2016 North American End User Computing Visionary Innovation Leadership Award
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Background and Company Performance

Industry Challenges

Enterprises increasingly have to provide connectivity to mobile employees as they conduct business with desktops, laptops, tablets, and smartphones. The proliferation of data-centric mobile devices in the post-PC era makes it imperative to support a multitude of form factors and operating systems to serve today’s evolving business environment. While there is an abundance of ‘point’ solutions in this industry, consumer-driven technologies have driven the need for integrated solutions that can help organizations address requirements, not only for company issued devices, but also employee owned devices. Therefore, a unified endpoint management strategy is critical to help enterprises manage the full spectrum of virtualization, mobility management, and content collaboration needs. Leveraging the appropriate backend infrastructure to support the computing, storage, and networking requirements of such implementations is an essential requirement. Frost & Sullivan encourages vendors that aspire to execute a successful unified endpoint management strategy to focus on the following concepts:

• Deliver an identity-based contextual experience in a device and application agnostic manner across corporate-labile and personally-labile devices

• Offer enterprise-ready mobile application collaboration capabilities, and cloud services for virtual, cloud, or physical endpoints and applications

• Offer unified enterprise application and device management, including complete lifecycle management capabilities

• Ensure support for Internet-of-Things (IoT) endpoints, including personal wearables, in the enterprise

• Deliver tangible return on investment (ROI) for integrated, unified endpoint management solutions

Other challenges in the end user computing (EUC) market include:

1) Clearly outlining the utility and benefits of different types of business mobility implementations;

2) Reducing the cost and complexity in implementing and managing unified endpoint management solutions;

3) Delivering optimized virtualized experiences for mobile form factors with touchscreen capabilities;

4) Delivering efficient options for enterprises to manage their multi-cloud deployments; and;

5) Ensuring a satisfactory end user experience with various remote access technologies.

Frost & Sullivan believes providers with a tightly integrated set of enterprise mobility management (EMM) and traditional client management functions for unified endpoint management are best positioned to in the rapidly evolving EUC market.
Focus on the Future and Best Practices Implementation

VMware is a leader in cloud infrastructure and business mobility. The VMware Workspace™ ONE™ is a secure and comprehensive enterprise platform that delivers and manages any app on any smartphone, tablet, or laptop. An evolution of the VMware Workspace Suite, Workspace ONE integrates VMware Identity Manager, AirWatch Enterprise Mobility Management Suite, and VMware Horizon Air products to speed the deployment and adoption of digital workspaces. The following highlights key VMware initiatives for EUC.

Focus on the Future

Workspace ONE includes use-case centric editions that let organizations mix and match various capabilities to meet organizational IT requirements. While the standalone products on which the Workspace ONE platform is based (VMware Identity Manager, AirWatch Enterprise Mobility Management Suite, and Horizon Air) remain available, many features are specific to the new Workspace ONE product and are designed specifically to address the emerging communication requirements of enterprises. These include:

- A true BYO-anything (Bring-Your-Own-Anything) capability that gives employees flexibility and device choice while securing corporate data;
- A unified enterprise app store with seamless single sign-on across Windows apps, SaaS/Web apps, and native mobile apps;
- Comprehensive Windows 10 management and deployment in the enterprise including real time Windows apps delivery;
- The ability to federate between existing on-premises Active Directory and Microsoft Azure Active Directory to accelerate Office 365 deployments;
- Day zero support on mobile as well as desktop operating systems including iOS, Android, Mac OS, Chrome OS, Windows OS, and others, and;
- Support for IoT endpoint management. These capabilities allow organizations to manage all endpoints in a single solution, and support any use case in a modern management framework.

VMware continues to accelerate the pace of innovation to deliver greater value to customers. For example, VMware products work alongside the VMware software defined data center (SDDC), which provides the storage, compute, networking virtualization, and management offerings in a unified hybrid cloud for efficient delivery and management of enterprise applications regardless of where they reside (public, private, or managed cloud). The benefits of the SDDC for enterprises include:
• Higher availability and utilization;
• Lower cost and unlimited scalability;
• Greater speed in developing applications and provisioning technology services and;
• The agility to reconfigure and repurpose infrastructure as business needs evolve.

