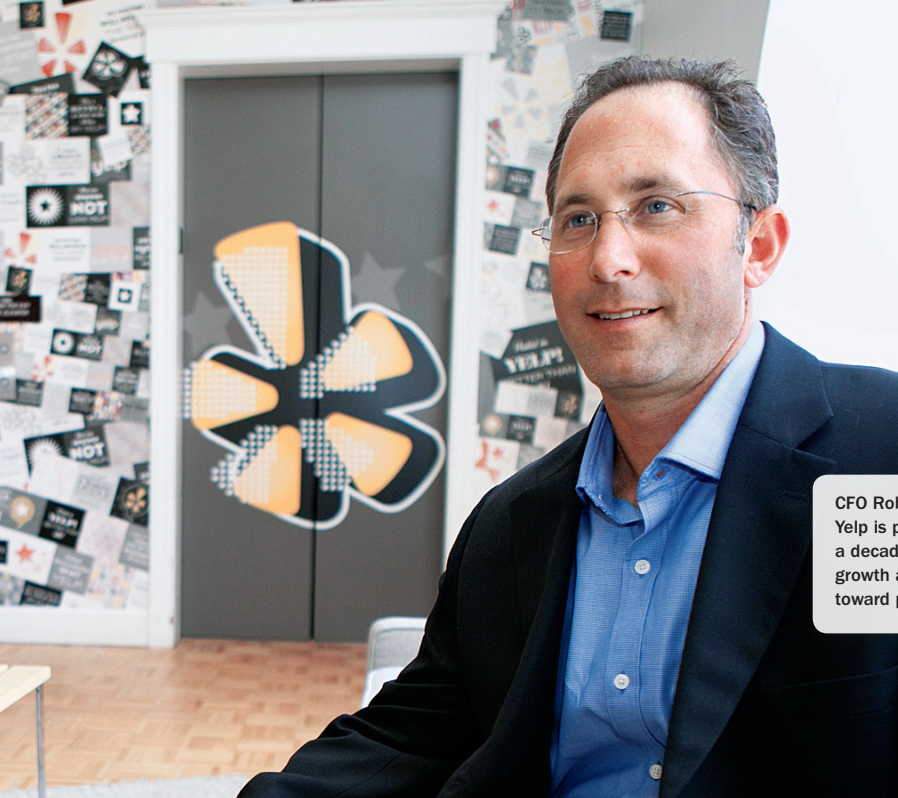
1. Monitor your online reviews regularly. Many companies lavish attention on their Facebook page and Twitter feed while virtually ignoring what's being said about them online, Stoppelman says. That's a big mistake, he warns, as

people tend to place more stock in what ordinary customers say about a business than what the company broadcasts about itself.

2. Address negative reviews. Here's your chance to start a constructive conversation with unhappy customers, Stoppelman advises: Consider it an opportunity to improve your business. Too many businesses view a critical comment as an attack that needs to be disposed of or, even worse, shouted down.

3. Stay positive and approachable. "The biggest sin businesses make is being negative in public," Yelp COO Geoff Donaker says. "Take a deep breath and make your point objectively, not in a hostile way. Give it a human touch."

➔ To learn more about the NYSE Big StartUp and view the schedule of upcoming workshops, visit nyx.com/bigstartup.



rate the current offering on tap. (This is Yelp, after all.) All of the action happens under the watchful eyes of Darwin, Stoppelman's eight-year-old vizsla, who roams freely when not curled up next to the CEO's desk. "We try to keep it a place where you want to spend a lot of time," Stoppelman says.

The office's fun, casual atmosphere also attracts young, talented engineers and product people — a key concern in the tech sector. Yelp aggressively courts prospective workers by recruiting at universities. One of the biggest selling points is Yelp's strong brand, explains Donaker: Almost everyone being recruited already knows exactly what Yelp does and has spent time on its site.

"A lot of companies grow so quickly that their vision is constantly changing," Donaker says. "Our vision is extremely easy to understand. We're just trying to help you find the best local business you can, wherever you are in the world."

We aspire to make Yelp the place people turn to when making a local business decision."

— JEREMY STOPPELMAN, CEO

EARLY ENTERPRISING

Stoppelman traces his entrepreneurial itch back to his youth. Growing up in Arlington, Va., he began reading *Forbes* profiles of successful entrepreneurs at age 11. "I would read those stories and think, 'It would be so cool if that were me someday,'" Stoppelman recalls.

