

Partner Professional Services Alignment for Customers

About VMware:

VMware, a global leader in cloud infrastructure and digital workspace technology, accelerates digital transformation by enabling unprecedented freedom and flexibility in how our customers build and evolve IT environments. With VMware solutions, organizations are improving business agility by modernizing data centers and integrating public clouds, driving innovation with modern apps, creating exceptional experiences by empowering the digital workspace, and safeguarding customer trust by transforming security. VMware was founded in 1998 and serves around 500,000 customers with offices in more than 100 countries and Headquartered in Palo Alto, California.

Executive Summary:

Deployment of VMware solutions at Customer locations are fulfilled through VMware and its eligible Partners through their Professional Services. It was identified that the expertise of some Partner Professional Services (PPS) was not adequate to ensure positive customer experience, and there was a lack of differentiation amongst Partners to deliver professional services. To improve the customer experience with Partner Professional Services, VMware launched Master Services Competency (MSC) program. The MSC program is open to any Partner, and requires Partners to attend advanced, solution specific certification programs to build expertise to offer professional services to VMware customers. The MSC program differentiates Partner capability to deploy VMware solutions at VMware customer sites.

Launching MSC program resulted in discerning improvements in the customer experience and tangible benefits for every stakeholder in the ecosystem – Customers, VMware and Channel Partners. Below are a few highlights after 6 months of launching MSC:

Customer Experience Improvements	<ul style="list-style-type: none">• 691 customer references recommending Partners Professional Services• High customer satisfaction, NPS (Net Promoter Score) of 6.29/7
Channel Partner Benefits	<ul style="list-style-type: none">• 148 Partners achieved MSC certification, exceeded the initial target of 100• 740 Partner associates gained competency to deploy VMware Solutions
VMware Benefits	<ul style="list-style-type: none">• 28% increase in eligible Partners to provide Professional Services to VMware customer• ~\$250K incremental revenue through the MSC certification program

Strategic Objective of the Project

VMware customers need professional services in deploying VMware solutions. This demand cannot be met by VMware Professional Services alone, and hence VMware uses Partners' Professional Services to deploy VMware products at customer site. However, there are only 300 partners (less than 0.5% of VMware partners) that are eligible to provide professional/consulting services to over 500,000 customers. Further customer experience with Partners' Professional Services was below par due to lack of partner expertise in deploying VMware solutions. This is one of the priority focus area for VMware to improve, in support of our corporate goal of reaching \$10 billion revenues by 2020.

Below areas were identified to address with the current Partner Professional Services Program (PPSP):

- VMware PPSP was structured in a dated Tiering model (Professional/ Enterprise/ Premier) that lacked alignment to solutions offerings from VMware like Data Center Modernization, Network Virtualization and Cloud Management

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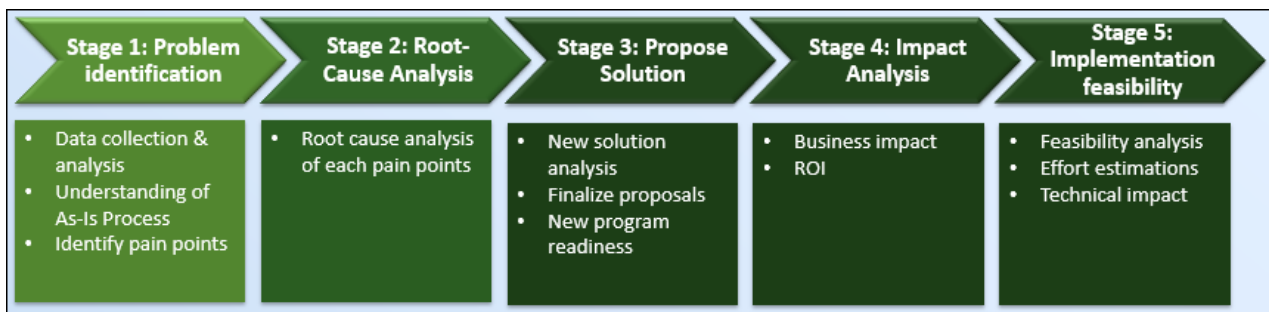
- The adoption of the program by the Partners was low due to lack of relevant trainings to build Partner competency around specific VMware solution offering. Only 300 Partners were enrolled for PPSP (less than 1% of total Partners).
- Partner Professional Services competency was not adequately recognized amongst customers as partners were ineffective in communicating their unique capabilities to the customers

The goal of this project was to improve VMware customer experience by revamping PPSP.