As IT spending continues to increase for private cloud, a unifying SDDC approach allows enterprises to successfully manage an ever-changing pool of internal and external IT resources.

**Best Practices Implementation**

In the absence of integrated enterprise IT platforms, enterprises have been forced to deploy silo’d endpoint management products from different vendors, which leads to technical complexity and cost disadvantages. VMware has successfully addressed this important industry challenge by integrating the core building blocks in a seamless manner to become a single-source provider of connectivity, collaboration, and compute requirements of enterprises. The company continues to aggressively invest in new product enhancements to support its long-term growth strategy and has ensured that all customers – regardless of their size or location – get the same level of high quality service and support experience. For example, the Workspace ONE platform builds on the Workspace Suite, and offers innovations that are not available in the individual products included in the Workspace Suite.

The Company is expected to introduce additional products that make it easy for enterprises to generate higher business efficiencies through strategic IT deployments. Examples of such initiatives include a solutions and services approach (versus a software-only approach), and a continuous focus on solidifying its leadership for its ‘mobile cloud’ by implementing solutions for transformed economics and simplicity.

VMware has developed an impressive partner ecosystem. Its many referral, reseller, and technology vendor partners continue to leverage VMware solutions to deliver device, application and content management solutions to their customer base. The company has a dedicated team to make sure each partner is connected, empowered, and supported right from the start which is important from a competitive strategy execution standpoint. Overall, the company’s product initiatives, personnel strategy, and approach to product distribution and ecosystem enhancement are aligned to enable IT to “deliver work at the speed of life”.

**Competitive Assessment**

VMWare competitors have seen good traction for their products in client virtualization software and enterprise mobility management markets. However, they generally lack a
comparable set of data center technologies, unified identity management products, and most importantly, a single management plane to support enterprise IT use cases in a modern management framework. With Workspace ONE, Frost & Sullivan believes VMware has significantly raised the bar in next-generation unified EUC market and is expected to consolidate its position as the leading provider of secure, scalable, and flexible endpoint management solutions.

VMware’s solutions are increasingly being used by enterprises to replace competing products (often because a product feature or a capability is missing from the competing products), which speaks to the strength of VMware’s product line. Its solutions can also integrate with competing vendors’ products, and help to enhance the value of the overall solution of which VMware product are a part of. A mobile-cloud vision, the innovative desktop/apps portfolio, global leadership in EMM, the power of the VMware SDDC and NSX network virtualization products, and industry leading talent are key reasons for the continued success of VMware’s EUC business. It is no coincidence that customer feedback indicates a high-level of satisfaction with VMware’s deployments. Ultimately, there will be room for more than one winner in the EUC markets, but Frost & Sullivan strongly believes that VMware will continue to remain a market leader.

**Conclusion**

Unified endpoint management is the most prominent need in today’s EUC market. By successfully addressing this critical industry requirement with Workspace ONE, VMware has raised the bar once again in the EUC market. Frost & Sullivan believes that VMware is in an ideal position to help its customers execute on their next-generation business mobility strategies. Based on this analysis, Frost & Sullivan is pleased to recognize VMware with the 2016 Visionary Innovation Leadership Award in the End User Computing Market.
Significance of Visionary Innovation Leadership

A visionary innovation leadership position enables a market participant to deliver highly competitive products and solutions that transform the way individuals and businesses perform their daily activities. Such products and solutions set new, long-lasting trends in how technologies are deployed and consumed by businesses and end users. Most important, they deliver unique and differentiated benefits that can greatly improve business performance as well as individuals’ work and personal lives. These improvements are measured by customer demand, brand strength, and competitive positioning.

