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Workday Billionaire ‘Bored Silly’ of Retirement Chases a Third IPO

Dave Duffield hopes to complete an IPO hat trick with Ridgeline, which aims to replicate his success in HR software for the financial services industry.

by [Biz Carson](#)
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Dave Duffield keeps trying, and failing, to retire.

At 84, the billionaire co-founder of HR software firms PeopleSoft Inc. and Workday Inc. is building another startup after he became “bored silly” each time he stopped working.

“I tried to make model airplanes and failed, rocked away on the back porch, sort of failed at that too,” Duffield said with a laugh from his new company’s office on the shore of Lake Tahoe in Incline Village, Nevada. He also played “hours and hours” of FreeCell, an online version of solitaire.

Duffield doesn’t do anything by half measures. His restless and competitive spirit drove him to start six companies, including two that he took public. He has 10 kids, two foundations and a net worth of \$15.4 billion, according to the Bloomberg Billionaires Index. And those FreeCell games? He was one of the top players in the world, said his daughter Amy Zeifang.

“Maybe he played FreeCell, but he played to win it and be the best,” she said.

Now Duffield is aiming for a new milestone: completing a rare IPO hat trick and taking a third (and he claims last) company public. His latest gambit is Ridgeline, a cloud-based platform for the investment-management industry that aims to bring everything from trading to accounting to compliance under one umbrella.

Since starting Ridgeline in 2017, he’s invested about \$400 million of his own money into the venture. It now has a dozen customers and is



Dave Duffield Photographer: Emily Najera/Bloomberg



The Ridgeline office in Incline Village, Nevada, complete with a ping-pong table for midday break sessions. Photographer: Emily Najera/Bloomberg

doubling that as it adds additional clients including Allen & Co., the New York investment bank. It's eyeing an initial public offering in the next few years as it targets \$1 trillion of assets on the platform and a revenue run rate of \$150 million. It currently has over \$200 billion committed to the platform; Ridgeline wouldn't disclose its revenue.

First he'll have to prove that his affable personality and trademark corporate culture – based on the idea that happy employees make for happy customers – can work in the cutthroat financial services industry.

Worst Moment

PeopleSoft was Duffield's big breakout company when it went public in 1992, but not his first. A Cornell University graduate who grew up in Ho-Ho-Kus, New Jersey, Duffield began his career as a systems engineer at IBM. He left four years later to start his first company, which designed software for scheduling college exams, before moving to Silicon Valley in the early 1970s. There he embarked on his next two ventures, both focused on human resources and payroll.

A management clash led Duffield to sell his stock in his third company, mortgage his house and start PeopleSoft in 1987. He endeared himself to his employees by pioneering Silicon Valley's fun office culture, from casual attire to a corporate band called the Raving Daves.

That sense of a personal relationship with his workers made it even harder on Duffield when Larry Ellison's Oracle Corp. approached with a hostile takeover offer in 2003. PeopleSoft's board fired its chief executive officer and asked Duffield – who was retired for the first time – to return and lead it through a bitter fight that ended with a \$10.3 billion deal in December 2004.

A month later, Oracle cut 5,000 of PeopleSoft's 11,000 employees, a turning point in Duffield's career that he's called the worst moment of his life.

He was "exhausted" but rather than easing back into retirement, he went to meet his former co-worker Aneel



Mike Duffield, from left, and Dave Duffield on IPO day with Workday co-founder Aneel Bhusri. Photographer: Jon Ruggiero/Ridgeline

Bhusri at a diner on the California side of Lake Tahoe. Inspired by what Marc Benioff was doing with Salesforce Inc. and the cloud, they started Workday in 2005 – risking the wrath of PeopleSoft's new owner, who suddenly faced fresh competition.

"I give Larry credit for not suing us, because that would have been a very easy thing to do," Duffield said. "If nothing else, he could have slowed us down or forced us out of business, but he didn't."

Oracle didn't respond to a request for comment.

Ellison's hall pass gave Workday the room to grow into a \$64 billion company, where Duffield remains the largest individual shareholder with a \$10.6 billion stake, according to Bloomberg's wealth index. He brought his "happy customer, happy employee" approach to his new venture and bought shares of every one of its publicly traded customers – what he called the Workday 100. (He claims it outperformed the Dow Jones Industrial Average.)

"We didn't go overboard trying to be profitable," he said. "We earned our profitability from having our employees be happy working hard, loving what they do, and our customers loving what we did for them, and telling others about us."

Duffield decided to retire as Workday's co-CEO in 2014. He and his wife had adopted their 10th and last child, and he wanted to return to Incline Village so their daughter could go to the school that he helped start in the community. But, despite remaining on the Workday board until 2022, he found himself bored once again.

"FreeCell wasn't as prominent, but still prominent," he joked.

