

vmware®

Customer Advocacy



2014 Annual Report



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Vice President, Customer Advocacy



VMware Customer Advocacy Highlights

2014 was an exciting year at VMware. In looking back at what the Customer Advocacy team accomplished over the past twelve months, the common thread is our company values.

These values are represented by **EPIC₂**, which encourages collaborative **execution**, a **passion** for excellence, **integrity** in all that we do, helping our **customers** succeed, and **community** service. In the spirit of customer success, the VMware Customer Advocacy team focused on our mission to “create experiences and solutions our customers and partners love.”

In 2014, we listened closely to our customers, partners, and employees in many different ways. The insights we gained guided our leadership and stakeholders across the company and helped us to prioritize programs that will make the biggest difference for our customers. Everything we do is focused on our ultimate vision to “have our customers and partners recommend VMware above all others.”

Listening is meaningless without action. That’s why we at VMware have prioritized our improvement efforts and resources based on what our customers tell us. For 2014, we rallied around a number of product improvement initiatives, continued to clarify our corporate strategy and product direction, and cultivated deeper customer relationships. Ultimately, we want to bring value to everyone we serve.

The cornerstone of our team culture is integrity, supported by the pursuit of excellence, personal accountability, and personal discipline. Our behavior and passion for our customers is contagious. We want nothing less than to inspire every VMware employee to be a customer advocate, acting in a way that matches our **EPIC₂** values.

As we look towards 2015, I’m confident that we will continue this customer-centric focus and make the customer experience even better. I’m humbled by the capabilities of this team, and it’s a privilege to support them. From where I sit, VMware’s commitment to the success of our partners and customers is one worth celebrating.

I hope you’ll continue to **let us know how we’re doing in the months ahead.**

Best regards,



Insights

Gathering feedback isn't just a checklist item for VMware — it's a fundamental requirement to run our business. Insights from our customers, partners, and employees enable us to pinpoint our strengths and, more importantly, acknowledge our weaknesses. This awareness forms the first step toward improvement.

Listening is in our DNA

Everything you tell us is shared with audiences across VMware. We take listening seriously. Here's how:

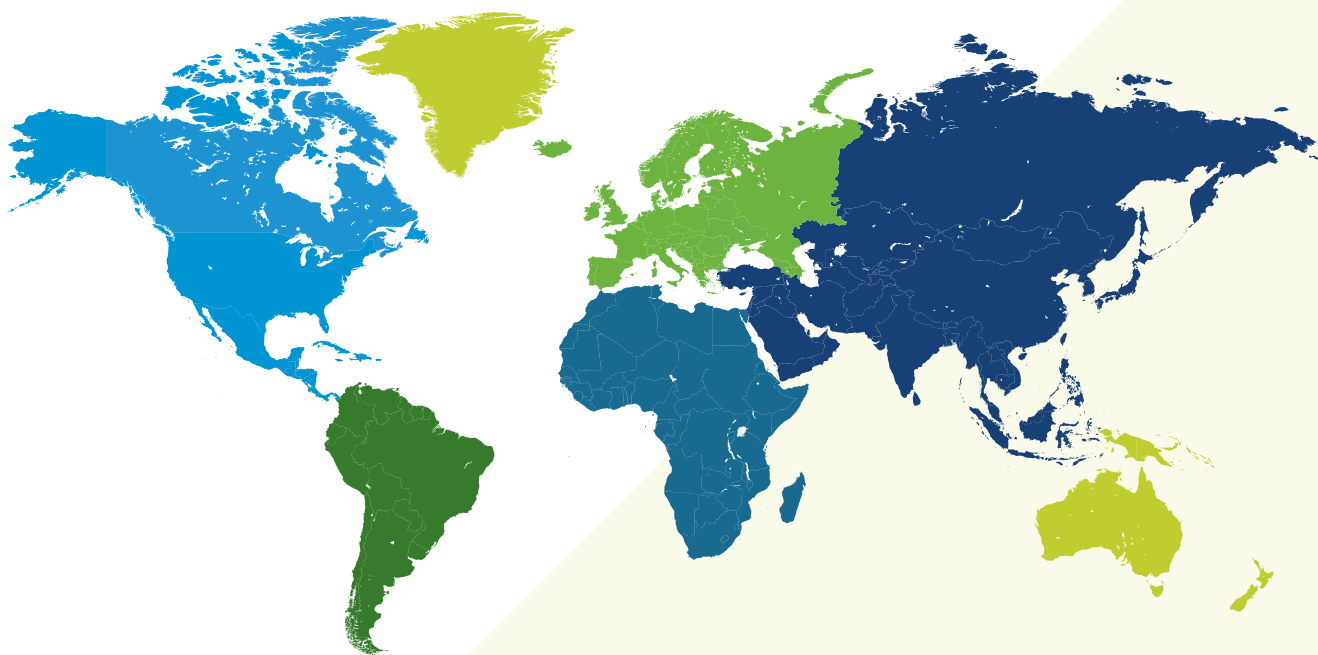
- **Surveys.** Your assessment of our overall relationship, along with surveys at key moments, allows us to capture key metrics and identify opportunities for improvement.
- **In-Person & Telephone Interviews.** Meeting regularly with customers and partners — in person and via telephone — is a high point for us. Hearing from you directly gives us rich detail that completes the picture.
- **Workshops.** Collaborative working sessions with customers and partners allow us to dig deeply into particular areas, in order to better understand their needs.
- **Benchmarking.** Independent validation of our findings ensures accuracy, and helps us to stay ahead of industry norms.
- **Social Media.** Staying tuned-in to what is posted online is a rich source of “in the moment” feedback.