Understanding Visionary Innovation Leadership

Visionary Innovation is the ability to innovate today in the light of perceived changes and opportunities that will arise from Mega Trends in the future. It is the ability to scout and detect unmet (and as yet undefined) needs and proactively address them with disruptive solutions that cater to new and unique customers, lifestyles, technologies, and markets. At the heart of visionary innovation is a deep understanding of the implications and global
ramifications of Mega Trends, leading to correct identification and ultimate capture of niche and white-space market opportunities in the future.

**Key Benchmarking Criteria**

For the Visionary Innovation Leadership Award, Frost & Sullivan analysts independently evaluated two key factors—Focus on the Future and Best Practices Implementation—according to the criteria identified below.

**Focus on the Future**
- Criterion 1: Focus on Unmet Needs
- Criterion 2: Visionary Scenarios through Mega Trends
- Criterion 3: Growth Pipeline
- Criterion 4: Blue Ocean Strategy
- Criterion 5: Growth Performance

**Best Practices Implementation**
- Criterion 1: Vision Alignment
- Criterion 2: Process Design
- Criterion 3: Operational Efficiency
- Criterion 4: Technological Sophistication
- Criterion 5: Company Culture

**Best Practice Award Analysis for VMware**

**Decision Support Scorecard**

To support its evaluation of best practices across multiple business performance categories, Frost & Sullivan employs a customized Decision Support Scorecard. This tool allows our research and consulting teams to objectively analyze performance, according to the key benchmarking criteria listed in the previous section, and to assign ratings on that basis. The tool follows a 10-point scale that allows for nuances in performance evaluation; ratings guidelines are illustrated below.

**RATINGS GUIDELINES**

The Decision Support Scorecard is organized by Focus on the Future and Best Practices Implementation (i.e., the overarching categories for all 10 benchmarking criteria; the definitions for each criteria are provided beneath the scorecard). The research team confirms the veracity of this weighted scorecard through sensitivity analysis, which
confirms that small changes to the ratings for a specific criterion do not lead to a significant change in the overall relative rankings of the companies.

The results of this analysis are shown below. To remain unbiased and to protect the interests of all organizations reviewed, we have chosen to refer to the other key players as Competitor 2 and Competitor 3.

**DECISION SUPPORT SCORECARD FOR VISIONARY INNOVATION LEADERSHIP AWARD**

<table>
<thead>
<tr>
<th>Measurement of 1–10 (1 = poor; 10 = excellent)</th>
<th>Visionary Innovation Leadership</th>
<th>Focus on the Future</th>
<th>Best Practices Implementation</th>
<th>Average Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>VMware</td>
<td></td>
<td>9.5</td>
<td>9.5</td>
<td>9.50</td>
</tr>
<tr>
<td>Competitor 2</td>
<td></td>
<td>8.5</td>
<td>8.5</td>
<td>8.50</td>
</tr>
<tr>
<td>Competitor 3</td>
<td></td>
<td>8.5</td>
<td>8.0</td>
<td>8.25</td>
</tr>
</tbody>
</table>

**Focus on the Future**

**Criterion 1: Focus on Unmet Needs**  
Requirement: Implementing a robust process to continuously unearth customers’ unmet or under-served needs, and creating the products or solutions to address them effectively

**Criterion 2: Visionary Scenarios through Mega Trends**  
Requirement: Incorporating long-range, macro-level scenarios into the innovation strategy, thereby enabling “first to market” growth opportunities solutions

**Criterion 4: Growth Pipeline**  
Requirement: Best-in-class process to continuously identify and prioritize future growth opportunities leveraging both internal and external sources

**Criterion 3: Blue Ocean Strategy**  
Requirement: Strategic focus in creating a leadership position in a potentially “uncontested” market space, manifested by stiff barriers to entry for competitors

**Criterion 5: Growth Performance**  
Requirement: Growth success linked tangibly to new growth opportunities identified though visionary innovation

**Best Practices Implementation**

**Criterion 1: Vision Alignment**  
Requirement: The executive team is aligned on the organization’s mission, vision, strategy and execution

