



TECHSPOSE

Zach Clayton

President & CEO, Three Ships Media

1. Zach, you have quite an educational legacy. Phi Beta Kappa and BA at Chapel Hill. MBA at Harvard with the highest academic honors there. How did those cultures differ?

Attending the University of North Carolina is a dream for any North Carolinian. Any UNC grad would laugh at the idea that there's anything more fun than going to UNC. Whether it's basketball or making friends, it was a wonderful time. Truthfully, there's no undergrad experience like UNC. There are different seasons in your life, and both were appropriate for the seasons I was in.

Harvard was a different experience. Harvard Business School was entirely case driven. The students were speaking probably 80% of the time and the professor was asking questions in the Socratic Method, shepherding the conversation. That was in real contrast to the lecture classes I had at Carolina.

I found case method to be an invigorating way of learning. The pedagogy is used in many business schools but it was conceived at Harvard and it's a key part of the character of the place. On a day-to-day basis, you step into the shoes of the executives, wrestle with their issues, and, ultimately, decide what you would do. There's never enough information and never a right answer.

2. You've written a couple of books.

Both were on politics. I did one in high school and one in college. Writing a book allowed me to deeply explore a subject I was interested in. The first, *Freedom to Answer*, was a book on how 9/11 changed youth politics. The second one - I ghost-authored the memoir of a Southern CEO who was running for governor. What a phenomenal learning experience for me - with a chance to really step inside the head of an accomplished leader.

3. You've started 3 companies - New Media Campaigns, Three Ships, and the Emerging Media Research Council (EMRC). Where did you get your entrepreneurial spirit?

I started New Media my senior summer in college. It really whetted my appetite for business and was a big reason I went to Harvard. New Media is really technology focused but we work with marketers.



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I surveyed the landscape and I had a conviction that 3 shifts were shaping the marketing landscape:

- 1) The first was a shift from traditional to digital media consumption. That is, consumers now spend about 30% of their media time online and marketers spend about 10% of their media money online – so there’s a mismatch.
- 2) The second shift was from one-way communication to two-way.
- 3) The third shift was that all marketing was becoming measured marketing.

New Media allows marketers to develop an online presence and we provide them the expertise to build audience and monetize that market. Every marketer today must transform their company into a media company. Most marketers aren’t ready for that shift.

4. What is the Emerging Media Research Council (EMRC)?

EMRC is partly a think tank, partly a consulting firm. I started it because I was going to do research on digital media because I found the rate of change exciting. The digital communications world changes so fast that, if you don’t do research, you’re missing an opportunity to figure out what works, what doesn’t, and what’s next.

EMRC maintains a large global data set on the digital performance marketing performance of businesses. Additionally, we scour the nation for true best practice research as well as survey our members and benchmark them. We provide clients information on competitive analysis and trends relative to our membership at large. In 2010, we also created 37 original research reports on trends in digital marketing. It’s a highly leveraged service for the members. They can build an internal research team or share those costs with other organizations like Bayer, AT&T, American Airlines, and Eli Lilly, which are EMRC Members.

5. How do you define “emerging media”?

In my view, “emerging media” is a broad category that encompasses mobile, social, web, paid advertising, and content marketing. You can look at it via channel (web, mobile/tablet) or via function. I believe social is becoming a different category from web because it’s closed off from the open web. If you’re



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not Facebook friends with your son, you can't see his pictures. It's a walled community.

In a walled community, you have information with the social graph layered on top of it. Information becomes more relevant to us if we share it with friends. Facebook captures that and it's why it's so highly valued; advertisers know exactly who they're advertising to.

6. You interned in the financial sector, and then became a marketing and media guru. Why have you taken that path?

I love the challenge of operating a business and that requires all functions – finance, operations, management, technology, and human talent. I was really fortunate to spend summers at Triangle Capital and Cherokee Partners, where I build excellent relationships and learned a lot about the importance of finance in building a business.

7. At NCTA's State of Technology conference, you focused on social media. How do you use it personally and for business?

I make a distinction between the two. For business, I use social media largely for information consumption. Twitter is an efficient way to gather information from people I admire. I also use LinkedIn to both recruit and to stay in touch with connections. Personally, like most people in the developed world, I use Facebook as a way to stay in touch with friends and family.

I also really strive to achieve a balance between information that provides short-term value versus long-term value. I'm constantly asking myself if I'm reading too many quick-hit articles in the *New York Times* or *Harvard Business Review* versus long-term information such as biographies or new books from thought leaders.



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8. What are your predictions about how social media will develop during the next few years?

I think digital media will have increasing influence on the way consumers gather information and make purchase decisions. Two years from now? I predict that Facebook is well past 1 billion users, the value of Google declines under Larry Page, and organizations that use informatics and analytics outperform the market.