At age 14, he opened his first brokerage account through **The Charles Schwab Corp.** (NYSE: SCHW) and developed twin passions for business and computers. Stoppelman still considers himself a bit of a nerd. (One of his most enthusiastic reviews of the 1,006 he has written lauds Virgin America's debut of in-flight wireless Internet service.) He received a bachelor's degree in computer engineering from the University of Illinois in 2000 and subsequently joined PayPal, where he rose to VP of engineering.

In the summer of 2003, Stoppelman left PayPal to attend Harvard Business School, but after one year he decided to join a business incubator started by PayPal co-founder Max Levchin. It was Levchin who taught Stoppelman that "it's not the idea; it's the team" — one of the best business lessons Stoppelman says he ever received, and one he took to heart when developing Yelp. It was there, too, that Stoppelman reunited with his friend and former PayPal colleague Russ Simmons — his first teammate in the venture.

It was after Stoppelman tried and failed to find recommendations for a good local doctor online that he and Simmons began kicking around ideas for a new Web community where users could exchange information about local businesses. The name "Yelp" was one of dozens of contenders initially tossed around, Stoppelman says, noting that supporters liked

YELP'S MILESTONES



2004

July: PayPal alums Jeremy Stoppelman and Russ Simmons found Yelp. **September:** The site launches, allowing users to e-mail friends for local business referrals.

2005

February: Yelp relaunches its site with a new focus: community-generated reviews.

2006

June: Yelp reaches 1 million unique monthly visitors. **July:** Yelp's mobile service is released. **September:** The first ads for small businesses appear.

2007

May: Yelp reaches 1 million reviews. **December:** Yelp's review count has doubled; the site hits 6 million unique monthly visitors.

its short, punchy quality, and that the name implied the notion of “Yellow Pages help.”

Levchin pitched in \$1 million in seed money to launch Yelp in San Francisco in July 2004, and the company raised \$5 million more from Bessemer Venture Partners to expand the site. (Simmons served as Yelp’s chief technology officer before leaving the company in 2010; he remains an adviser and a significant shareholder.)

To help get Yelp off the ground, the company hosted parties at trendy restaurants and clubs in the Bay Area. The events got people talking and, more important, spurred them to write reviews, which quickly built up the site’s content. By 2006 the site had spread to include Boston, Chicago, New York, Los Angeles and Seattle, populated by enthusiastic reviewers who dubbed themselves Yelpers.

ROOM TO GROW

In its second earnings report as a publicly traded company, Yelp reported \$32.7 million in net revenue for Q2 2012, up 67 percent from the same period a year earlier. It also recorded a net loss of \$2 million, down from \$9.8 million in its Q1 report. The company attributes the loss to its continued expansion of sales and marketing head count, a primary point of investment for growth. During the past year, Yelp reports, its head count has grown about 50 percent.

The company’s biggest challenge for the next five to 10 years will be to continue to grow while pushing toward profitability, observes CFO Rob Krolik. “We’re not giving ourselves a time frame, because we want to invest fully in the business,” he says. “There’s a lot of opportunity we want to continue to invest in.” But Yelp sees plenty of

IN MY OWN WORDS

JEREMY STOPPELMAN

CEO, YELP

MY IDEA OF A PERFECT DAY OFF ENTAILS... A run along the San Francisco Bay with my dog, Darwin. It really clears my head.

MY ADVICE TO A BUSINESS OWNER WHO GETS A BAD REVIEW ON YELP IS... Don’t react immediately. Take a step back and try to see it from the perspective of the person who wrote it.

MY BEST ADVICE FOR AN AMBITIOUS ENTREPRENEUR IS... Start small. Get something working first, then grow.

THE BUSINESS BOOK THAT MOST INFLUENCED ME IS... *The Innovator’s Dilemma* by Clayton Christensen. It advances the idea that large companies aren’t invincible, which made me excited to create a startup.

potential even in established markets, noting that its \$83.3 million in revenue in 2011 represents a tiny fraction of the estimated \$133 billion spent annually on local advertising in the U.S.

And with Yelp reaching only about 3 percent of global Web users to date, it sees ample room to expand its audience. “We’re planting a lot of seeds internationally,” Stoppelman says. “Right now we have an incredible footprint in the U.S. and are a few years into European expansion. But there’s a lot of runway left, even beyond Europe. We aspire to make Yelp the place people turn to when making a local business decision.” 🌱



2008

March: Yelp opens a satellite office in New York City. **May:** The site attracts 10 million unique monthly visitors.

