



TECHSPOSE

Tom Rabon

Chairman & Partner, New Kind

1. Tom, you joined NCTA soon after it was created in 1993 and are a long-time Board member. Why have you shared so much of your energy with NCTA?

Two things: One, NCTA is a much-needed voice for the technology community in North Carolina. And two, as a native North Carolinian, I see technology as a vehicle of economic development. To grow technology jobs is a very good thing for the people of our state.

2. You graduated from UNC with a political science degree, and soon, at age 24, you were elected to the NC House of Representatives. How'd you get interested in public policy?

Probably more than anything, I believe what Plato said years ago is true: "The price good men pay for indifference to public affairs is to be ruled by evil men." I have no right to be critical unless I'm doing something to effect change. Getting involved in politics was my way of making a contribution to improving lives of the people in Brunswick, Pender and New Hanover counties.

3. As a legislator, about which aspects of public policy did you become most passionate?

Without a doubt, what I was most passionate about – then and now – is the importance of education. I really believe, and I'm a prime example of it, that education is the great equalizer. And having an opportunity to get a great education locally and then in North Carolina at UNC left a significant impression upon me as an individual. Serving in the Legislature gave me the chance to support public education at the secondary and higher education levels, just as my state supported me during my years in school and college.

My passion for education helped create [Brunswick Community College](#). I introduced and was successful in getting legislation passed to create and secure the initial funding for the college during my first term in the Legislature.

4. Why did you leave the state legislature?

I'd made up my mind to run for Congress and, if I didn't see that opportunity opening up by the time I was 30, I'd do something else. That opportunity didn't open up, so I decided to join the private sector.

5. Your career took you to AT&T, Lucent, Red Hat. How and why have you



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sunken your wading boots so deeply into technology?

I'm one of the luckiest guys you'll ever meet because I've had an opportunity to work for each of those companies at very early stages. I joined AT&T right at the [divestiture](#): I joined the new part of an old and established company in 1983, and it was broken up in January 1984.

Then, in 1996, when Lucent was split off from AT&T, I had a chance to join that new company. New logo. New team. New opportunity. A chance to work for the company (Bell Labs) where the laser, the cell phone and many other inventions were born. My initial job at Lucent was to create and lead a team responsible for all the public affairs activities for Lucent in the 50 states and Canada. After several years, my responsibility was expanded to include the entire world, presenting my first opportunity to lead a truly global team. All of that was well and good until the bottom dropped out of the telecom market. One of the toughest things I had to do was letting really good people around the world go because the market just went away. I had personally recruited many of those people.

About the same time, I myself was being recruited by [Matthew Szulik](#), then-CEO of Red Hat. He said, "Would you like to be a part of a company that will change the way the world creates and uses software?" I thought about it and said, "Why not?" This was an opportunity to help grow a North Carolina company, unlike AT&T and Lucent, which were headquartered in New Jersey at the time. I didn't know much about the software business, but I was willing to learn and I tend to excel when I'm a little out of my comfort zone. Red Hat was great! The people were great. The opportunity was there. And the future continues to look very bright for the company. I was incredibly fortunate to have the opportunity to work there almost 8 years.

6. During which parts of your career have you been most eager to head for the office each morning?

Clearly [Red Hat](#) because, for the first time in my working career, I was at a level in a company where I could make a difference. It was smaller—about 300 people—when I joined. Now it's about 3800 people. Then, Red Hat's revenue was about \$50 million, and my *budget* at Lucent had been over half that. Matthew said, "Aren't you tired of being a 'corporate dink'? Do you really want to make a difference? If you want to change the world, this is an incredible opportunity—to take technology to people all over the world who may not have that opportunity."



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Also, I think the exciting thing at Red Hat was being in a leadership position in a company that was all about creating culture—and a very vibrant one.

7. What was your role in Red Hat’s culture-changing products?

I played a variety of roles at Red Hat. Being a small company, you did whatever it took to make the company successful. My primary responsibility was working with governments around the world. I even led the Red Hat Marketing Team for a short time. Early on, I did a lot of work in new market development because when I joined, very few of the Red Hat executives had experience working outside the US. I don’t believe a Red Hat executive had ever been to mainland China or to India at the time, unless [Bob Young](#) went when he was there. So I did a fair amount of work to open and create new markets for open source and Red Hat. I think we’ve been very successful in demonstrating the value of open source technology to governments around the world. While I was there, I also helped create a corporate citizenship program for the company.

8. Red Hat is famous for making “open source” software available to the masses and for [making free stuff profitable](#). Define “[open source](#)” technology.

