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View from the Top - Shantanu Narayen, chief executive of Adobe   Print

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Shantanu Narayen, aged 45, is modest about his personal accomplishments - which include holding five patents - but passionate about technology, Silicon Valley and Adobe, the $3.6bn-a-year desktop software pioneer he now leads as chief executive.

Before joining Adobe in 1998, Mr Narayen, an electronics engineer from Hyderabad, India, who loves golf and his two sandy-coloured Labrador dogs, worked at Silicon Graphics and Apple, and co-founded Pictra, an early pioneer of digital photo-sharing over the internet.

As Adobe's president and chief operating officer until he took over the chief executive's job in December 2007, he helped spearhead the $3.4bn acquisition of Macromedia, a deal that expanded Adobe's software portfolio and strengthened the company's presence in key markets ranging from enterprises and vertical industries to mobile devices and multimedia publishing.

In a video interview with the Financial Times this week, he discussed the impact of the recession on Silicon Valley, Adobe's strategy for its Flash technology, and cloud computing. Edited highlights appear below.

What impact is the economic crisis having on Silicon Valley and on the technology sector? Do you worry about what impact it might have on innovation in the economy?

Most companies have certainly seen a reduction in revenue and that has had an impact. Most then have to think about what they want to focus on and what it means in terms of their long-term strategic thinking.

I hope the crisis won't affect innovation. From our perspective we look at this and say it is such a great opportunity because the strong companies are going to get stronger. It has been a great galvanising opportunity within the company to focus on what we think is really important.

What about the impact of belt tightening on Adobe's culture, which has always been known for taking care of its workers?

Yes, we had a painful task of doing a restructuring in November. We decided as a management team that we really wanted to be transparent with our employees, we wanted to be in front of them and we outlined the measures we were taking. But, more importantly, we talked about the vision we still had for ourselves as a company to get people focused on the future and the vision we had for ourselves. And people responded magnificently.

Will your ability to recruit the best and the brightest young people be improved by this crisis?

There is no question that the ability to recruit right now is at its best because the number of jobs that exist in the Valley [isn't] that high. We have also done a really good job of hiring straight out of college. We love to hire scary, smart young people who don't know what they don't know sometimes.

What about salaries? Can you pay people a little less than you did?

What we did at Adobe this year was to not do a salary increase. And that was pretty consistent with most companies in the Valley. But to us it's a little less about not paying people more salaries, it's really about attracting and retaining the best.

Do you think the iPhone and other cell phones have been quick enough to adopt Flash?

Well, we'd love to see the adoption quicker. We will ship more than 1bn devices that have Flash on them. But one thing we have done is really had a lot more focus on our strategy for smartphones.

What about the competition between Flash and Microsoft, in particular Microsoft's Silverlight?

Adobe has done a fantastic job of changing how video is viewed on the web. About 80 per cent of the video you see on the web today is actually in Flash. Our big customers include the NBA, the NFL - and Major League Baseball just moved to Flash in time for the opening season - and the BBC. So, we continue to think we're innovating at a pace that is greater than the competition and that is what we have to do.

What about cloud computing? How much of a challenge does that pose to you and to the space you work in?

We believe the real opportunity we have is what we call hybrid applications - applications that combine the power of the desktop and the connectivity of the web. And we have been talking about that. We have a great platform in Flash and Air that enables developers to build applications that take advantage of these trends. And I think the entire industry is moving towards recognising that it is not just about having computing on the cloud, but it is also taking advantage of local resources. So we think cloud is an essential part of computing moving forward, but it's not the only part.

What are the most interesting new developments in the ways people use technology around the world? What is the most exciting thing on the horizon?

I just think it's ubiquitous computing. Wherever you are, you just want access to the information and [this] introduces a whole host of new possibilities. I would also highlight collaborative computing because computing has changed from a very individual activity to a very social activity.

What about pure technology developments? Is there a particular technology you're most excited about?

Video is still such a nascent opportunity in terms of how it can be viewed on the web, so that is an area we have been focused on a fair amount.

Paul Taylor and Chrystia Freeland

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