2009

January: Yelp expands to the U.K. **April:** A new feature allows business owners to publicly respond to reviews and user comments.

2010

January: Yelp Check-ins debut, letting users broadcast their whereabouts; coverage expands to France and Germany. **December:** Yelp has 15 million reviews for sites in more than 50 cities worldwide.

2011

November: Yelp expands to Australia. **December:** The site has a monthly average of 66 million unique visitors; Yelpers have written more than 25 million reviews.

2012

March: The company goes public. **April:** Yelp expands to serve Denmark.



THE 8TH ANNUAL CEO REPORT

JOBS AND GROWTH 2012

*illustrations by Sean McCabe | infographic by Column Five
survey conducted by ORC International on behalf of NYSE Euronext*

E

conomic headwinds remain stiff — that’s a clear message from the 285 U.S. small

business leaders and 340 CEOs of companies listed on NYSE Euronext markets who participated in the 8th annual NYSE Euronext CEO Report. Small business owners are reining in their hiring this year and next as they cope with stagnant growth and difficulties obtaining capital. Public-company CEOs, by contrast, expect that their companies will grow and add jobs in 2013. Both groups believe that it will be small, entrepreneurial companies creating most of the private-sector jobs over the next three years, even though they agree that the environment for entrepreneurs is unfavorable.

Yet as public-company and small business leaders peer into the post-election future, they’re optimistic, primed to unlock potential for expansion and opportunity, and hoping for reduced regulation and taxes.

ON THE ECONOMY



“Globally, there needs to be a balance between debt reduction and stimulating real economic reforms.”

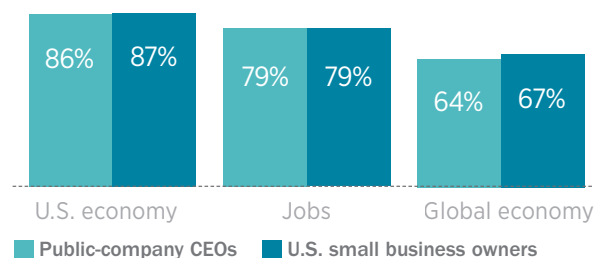
—JO LUNDER, CEO, VIMPELCOM LTD.
(NYSE: VIP)



“Tax incentives, business-friendly regulations, trade policies — anything that stimulates the economy will help add jobs.”

—ILENE GORDON, CHAIRMAN, PRESIDENT AND
CEO, INGREDION INCORPORATED (NYSE: INGR)

➔ Gordon discusses her company’s rebranding strategy and outlook for growth on iPad and at nysemagazine.com/ingredion.



IMPACT OF THE U.S. ELECTION

The majority of both groups surveyed think the 2012 presidential decision will affect these three areas.



CREATIVE POWER

Less than half of poll respondents think today's environment is favorable toward entrepreneurs. Evernote CEO Phil Libin counters the general pessimism.

“If you're [in business] for the right reasons, now is the best time in history to be an entrepreneur.”

Phil Libin has spent the past 15 years leading two Internet companies from startup to commercial success and helping three others through rapid growth. Now, as CEO of Evernote Corp., the software and services company that he helped launch in 2007, he says the environment is more favorable than ever for entrepreneurs — as long as they have a fantastic idea. Libin explains that Evernote's collection of apps makes it easy for users to store and organize everything of importance in their daily lives — a business that has attracted more than 30 million users.

Renowned entrepreneur, author and speaker Guy Kawasaki (above, at right), co-founder of Garage Technology Ventures and former chief evangelist at Apple Inc., recently sat down with Libin (left) to extract advice for other budding entrepreneurs.

KAWASAKI: What would you say about the environment for entrepreneurs and startup companies in the U.S. today?

LIBIN: If you're an entrepreneur for the right reasons — and really there's only one right reason, which is to change the world a little

ON GROWTH

► For Tolan's perspective on the challenges facing U.S. health-care providers today, see the iPad edition or visit nysemagazine.com/accretive.