**Criterion 2: Process Design**  
Requirement: Processes support the efficient and consistent implementation of tactics designed to implement the strategy
Criterion 3: Operational Efficiency
Requirement: Staff performs assigned tactics seamlessly, quickly, and to a high quality standard

Criterion 4: Technological Sophistication
Requirements: Systems enable companywide transparency, communication, and efficiency

Criterion 5: Company Culture
Requirement: The executive team sets the standard for commitment to customers, quality, and staff, which translates directly into front-line performance excellence

Decision Support Matrix
Once all companies have been evaluated according to the Decision Support Scorecard, analysts can then position the candidates on the matrix shown below, enabling them to visualize which companies are truly breakthrough and which ones are not yet operating at best-in-class levels.

DECISION SUPPORT MATRIX FOR VISIONARY INNOVATION LEADERSHIP AWARD

Best Practices Implementation

Focus on the Future

High

Low

Low

High

VMware

Competitor 2

Competitor 3
The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan’s 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan’s research methodologies. Too often, companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry players and for identifying those performing at best-in-class levels.
**Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices**

Frost & Sullivan awards follow a 10-step process to evaluate award candidates and assess their fit with select best practice criteria. The reputation and integrity of the Awards are based on close adherence to this process.

<table>
<thead>
<tr>
<th>STEP</th>
<th>OBJECTIVE</th>
<th>KEY ACTIVITIES</th>
<th>OUTPUT</th>
</tr>
</thead>
</table>
| 1. Monitor, target, and screen | Identify award recipient candidates from around the globe | • Conduct in-depth industry research  
• Identify emerging sectors  
• Scan multiple geographies | Pipeline of candidates who potentially meet all best-practice criteria |
| 2. Perform 360-degree research | Perform comprehensive, 360-degree research on all candidates in the pipeline | • Interview thought leaders and industry practitioners  
• Assess candidates’ fit with best-practice criteria  
• Rank all candidates | Matrix positioning all candidates’ performance relative to one another |
| 3. Invite thought leadership in best practices | Perform in-depth examination of all candidates | • Confirm best-practice criteria  
• Examine eligibility of all candidates  
• Identify any information gaps | Detailed profiles of all ranked candidates |
| 4. Initiate research director review | Conduct an unbiased evaluation of all candidate profiles | • Brainstorm ranking options  
• Invite multiple perspectives on candidates’ performance  
• Update candidate profiles | Final prioritization of all eligible candidates and companion best-practice positioning paper |
| 5. Assemble panel of industry experts | Present findings to an expert panel of industry thought leaders | • Share findings  
• Strengthen cases for candidate eligibility  
• Prioritize candidates | Refined list of prioritized award candidates |
| 6. Conduct global industry review | Build consensus on award candidates’ eligibility | • Hold global team meeting to review all candidates  
• Pressure-test fit with criteria  
• Confirm inclusion of all eligible candidates | Final list of eligible award candidates, representing success stories worldwide |
| 7. Perform quality check | Develop official award consideration materials | • Perform final performance benchmarking activities  
• Write nominations  
• Perform quality review | High-quality, accurate, and creative presentation of nominees’ successes |
| 8. Reconnect with panel of industry experts | Finalize the selection of the best-practice award recipient | • Review analysis with panel  
• Build consensus  
• Select winner | Decision on which company performs best against all best-practice criteria |
| 9. Communicate recognition | Inform award recipient of award recognition | • Present award to the CEO  
• Inspire the organization for continued success  
• Celebrate the recipient’s performance | Announcement of award and plan for how recipient can use the award to enhance the brand |
| 10. Take strategic action | Upon licensing, company may share award news with stakeholders and customers | • Coordinate media outreach  
• Design a marketing plan  
• Assess award role in future strategic planning | Widespread awareness of recipient’s award status among investors, media personnel, and employees |
About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit http://www.frost.com.