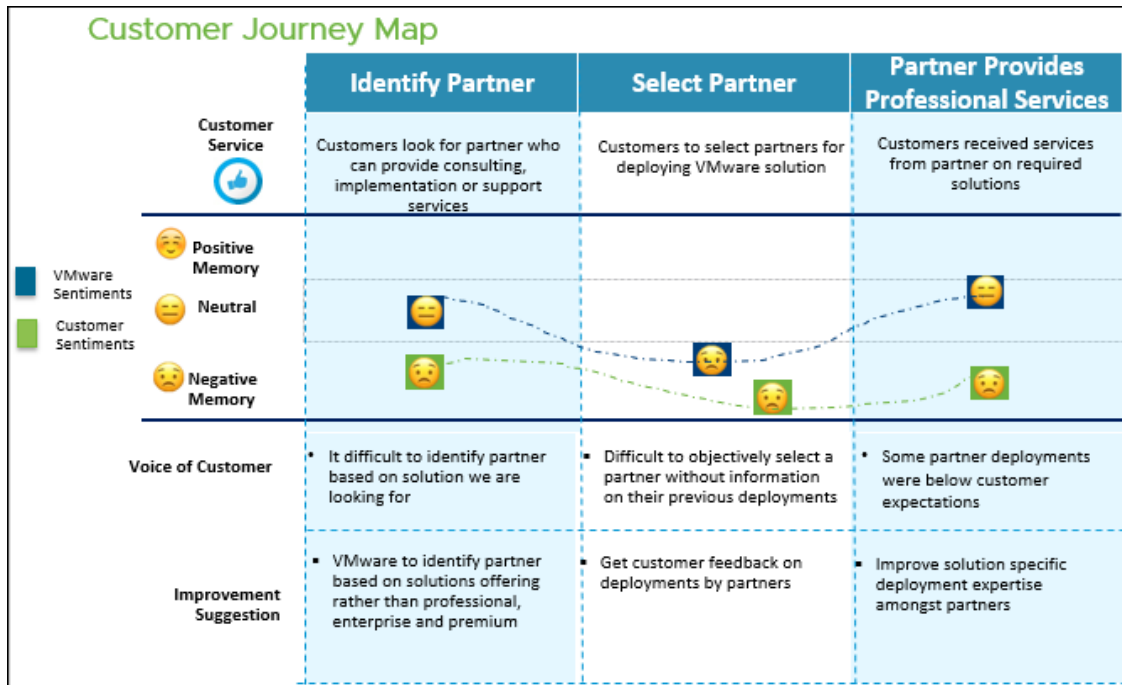
Project Approach

The project had a strong core team with couple of six sigma certified belt resources, multiple process experts from partner program management team, couple of change management professionals along with IT development team. This project was directly sponsored by Senior Executive of the World-Wide Partner Program Management organization of VMware with strong support from key stakeholder groups. The project was seen as critical to bring value to customer and VMware partner ecosystem.

A team followed the below structured approach to project execution and facilitated multiple workshops with key subject matter experts in attendance.



Core team conducted “5 Why” analysis and mapped the Customer Journey to determine the root cause of customer dissatisfaction and concluded on the factors listed earlier.