MARY TOLAN
 “We need to find ways to encourage confidence in the economy so that business leaders can make investments for growth.”
 FOUNDER AND CEO, ACCRETIVE HEALTH INC.
 (NYSE: AH)



JOSEPH MORGAN JR.
 “We've got to make some decisions to stimulate job creation. U.S. businesses need clarity. With that, we'll move forward as a nation.”
 PRESIDENT AND CEO, THE STANDARD REGISTER CO. (NYSE: SR)

bit — now is the best time in history to be an entrepreneur. The warning I always got 10 or 15 years ago was that the best product doesn't always win. If you don't have the best logistics, channels, marketing and relationships, no one will know about you, and you will fail. That's just not true anymore, because we live in as much of a meritocracy as the world has ever seen. What's unique about the time we're living in now is that if you make something that you love, another billion people can love it as well. And if you have a great product, everyone in the world will know about it the next day. As long as you can make something great, you have a good shot at success.

How do you know if that “something” is something great?

At my first company, we made e-commerce software for retailers. But we weren't in the retail business, so how could we know if our product was great? We'd have to ask people, do market research. My second company made security products for banks and governments. Again, we were neither. At Evernote we make a product for us, for people like us. We know our product is great because we use it. If you're setting up your first company, the only way you will ever know if what you're selling is fantastically good is if you make it for yourself.

What should startup leaders keep in mind as they begin to build their team?

When you are a five-person startup, those five people don't have jobs — they have a mission. When your staff grows to 10 people, you think:

Nine of us are on a mission, but for one, this is just a job. And that's okay; you have to get comfortable with that. When you get to 1,000 people, you're lucky if you have 10 percent who share your quest. As a founder, you must cultivate the small percentage of people who share your quest and take care not to alienate the people for whom it is just a job.

Even as you grow to tens of thousands of employees, you never want anyone to do a task and feel like the boss is wasting his or her time. As soon as that happens, you've crossed the line into a big bureaucracy.

NYSE recently launched the NYSE Big StartUp initiative in an effort to support entrepreneurs. How do you think it can best help the startup community?

Entrepreneurs need all the help they can get. I've been thinking a lot about exit strategies, liquidity and IPOs, which the NYSE program can help entrepreneurs think through. At Evernote we decided that there is no exit strategy, because Evernote is our life's work. An IPO doesn't have to be an exit. Ultimately, going to IPO is the morally correct thing for us to do. If we're building a company that asks the whole world to trust us with their memories, the right thing to do is to give everyone the chance to be an owner. For us, an IPO is not an end goal. Rather, it's an inevitable step in our 100-year plan.

➔ For Libin's take on the power of mobile and the “freemium” model plus a video of this interview — the first in the NYSE Big StartUp's “Unlocking Potential” series — download the iPad app or visit nysemagazine.com/evernote.

IS THE CURRENT ENVIRONMENT FAVORABLE FOR ENTREPRENEURS?

Most survey respondents, CEOs in particular, say no.

Public-company CEOs

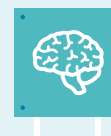
71%
Unfavorable

29%
Favorable

U.S. small business owners

59%
Unfavorable

41%
Favorable




Business leaders based outside the U.S. and Europe have a brighter outlook.

Favorable responses

25%
U.S.

31%
Europe

43%
Rest of the world



PHILIP Z. WEISBERG
“It is important that world leaders convey an image of unity, focus and drive to confront economic challenges head-on.”
CEO, FX ALLIANCE INC. (FXALL), A THOMSON REUTERS CORP. (NYSE: TRI) COMPANY



LARRY ZIMPLEMAN
“With the unemployment rate around 8 percent, it's interesting that companies of all sizes are struggling to find employees with the right skill set.”
CHAIRMAN, PRESIDENT AND CEO, PRINCIPAL FINANCIAL GROUP INC. (NYSE: PFG)

DEMAND FOR TALENT

Demandware CEO Thomas Ebling plans to hire in 2013. The challenge, he says, is finding the right people.

*E-commerce company **Demandware Inc.** (NYSE: DWRE) was founded in 2004, developed its innovative cloud commerce platform early on, and in 2012 launched an IPO, foreseeing plenty more room to grow. But as President and CEO Thomas Ebling explains, growth brings new challenges: keeping up with technology and finding people who are up to the task.*

A hiring gap. In the beginning of 2010, we had about 100 employees; as of June 30, we had 277. And we plan to do more hiring, mainly because we have a relatively small share of a growing market — our average customer is experiencing annual online revenue growth of roughly 35 percent or higher, while U.S. e-commerce is growing at about



15 percent. But it's been challenging to find software engineers who can keep up with changing e-commerce technologies. I'm concerned that the U.S. is not educating nearly enough software engineers to meet the demand. Many are from other countries, and our immigration policies don't make it easy for them to stay here. The U.S. will pay the price in diminishing competitiveness if we don't keep up with China and India in producing software engineers.