There is any number of definitions of open source. Generally, it refers to a development model for software code in which the code is open and transparent and can be shared, copied and modified among the people who use it. Today open source is used by every major stock exchange in the world, on the space shuttle, and in thousands of businesses and organizations that are dependent upon mission-critical software for their success.

9. When you joined Red Hat, did you realize how the company would shake up the world?

Actually, after a few years, I did. I didn’t know much about the software business when I joined the company, but I knew a lot about leadership. I knew that success was all about having a good idea, creating a good team around that idea and being led by a strong leader. And I’d never met a stronger leader than Matthew Szulik. As we liked to say to new hires on their first day at Red Hat, “Everyone would like to work for a great company; we look for people who have the qualities to help ‘create’ a great company.” We looked for people who were purpose-driven and who would take great pride in the fact that their work was bringing the fruits of technology to people all over the world.



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10. You recently left Red Hat. When and why did you join [New Kind](#)?

At the end of last October, I decided to retire from Red Hat. It was the toughest decision I've ever made—by a long shot. Great company, great leadership, great people, strong senior leadership team. I always had an entrepreneurial itch that I needed to scratch, and I figured there wasn't a better time to do it than right now. I've found I'm most excited about building and creating things. And, although leaving Red Hat was a difficult decision, I recognize that my passion has always been about being there at a stage in the game when you can create and build things. New Kind was at a point where I could do just that. I'd known my partners at New Kind for a number of years, having worked with them at Red Hat, and I had nothing but the highest respect for each of them. Again, I go back to the importance of leadership. You can have a strong future if you put together a strong team around a good idea.

11. What's your primary role at New Kind?

I spend most of my time working with prospective clients and some current clients, telling the story of New Kind and explaining ways that New Kind can improve their organization.

12. At year's end, how will you know if you've been successful there?

I will know because we will have added some important new clients. More importantly, we'll be able to see results on the part of clients with whom we've already worked.

13. Tell us about New Kind.

We could be called a communications agency or a design studio or management consultants or strategists, because we do all those things. But, at the end of the day, it's about helping organizations solve problems in a new way. That new way is all about building community in and around an organization, its people, and its product or services.

Probably the easiest way to think about what New Kind does is that we help organizations solve 21st century problems and create 21st century opportunities. We do that by using open source principles and community-building skills. We want to apply the same skills we learned at Red Hat outside the software sector.

The old model was to get all the smart guys and gals in the room to solve a problem.

The new model is all about creating an "architecture of participation" that allows you to



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not only take advantage of the knowledge and expertise of your own people, but also reach out across the world to others who can help you solve your problem. At New Kind we help build the platform and an active community around it to solve problems and create new and improved opportunities for a company's products and services.

14. How is your work life at New Kind different from your life at Red Hat?

It's a smaller, more intimate experience than Red Hat, but equally as exciting because of the opportunity I've been talking about: to build and create things. We have that opportunity at New Kind. We have great ideas and a team of purpose-driven people who I believe have the right attributes to build a very successful company.

15. What does New Kind do differently from its competitors?

My partners and I were fortunate enough to play small roles at Red Hat in helping to create what this year could be a \$1B business based on open source. Few other people in the world have ever had that opportunity. And hopefully, we learned something along the way that will be useful to companies outside the software business.

At New Kind, just like at Red Hat, we believe in a creating a culture with a core purpose or mission. We want to teach organizations to be catalysts in communities around their mission, products and services. There aren't many people in the world who know how to do that. But we believe that openness and community are the heart of the new model. For instance, Facebook is one of the fastest growing companies in the world. The way many companies do business now is still based on old, antiquated models. These old models won't work much longer.

16. Why did New Kind join NCTA?

Primarily, to be a good corporate citizen. And second, to make NCTA members aware of the work of our firm.

17. How does New Kind use technology?

Everything we do at New Kind is based on technology. We've perfected self-service; we have no administrative staff per se. The way we communicate, the way we work, it's all self-service.

The same is true of our clients. We can do things along the way to demonstrate how important technology can be to the success of their businesses. We've put new technologies to work in building online collaborative communities for many types of



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organizations, from Fortune 500 companies to non-profits and government agencies.

18. How do you spend your time when you're not at New Kind?

With my family, a wonderful wife (who is way smarter than I am) and our 14-year-old son. I also spend time at my second home in Southport. Nothing's more fun to me than being 30 miles offshore in the ocean, catching mahi mahi with my son John, bringing them back home, cooking them on the grill and enjoying the filets with my wife and son. I guess it must be the saltwater in my veins.

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