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The workshops led to a recommendation to launch a certification program, Master Services Competency (MSC), to qualify Partners to provide solution specific professional services to the VMware customers. Below are the key areas implemented in the MSC program:

- New program architecture recognizes Partner capability in a given solution area removing the tier structure and replacing it with industry standard competency structure
- MSC issues badges indicating competency in VMware solution areas, so that customers can easily identify Partners with MSC badges
- Leverages a model that is structurally consistent with other vendor's professional services, and easily understandable by the customers

Key Challenges of the Project

There were two major challenges in the project

- Change Management
- Program Sustainability

Change Management: The new program was impacting almost 75,000 VMware partners along with 12 different internal business teams. The project formed two change management teams to manage external and internal change management activities. External change management team was focused on partner facing communication, while the internal change management team handled all the change activities within VMware.

Among the key change management activities were:

<ul style="list-style-type: none">• New Program Impact Analysis• Internal Team Readiness• External Partner Readiness• Change and Communication Plan• Digital Training and e-Learning• Partner Support and Monitoring	300 Partners impacted "due to sunset"	12 Business Team internally impacted
	75,000 Eligible partners touched by various channels	6 Channels used for communication

Program Sustainability: To monitor Partner Professional Services to customers and quality of their deliverables. the project team implemented a control mechanism described below:

- **Partner Competency Validation** – Re-certification in regular interval
- **Partner Adoption** – Track partner adoption, expecting 100 new partners certified every year
- **Customer Validation** – Partner to submit new Customer Reference to maintain the MSC badge. To achieve MSC partner is required to submit 3 Customer References. Customer Reference expires in 3 years
- **Customer Feedback** – Customer survey is taken in every reference submitted by Partners. Customer approves the reference and provides feedback on the Partner Professional Services

Organizational Impacts and Business Benefits

This project was a major success with ROI reaching 3-fold within 8 months of launch (through revenues from partner certification with the project implementation cost just being \$75K). There was a significant capability improvement amongst partners to provide professional services and number of partners eligible to provide such services increased by 28%. This project directly increased our customer experience through partners, resulting in indirect increase in sales with successful solution deployments at customer locations.

Here are few of the big wins resulting from the MSC program:

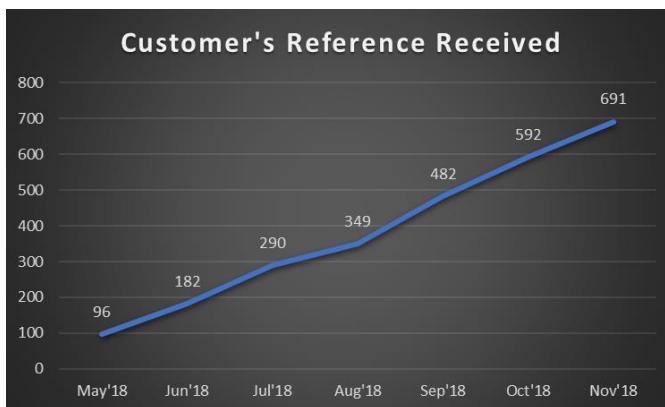
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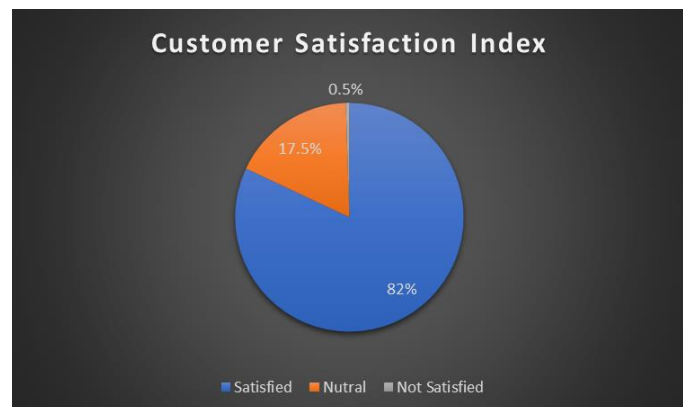
148 authorized MSC partners against a target of 100 partners within 7 months of launch along with continuous increase in partner adoption



740 Partner associates gained competency through training & certification program to deploy VMware Solutions



VMware is continuously receiving Customer Reference from partners for their professional services delivered at customer location, that strongly reinforces program sustenance



82% customers are satisfied with the partner professional services (251 customers responded to survey)