Listening is followed quickly by action. Your insights are shared with the rest of the company, allowing teams across VMware to champion customer-focused behavior.

Insights Highlights

- Increased specificity of research to provide more relevant, actionable recommendations.
- Captured feedback from 100,000 customer and partner individuals, in 11 languages, across more than 180 countries — more than 1M data points in total.
- Achieved balance — ensuring global representation from all regions & demographics.
- Represented your voice and your priorities to more VMware teams than ever before.

In 2014, we built on our learnings and increased our understanding of the areas we should focus on for improvement. As a result, our Customer Advocacy Engagement and Transformation teams were able to focus company investments in the areas that are most important to you.





Engagement

Our stakeholders are critical to our success. As we strive to provide a world-class experience, our team is focused on building advocates across the entire company, in every location around the world. To do this, our regional leaders communicate country-specific customer feedback and create region-specific action plans that meet the needs of local customers.

An empowered team

We advise and empower our teams on how to listen to customers and partners, and how to prioritize and facilitate change. It's important that we don't just act on what we think our customers and partners want, but on what they've told us they want. Our mission is to serve our customers more effectively, so that their enthusiasm for VMware continues to grow.

In 2014, our team accomplished the following goals and objectives:

- 1. Executive Workshops.** We collaborated with key stakeholders to identify our customers' and partners' unique needs and develop action plans.
- 2. Business Management Initiatives.** We engaged with our solution leaders to ensure that the voice of the customer is reflected in VMware's global strategy and product plans.
- 3. Resources and Initiatives.** We delivered the Field Resource Guide to our global teams to enable them in taking immediate action on pressing issues.
- 4. Process and Operational Improvement.** We worked with cross-functional teams across the company to eliminate road-blocks in addressing customer needs and to improve the partner experience.

Measuring the results

Our success isn't measured by our own standards — we look to others to tell us how we're doing. Here's what we've heard:

“Customer Advocacy did an outstanding job of managing and resolving a complex issue. You were always on point, extremely responsive...”

— VMware Account Manager

“In a critical licensing situation, Customer Advocacy helped us to find a fast, satisfying solution for all sides. Involving Customer Advocacy has improved our reputation.”

— VMware Strategic Account Manager



Discovery

Customer feedback is the tool we use to understand where we're doing great — and where we can do better. Conversations across the company focus on the challenges you've shared with us, and how we can meet them more effectively. You ultimately benefit as we work together to deliver improved solutions and experiences in interesting new ways.

Taking a look below the surface

We're on a mission to solve the right problems — and that takes strategic, organized discovery efforts. These are the three main components of our process:

- **Identify Patterns.** Customer experience trends tell us a lot. Your experiences reveal themes, such as systematic or emerging issues, and broken or missing processes that we can then fix.
- **Search for Causes.** Once we've identified patterns, we work to uncover the most prevalent issues and their root causes. Sometimes, we discover opportunities for improvement that no one knew were possible.
- **Build Solutions.** After we have a firm grasp on root causes, we share what we learned with the appropriate teams, develop recommendations, and create a plan of action.

Discovery is all about digging deeper, and learning more about you and the experiences you have with our company. With these fresh perspectives in hand, we can bring teams together and confidently take actions that will benefit everyone.



Transformation

Solving problems on your behalf is critical for us — and we also want to positively transform and evolve VMware to be progressively more customer-centric. From process changes to product usability, we take every opportunity to focus our priorities and resources on strategies that will make the biggest difference for our customers.

Scorecard: Measuring Business Outcomes

An in-depth analysis of customer feedback in 2014 enabled us to focus our efforts on what matters most to you. Company action plans were defined around the three primary drivers you identified:

1. Product Satisfaction 2. Strategy & Product Plans 3. Customer Engagement

To ensure that our efforts are productive, we defined initiatives across business teams to address your feedback and are measuring our execution and impact to allow us to course correct along the way.