Fast innovation. To keep up with our customers, we've learned to innovate quickly. We've created Demandware Labs, which gives customers a way to react even faster to change by trying experimental stuff we've created. For example, we were able to develop code in one week for customers who wanted to integrate Pinterest. And by getting immediate feedback, we can determine if we want to integrate that feature into our core Demandware Commerce platform. We update it several times a year, making new functionality available to all of our subscribers. We take a percentage of our customers' online revenue, so if extra features make them more successful, we're more successful too. — *As told to Anita Slomski*

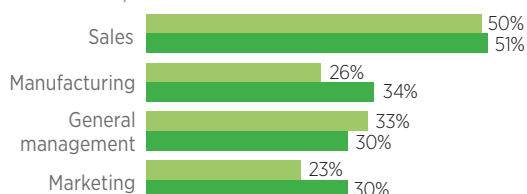
➔ Ebling details his strategy for building a cohesive global workforce on iPad and at nysemagazine.com/demandware.

ON JOBS

➔ CEOs discuss their plans for hiring and their most pressing workforce challenges on iPad and at nysemagazine.com/2012jobs.

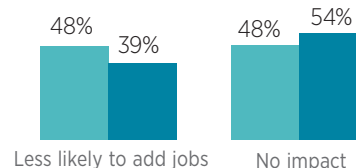
A BOOST IN SALES

Public-company CEOs plan to add jobs in these four top areas.



JOBS AND HEALTH-CARE REFORM

Some leaders believe the Affordable Care Act will dampen their ability to add jobs.



KEY

■ 2011
■ 2012

■ Public-company CEOs
■ U.S. small business owners



“Rather than regulating or subsidizing, government should get out of the way and let businesses win or lose based on competitive market dynamics.”

—CRAIG ROGERSON
CHAIRMAN, PRESIDENT AND CEO, CHEMTURA CORP.
(NYSE, NYSE Euronext: CHMT)

“We operate in a business where creativity and innovation are vital. When you get stale, you fall behind.”

—EFRAIM GRINBERG
CHAIRMAN AND CEO, MOVADO GROUP INC.
(NYSE: MOV)



“Honest and open communication facilitates an innovative culture and helps retain top talent.”

—GREGORY R. ANDERSON
PRESIDENT, CEO AND DIRECTOR,
PACIFIC BOOKER MINERALS INC.
(NYSE MKT: PBM)



INNOVATION DRIVERS

Public-company CEOs and U.S. small business owners overlap on the best ways to foster new ideas.

Public-company CEOs

46%

Communicate stories of innovation success within the organization

44%

Employ a diverse workforce

40%

Bring on new employees

40%

Make acquisitions



U.S. small business owners

43%

Employ a diverse workforce

41%

Provide employees with time each week or month to focus on furthering innovative ideas

33%

Communicate stories of innovation success within the organization

33%

Bring on new employees



“If your customers say they want something different, **you’d better evolve**, or over the long term it’s going to affect your ability to expand your market share.”

—STEPHEN WEISZ
PRESIDENT AND CEO, MARRIOTT VACATIONS WORLDWIDE CORP. (NYSE: VAC)



A PREMIUM ON INNOVATION

ExactTarget CEO Scott Dorsey says sharing corporate success stories with staffers is one way to spur creative ideas.

*As CEO and co-founder Scott Dorsey tells it, the success of his company, **ExactTarget Inc.** (NYSE: ET), was against all odds: three first-time entrepreneurs starting an Internet company in late 2000 after the dot-com bubble burst. He says that two unusual moves to draw high-tech talent have helped drive the success of the global software firm, which went public in March: branding the company's culture and headquartering in Indianapolis.*

A feeder system for talent. We're unusual for a high-tech company in that 900 of our 1,300 employees work in Indianapolis, a city that actually gives us a recruiting advantage. Indiana has been a great foundation for us. There are many leading universities in Indiana and throughout the Midwest that provide a strong feeder system for the best and brightest. We've also invested heavily in summer internships and a rotational program for new college graduates that helps us find the right fit for them within the company. This is one reason that career services firm Experience Inc. named ExactTarget one of the country's Best Places to Work for Recent Grads for the past two years.