9. We've talked about EMRC, now tell us about each of your other ventures – New Media, Three Ships.

I founded [New Media Campaigns](#) with Joel Sutherland in 2006. I served as CEO during its infancy; however, I haven't been active in the day-to-day for several years. (I moved to Boston for business school in 2007.) Joel runs that business today and I try to support the leadership team in any way they ask. The business does website development, application development, and has a software product, [HiFi](#). I started New Media because I was fascinated by politics and I saw they had a big problem – how do they use new tools and new technology to communicate with voters? I want to help customers solve problems.

Our goal at [Three Ships Media](#) is to build the #1 customer acquisition agency in the country. We combine great creative and smart analytics to help companies generate new business. When entrepreneurs and CEOs want to increase the size of their business, we want to be the first place they call.

10. How does your role differ in each of your 3 ventures?

At New Media, I occasionally offer some advice, but its current leadership deserves credit for its success. At Three Ships Media, I'm a very hands-on leader. I personally lead several client relationships and spend time in every area of the business. At EMRC, I'm also very engaged with the clients, in shaping the research agenda and in shaping the product.



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11. You've got a great education, clear insights, lots of responsibility, and a few years of management OJT. How have you shortened your management learning curve?

Since I was a little boy, I've turned to my dad (who is my hero) for advice. The counsel I get from him is *always* candid. I've had great mentors who have shaped my leadership style. Some of them are friends, some are clients, some are colleagues. And I spend as much time as I can reading, so I have a set of mentors whom I've never met - leaders and entrepreneurs from Churchill to Bloomberg - who have written about their lives and their work.

12. What are you reading?

Currently, the [Andy Grove biography](#) by Richard Tedlow. It's a great book. I just finished reading [Bloomberg by Bloomberg](#), all about Bloomberg. He's marvelously narcissistic yet fairly self-aware. Another recent read is [Getting to Plan B](#), by John Mullins and Randy Komisar. I'm an eclectic reader, so I just reread Ayn Rand's **Atlas Shrugged** as well as Taylor Branch's book on the Clinton tapes.

13. Any tips for young entrepreneurs?

Build a product with purpose. Call on customers with purpose. Build a team with purpose. The most successful people I know are highly intentional.

14. Which parts of your jobs exhaust you?

Fighting email is the unwinnable battle of today's era. Bill Gates once suggested that if people paid to send emails, it would reduce the volume for everyone. I think that's a good idea.



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15. Three Ships just joined NCTA. What do you expect to gain from your membership?

We're looking forward to learning from our peers. Some of the leading technology companies are based in the area. At the annual meeting, I walked away with notes on best practices and some great new relationships.

16. What were your key take-aways from NCTA's recent State of Technology conference? Any surprises from that conference?

I really enjoyed Lara Wise's focus on how digital communications influences customer retention. [David McQueeney's](#) [VP of Software for IBM Research] presentation on [Watson](#) was amazing. What that IBM team accomplished is remarkable.

17. You were named "Tarheel of the Week" by the *Raleigh News and Observer* for your political and community involvement. You're on the Board of Directors of Global Citizen Year and Carolina for Kibera, and involved on the Foundation Board at the UNC's School of Journalism and Mass Communications, and the Board of Advisors for the Broughton Capital Foundation. What drives your community involvement?

Winston Churchill said, "You make a living by what you get, you make a life what you give." I was really blessed to have two parents who live that phrase in their own service.

18. You lead 3 companies and numerous boards. You write books. You pontificate at conferences and on national TV news shows. How do you get it all done?

I'm really fortunate to work with an unbelievably dedicated team and I generally get a lot more credit than I deserve.



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19. You've appeared on national TV news shows on CNN, MSNBC, and Fox. What were your topics? Did you get butterflies or was it a rush?

I always enjoy the opportunity to talk about things I'm passionate about, so I doubt I would say it's butterflies as much as excitement.

At the State of Tech conference, Chad [*Burmeister of ON24*] mentioned a PBS report focusing on Obama's interest in Facebook. On those shows, I address recent hot topics that relate to the way social media is transforming political communication. For instance, the movement against FARC or the Facebook revolution against Gadhafi.

20. What are your personal interests?

Fortunately, one is digital media. I love what I do, which makes work very enjoyable for me. I like being outdoors – camping, hiking, running, cycling. I relax by reading, working out. I never wear headsets when I run, so I get to hear the birds chirp.

Zach Clayton is CEO of [Three Ships Media](#). You can reach him at 919-612-8319, Zach@ThreeShipsMedia.com, and read zacharyclayton.com to get more of his insights in new media, digital marketing, and company growth.

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