SCORECARD FOCUS AREAS

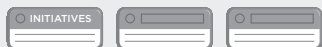
PRODUCT

Our Strategy: Execution

Our Focus Areas: Product Quality, Ease of Use/Upgrade, Value and Interoperability

We are actively working to:

- Continue delivering on the promise of product quality and innovation across all our offerings
- Improve usability across our products, with focus on ease of upgrade and interoperability



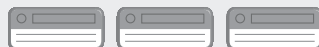
STRATEGY & PRODUCT PLANS

Our Strategy: Awareness, Clarity, and Alignment

Our Focus Areas: Transparency, Content, Enablement

We are actively working to:

- Communicate our strategy more broadly across our partner and customer base
- Drive awareness of and alignment with VMware strategy and solutions roadmap
- Incorporate customer input into our product and services roadmap planning process



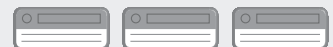
CUSTOMER ENGAGEMENT

Our Strategy: Understand and solve business problems

Our Focus Areas: Engagement, Product Adoption, ROI Tools

We are actively working to:

- Understand customers' business problems and recommend the right solutions
- Assist with product adoption and thereby help customers realize their value
- Make ROI tools more available to demonstrate the value of our products



HOW WE MEASURE SUCCESS

We measure the success of key initiatives with our Customer Experience Scorecard. We continue to gather feedback from our customers, partners, and employees to refine initiatives or adjust our approach based on what we learn.

Change is good

As a result of your input, we made the following transformations in 2014:

- **Product Satisfaction.** Product quality continues to be our top focus. We strive to deliver consistent high quality throughout all of our product and service offerings, and are focusing on usability and interoperability improvements. As an example, newly-launched Horizon View 6.0 included functionality enhancements and usability improvements based on your feedback. We are also working to address your feedback on our web client.
- **Strategy and Product Plans.** We are communicating company strategy with the requested consistency and providing greater clarity on our product plans. We recently posted new and improved product overview videos to VMware.com and YouTube to more broadly share our plans.
- **Customer Engagement.** Our teams around the planet have a renewed focus on improving their everyday interactions with you and better understanding your needs. We want to make sure you are getting the most value out of your VMware investments.

Walking in the shoes of our customers: a case study

Customer One is a VMware program that puts our own IT organization on the front lines. While we have always used our products internally, we have taken this effort to the extreme by formalizing product usability feedback channels to R&D, and acting as our “Customer One” to experience future install packages and upgrades first-hand, before general availability. We uncover potential issues — and fix them — before you have to.

Our corporate IT organization also helps to pre-validate the Beta experience. We download the same Beta bits from the Beta community sites as our customers would, and use the same support processes without any special treatment, from the same Global Support Services (GSS) channels as our customers. Our motto: Assume nothing.

Learn More



Experience

The experiences our customers and partners have with our online applications affects perceptions about VMware. Our mission is to create experiences that are memorable, gratifying, and productive. By getting to know our customers, partners, and internal business owners, we can better understand their needs and expectations.

Your input is our guide

Collaborative design sessions, surveys, usability studies, and more ensure a cohesive digital experience across all our online applications.

Highlights

- Executed over 15 UX Design & Research Projects
- Created 134 UX web and mobile patterns & stencils
- Completed 13,354 My VMware customer surveys
- Completed 9 user studies with more than 100 participants
- Delivered more than 1000 user experience improvements across all of our portal properties
- Served over 37 million customers through MyVMware.com with 4 new languages now supported (Japanese, Chinese, German and French)

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Thank You



2015 Customer Advocacy Priorities

Looking ahead to 2015, what matters most to you is what matters most to us:

- **Maintaining our commitment to product quality & ease of use**
- **Offering continued clarity and transparency around our company strategy and product plans**
- **Continuing to focus on improving our everyday interactions with you**

Listening to you, and reconciling company priorities based on your feedback, will continue to be our top priorities. Our work is always evolving — and we know there are always opportunities for improvement.

We're delighted that you participate so enthusiastically in our programs, and we encourage you to continue to voice your opinions to us. You are central to our plans.

Do you have feedback for us? **Please let us know.**

A Team That Truly Cares

This year, we officially made our customer focus one of our 5 Core Company Values. Other efforts we made to create a more customer-centric culture across the entire company included:

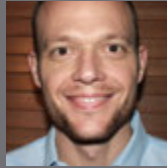
- **Personal Follow-Up.** One-on-one talks with customers and partners helped us to better understand their needs, and address any concerns they might have.
- **Insight Sharing.** Passing on insights, response actions, and success stories more across the organization kept everyone in the loop.
- **Learning From You.** Employees in varying roles worked to review, categorize, and better understand over 10,000 verbatim responses from our customer relationship survey and took action as a result of your feedback.
- **Employee Recognition.** Employees who were noted by our customers or partners for exemplary work or excellence in customer relationships were recognized.
- **Peer Recognition.** When employees noted peers who had delivered noteworthy customer experiences, we shared that news.
- **Partner Acknowledgement.** One of our business partners was a truly outstanding user experience advocate — and we made sure to recognize them.



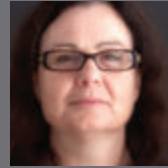
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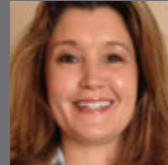
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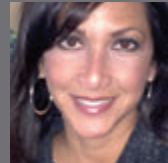
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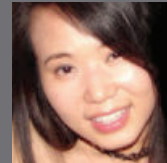
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