Corporate culture with a name. Branding our culture, which we call Orange, also allows us to find the right people, as we hire not only in the U.S. but also in Australia, Brazil, Germany, and the other countries where we have offices. Orange is emblematic of the energy, entrepreneurial spirit, and passion for innovation and customers that we want in our employees. We infuse the brand in every aspect of hiring, from creating recruitment materials to setting criteria for choosing job candidates to designing an orientation program for new employees.

An entrepreneurial environment. We have several ways to spur innovation among our employees. One is transparency: We arm our employees with as much insight and knowledge about the business as possible so that they have the context to make creative decisions and act quickly. We've broken the organization into smaller teams to maintain an entrepreneurial environment that allows each employee to make decisions like an owner. — *As told to Anita Slomski*

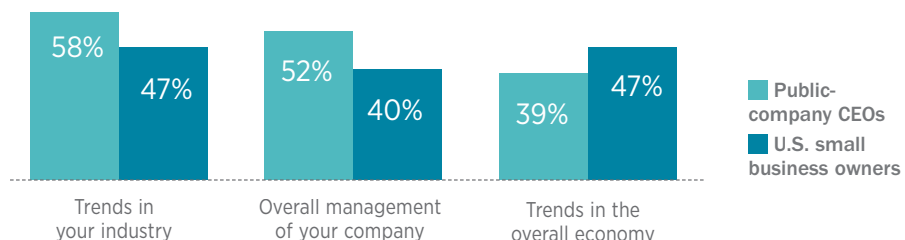
➔ On iPad and at nysemagazine.com/exacttarget, Dorsey explains why employing leaders with diverse skill sets is vital for growth.

ON GROWTH

➔ CEOs share more ideas on how to cultivate corporate innovation on iPad and at nysemagazine.com/2012innovation.

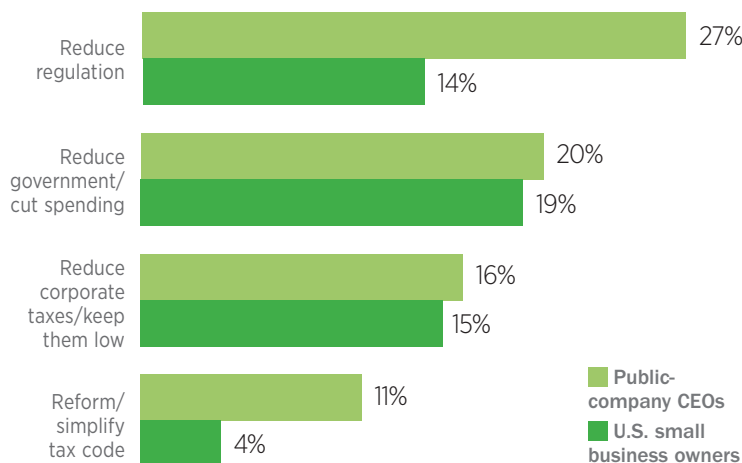
GROWTH FACTORS

Respondents agree that management, the industry and overall trends are most important to a company's growth.



GUIDANCE FOR GOVERNMENT

Asked what they recommend to the next administration, respondents offer the main theme of reduction: in regulation, government and corporate taxes.



35%

of U.S. public-company CEOs recommend **reducing regulations**, up from 26 percent in 2008.

We need leadership that provides a solid plan, hope, confidence and optimism.”

— U.S. PUBLIC-COMPANY CEO



C-SUITE COUNSEL

Advice for the Oval Office from the corner office

CEOs advise on what the next elected President and Congress should do to stimulate the economy, business growth and jobs.

“The challenges of the U.S. budget deficit are of such a magnitude that I don’t think we can solve the issue by revenue raisers or budget cuts alone. We need to have a balanced package.”

—LARRY ZIMPLEMAN

CHAIRMAN, PRESIDENT AND CEO, PRINCIPAL FINANCIAL GROUP INC.

“I’d like to see a higher level of leadership in Washington and a greater focus on a pragmatic approach to improving the economy. It seems like there’s a lot of campaigning happening in Washington but very little progress, and it’s gotten old. It’s time to get on with running the country.”

—EFRAIM GRINBERG

CHAIRMAN AND CEO, MOVADO GROUP INC.