Third Act

To no one's surprise, Duffield decided to go back to work. He enlisted Jack Lynch, a former IBM employee who he met at a hotel bar in Hawaii, to brainstorm ideas. The leading contender: to challenge the dominance of health-care software firm Epic Systems Corp. with a new billing tool.

That was promptly scrapped in a pitch meeting with Allen & Co. managing directors Ashok Chachra and George Tenet, the former director of the Central Intelligence Agency.

"Ashok literally gets up and says something to the effect of, 'That is total bullshit. That is the worst thing you could ever do,'" Duffield said.

Chachra later admitted he "was really blunt," telling them that it was already a crowded field and would take years just to catch up technologically to where Epic and others were. It

wasn't a fitting capstone for Duffield's career, he said.

Asked what he would do instead, Chachra outlined an investment industry solution with trading, accounting and customer relationship management all built into one platform. The idea was that at every level, from the average American household to institutional investors, there's no system of record that provides full transparency and accountability in one place.

And if Duffield built it, Chachra told him Allen & Co. would be his first customer. In fact, it became Ridgeline's 11th, with Tenet joining the startup's board in 2021.

Peter Heckmann, an analyst at DA Davidson, sees an opportunity for Ridgeline to get to hundreds of millions of dollars in revenue. The investment management industry is lagging technologically but starting to see a few breakthrough startups challenging large incumbents like SS&C Advent, Heckmann said. He pointed to Clearwater Analytics Holdings Inc., a competitor that's more focused on the insurance industry, which reported revenue of \$368 million last year.

Duffield's son Mike, who oversees sales for Ridgeline, thinks his dad ultimately found the right niche in an industry with pent-up demand for better technology. However, he acknowledged it's been challenging to convince investment firms to make the leap.

"It's open-heart surgery on their business systems and no one wants to run towards that," said Mike Duffield, 54, who previously worked for his father at PeopleSoft and Workday. "But ultimately, it's better for them long term."

To convince them, Duffield turned to Dave Blair, a 28-year veteran of SS&C Advent who brought the industry knowledge to Duffield's vision. In May, Blair completed a multiyear transition to become sole CEO. Duffield will remain the company's chairman.

Blair, 57, said there's tremendous pressure to get it right when dealing with trades or money transfers. Add in new artificial-intelligence features,



Dave Blair and Dave Duffield. Photographer: Emily Najera/Bloomberg

which Ridgeline is currently building, and the skepticism – and potential payoff – increase.

After some early missteps, starting with investors whose portfolios were too niche and complicated, Ridgeline now supports a half-dozen asset classes from equities and ETFs to bonds. It currently has 400 employees and has opened additional offices in New York, the San Francisco Bay area and Reno, Nevada, as it races to \$1 trillion in assets on the platform.

"If we add one basis point of efficiency, that's \$100 million that goes

back to the end investor," Blair said. "So that efficiency – and I think we can do a lot better than one basis point – really gives us purpose."

Next Steps

Even though Duffield has once again handed over his CEO title, he claims he's too busy with the company, his philanthropy and his family to be bored. His youngest daughter just entered high school, he has a weekly meeting with Blair and a monthly meeting with the headmaster of Lake Tahoe School, which he helped start

and has donated over \$25 million to. His truck – appropriately, a Honda Ridgeline – is still a fixture outside Ridgeline’s Incline Village office.

What won’t be a focus is politics, despite a \$1 million donation to Donald Trump in 2020.

“I’m not sure I would have done that again, because at the time, it was negative for Workday that I did that, and I’m the last guy that wants to hurt Workday,” he said. “I would rather spend my time helping create worth, in this case, Ridgeline, for the benefit of the people that come after me.”

Duffield’s charity work is embarking on its next chapter, too. His Maddie’s Fund foundation, which was pivotal in leading the no-kill shelter movement and best-in-class practices for animal shelters, is now working with owners to keep animals out of shelters in the first place.

The Dave & Cheryl Duffield Foundation also has a new moonshot philanthropic goal: helping solve post-traumatic stress disorder in veterans. Duffield and his wife, along with a local developer, are building out a 27-acre site in Reno for Liberty Dogs, a new foundation that will pair 200 disabled veterans a year with service dogs.

His foundations will inherit his wealth when he and his wife die, and



Liberty Dogs’ 27-acre site in Reno, Nevada, under construction. Photographer: Emily Najera/Bloomberg

his children say they will continue to honor his wishes in their work. Reflecting on their dad’s legacy, his children Amy and Mike point to what he’s created for other people, from employees at his startups to his barber, an early investor in PeopleSoft.

On a Friday in August, Duffield and his wife sat down for dinner at a

local restaurant they co-own. His net worth had risen \$1.2 billion that day as Workday shares jumped 12% following a positive earnings report. When he walked in, the restaurant owner came over and excitedly told him that he’d made \$17,000 that day having invested in the company too. Dinner, it would turn out, was on the house.

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