“Demand for data services is growing very rapidly, and this requires substantial investment in our networks. Against a background of regulation and taxation policy, it is a huge challenge to deliver the capacity our customers seek.”

—JO LUNDER

CEO, VIMPELCOM LTD.

“Mid-size companies should have a voice as significant as that of very large or small companies. It would be helpful to have a forum for leaders of companies like ours to talk about policy and how it affects our business. The President surrounds himself with people whom I respect a great deal, but their agenda doesn’t necessarily apply to me.”

—JOSEPH MORGAN JR.

PRESIDENT AND CEO, THE STANDARD REGISTER CO.

2013

AND BEYOND

The NYSE Euronext CEO Report finds some bright spots on economic growth and job creation.

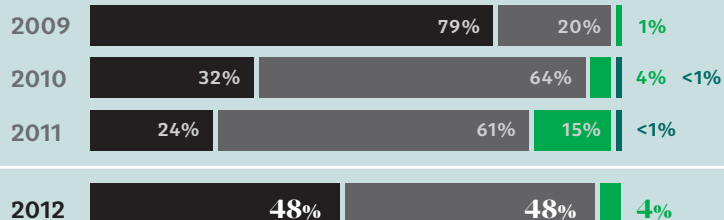


The Economy Today

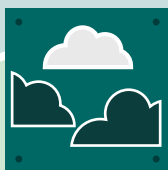
Though public-company CEOs are not as gloomy about global economic conditions as they were in 2009, their confidence in the economy has taken a dip this year, due in part to the Eurozone crisis.

How would you rate global economic conditions today?

PUBLIC-COMPANY CEOs



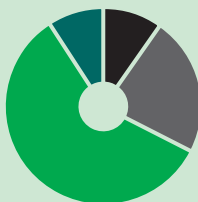
POOR FAIR GOOD EXCELLENT



A Look at the Future

Yet public-company CEOs see a silver lining.

Which of the following will best describe the global economy in 2013?

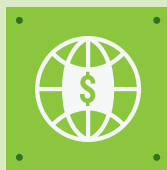


PUBLIC-COMPANY CEOs

10% DECLINE
23% NO GROWTH
59% SLOW GROWTH
8% MODERATE GROWTH

Only 10 percent expect to see a decline.

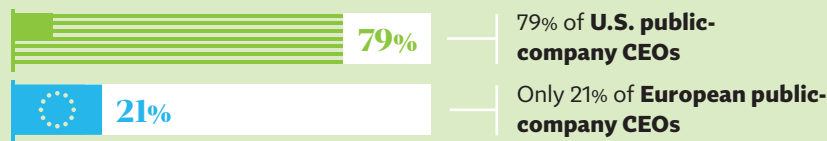
Two-thirds think the global economy will experience growth in 2013.



American vs. European Growth

Whereas U.S. public-company CEOs largely hold a positive outlook toward their own nation's growth, their European counterparts, hit hard by the region's economic crisis, are pessimistic.

PERCENTAGE WHO EXPECT GROWTH IN THEIR REGION IN 2013:



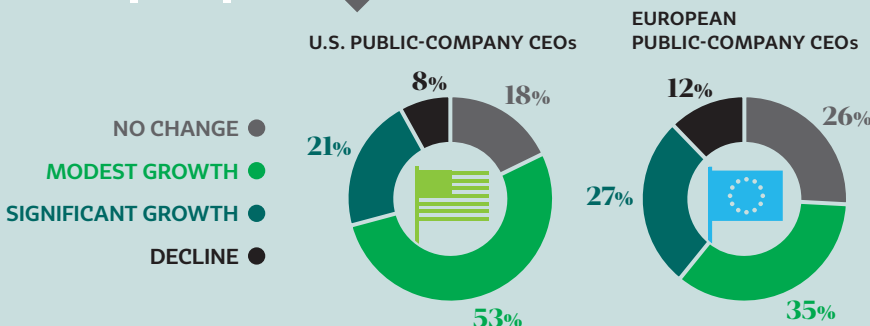
Source: ORC International



Business Picks Up

Focusing inward, confidence in the near-term growth of respondents' own businesses remains modestly optimistic.

What characterizes your outlook for growth of your business through 2013?



Yet the next three years appear brighter:

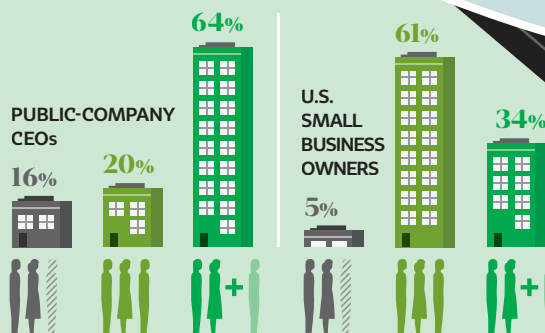
And over the next three years?

Putting People to Work

Despite some uncertainty, most public-company CEOs still plan on adding to their workforce.

Will you be adding to your workforce?

REDUCING
NO CHANGE
ADDING



Most respondents say that jobs will spring from small, entrepreneurial companies.

Over the next three years, which businesses will create the most private-sector jobs?

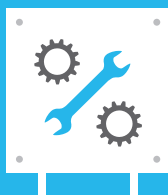
PUBLIC-COMPANY CEOs SAY

54%

U.S. SMALL BUSINESS OWNERS SAY

60%

SMALL, ENTREPRENEURIAL COMPANIES



What's the Fix?

Respondents rank the top three actions that would be most effective in accelerating the growth of permanent jobs.

Public-company CEOs

1. Reducing taxes on businesses
2. Reducing compliance-related regulations
3. Reducing government spending

U.S. small business owners

1. Reducing taxes on businesses
2. Reducing government spending
3. Increasing funding of programs targeted to small business

Read CEOs' economic forecast on iPad or nysemagazine.com/2012economy. Then take our quiz — exclusively available on iPad — to see how your views compare with those of survey respondents.





BEYOND CONTENT

Producing great TV is one thing. For Grupo Televisa's chief executive, the challenge lies in its distribution.

*Emilio Azcárraga Jean, who was just 29 years old when he took over the family media business following the death of his father in 1997, has been widely credited with building Mexico's **Grupo Televisa SAB** (NYSE: TV) into the largest media company in the Spanish-speaking world (based on market capitalization). Today, as chairman and CEO, he delivers to advertisers a growing viewer base with expanding economic muscle. Here, Azcárraga discusses the future of TV entertainment and why producing the content viewers want — and participating in the platforms to distribute it — will be vital in the years ahead.*

Multiplatform distribution: The programming we create has to reach its viewers everywhere: traditional over-the-air channels, pay-TV networks, the Internet, mobile devices. We started by airing our content over broadcast networks in Mexico. Then we assembled networks for pay television, a move that helped increase pay-TV adoption in Mexico. By extending the reach of our content and encouraging the growth of the pay-TV industry, we also grow our cable and direct-to-home satellite operations.

Evolving the business: With the convergence of media, telecom and technology, viewing habits are changing, and the number and type of platforms for distribution of content are expanding. For us, this transformation is particularly favorable. Televisa is mostly known as a content company (in 2011 we produced more than 79,000 hours' worth), but our telecommunications infrastructure has become an additional

competitive advantage. We are shareholders in three cable operators and own a national fiber-optic backbone, which gives us one of the largest wire-line infrastructures in Mexico. We also own Sky, Mexico's largest direct-to-home satellite operation, in partnership with DirecTV. Our entry into the pay-TV industry was initially meant to help develop new outlets for our content, but we're now in the business of providing voice and data services. These are our two fastest-growing sources of revenue.

The rise of mobile telecom: Through our cable operations, we have a very good starting point in the telecom industry, including more than 50,000 miles of fiber and coaxial cable across the country and more than 8 million video, voice or data customers. Within telecom, the mobile market is the one expected to grow the most, reaching close to \$23 billion in sales by 2015. Along these lines, in 2011 we invested \$1.6 billion in Iusacell, one of four wireless operators in Mexico. Iusacell has substantial usable spectrum, an underutilized network and a very well recognized brand.

An expanding customer base: My family has been in media since 1930, when Televisa was born as a radio station in Mexico City. The company's evolution has not stopped since — nor will it. We'll continue to produce content that seeks to win the hearts of our audience. Technological change is letting us transmit our content through an increasing number of platforms, multiplying the size of our audience. Our aim is to become a fully integrated media and telecom operation. — *As told to Susan Caminiti*



Azcárraga says Televisa's content appeals to Hispanics in the U.S., a consumer group expected to spend \$1.5 trillion per year by 2015.

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