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Inspiration cultivation

All over EMC, ideas have
been blooming.
But why?

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MIDEAST IS
FERTILE GROUND

SERVICES-
DELIVERY
PARTNERS:
NO SECRET
ANYMORE

HOW TO PROBE THE MINDS OF MORE THAN 35,000 PEOPLE: EMC's commitment to IT innovation is perhaps stronger than it has ever been before. Learn why some of the newest efforts to harness the collective ingenuity of employees might turn out to be the single biggest secret of EMC's success in the years to come.

EMCers are being asked to think about technology in new ways. Why? Because their ideas and innovations are essential to EMC's future.

Inspiration cultivation



♦ **A WINNING STRATEGY.** Joe Tucci tells analysts and journalists about EMC's commitment to innovation investment during Innovation Day at the Museum of Science in Boston.



AS A COMPANY founded by engineers, EMC's commitment to innovation is "built in, not bolted on." That's how Steve Bardige, Sr. Director of Analyst Relations, describes EMC's passion for ideas.

"We live in an age that demands

innovation," Steve told a roomful of IT industry analysts and journalists at EMC's first Innovation Day, held November 14 at the Museum of Science in Boston. "Intensifying competition forces every company to invest in innovation or risk falling behind."

The gathering was one of several recent events and programs geared toward celebrating and strengthening the innovation that helped shape EMC's past and that is now essential to its future.

EMC evolved from "hardware company" to "information infrastructure pioneer" by investing in the projects and supporting the people at the heart of the company's innovation engine. EMC invests 12% of revenue in R&D, and since 2003, it has spent \$8 billion acquiring innovative technology companies.

"We have almost 8,000 engineers now throughout EMC, and of course, I am well aware that, as proud as I am of those engineers, other great things are happening in the marketplace," explains Chairman and CEO Joe Tucci. "That's where the acquisition dollars come in. What we're after are those great engineers who invent innovative products that we can then bring together to create value for our customers."

Meeting of the minds

In recent months, EMC's leaders have stepped up efforts to nurture the company's innovative culture across the world. A prime example occurred in October at the first EMC Innovation Conference. Held in Franklin, Massachusetts, the two-day event brought together 320 of the company's most innovation-oriented employees to share ideas and strategies for cultivating creativity. The conference included presentations about innovative business models, updates on EMC technology advancements, and insights into how to think more creatively.

The focal point of the event was the showcasing of an outpouring of employee ideas. Two months earlier, SVP and CTO Jeff Nick and Chief Development Officer Mark Lewis (now President of EMC's Content Management & Archiving organization) had invited all EMCers to take part in a competition soliciting innovative ideas.

♦ **"It's not just about 'the idea.' It's about embracing change so we don't become extinct."**
—MARK LEWIS

Participants didn't have to be engineers; they just needed to have an inspiration that could potentially help the company, its customers, or the IT industry overall.

Conference organizers expected to get a handful of ideas. Instead, they received 410 high-quality submissions from more than 250 individuals and teams in 24 countries. The judges were "absolutely overwhelmed by the extent of the response," Jeff admits. The first-place-winning concept defined ways to visualize key information about a customer's data center—and thereby enhance the Total Customer Experience—by using Web 2.0 platforms such as blogs, wikis, social tagging, and mashups. Another winning idea described a way to carry the equivalent of a personal computer on a removable USB flash thumb-drive.

Thirty great concepts were on display at the conference; six awards, including a "Peoples' Choice" award, were given. The conference was such a success that the company will make it an annual tradition, Jeff promised.

"It's about you and about how we can transform your ideas into action," he told attendees, confirming that EMC will allocate money and other resources toward converting top-notch ideas into real products and services. "That's my commitment to the Innovation Conference," he said.

Appreciation for engineers

In another effort to promote an innovation-infused culture, Jeff and Mark worked with HR EVP Jack Mollen's team to establish the EMC Fellow and Distinguished Engineer Program in late 2007. It recognizes EMC's technical experts and offers them a new career-growth opportunity.

The program grants the Distinguished Engineer title to nominated technologists who are deemed by a panel of executive judges to meet the criteria for technical, leadership, and collabora-



tive accomplishment. A Distinguished Engineer is the equivalent of a senior director in EMC's management hierarchy. This year, the program also will offer the possibility of induction into an even higher level of engineering achievement—EMC Fellow.

Previously, an engineering career path at EMC topped out at senior technologist, while the management career ladder offered several higher advancement levels. This new program gives technical leaders a way to advance further professionally at EMC without having to take a management job. It also puts EMC on par with other IT companies that have similar recognition programs for their technical experts.

On October 18, 13 Distinguished Engineers were inducted at a gala attended by Joe Tucci. "It's not just about a technical career path," Jeff says of the program. "It's also about sustainability, recruiting talent, and fostering creative energy."

Sharpening the innovation focus

EMC in 2007 devised still another way to collect and implement people's innovative ideas. In early 2007, it launched the EMC Innovation Network, an initiative to drive collaboration among core EMC research groups, university partners, and the broader technology community.

Central to the Network is the community on EMC's internal social networking platform, EMC|One. In this Innovation Network community, participants collaborate and share ideas online.

While EMC employees have collaborated to innovate in many ways in the past, they tended to do so within their specific business units, according to Burt Kaliski, Sr. Director of the EMC Innovation Network. Via social networking, the Innovation Network expands the connections that make corporate-wide collaboration much easier.

The Innovation Network community on EMC|ONE includes blogs, articles about

◉ **EMC'S 13 NEWLY INDUCTED DISTINGUISHED ENGINEERS** join CTO Jeff Nick (front row, fourth from left), Joe Tucci (front, center), and HR EVP Jack Mollen (far right). Jeff, the EMC HR team, and Mark Lewis in his former role as Chief Development Officer created the EMC Fellow and Distinguished Engineer Program to bolster EMC's innovative culture.

◉ **FINDING THE NEXT BIG PRODUCT:** Rich Napolitano, SVP, EMC Storage Division, explains to Innovation Day attendees how his group looks beyond the current IT horizon to refine mid-market products and solutions.





PARTNERS IN INNOVATION: Howard Elias (far-left), EMC President of Global Services and Resource Management, discusses innovation with execs from key EMC partners: Doug Tuttle (right), Senior Principal of Deloitte Consulting; Rich Halpert (center), Director of Business Planning Operations in Management & Solutions at Microsoft; and Jayshee Ullal, Senior VP of Cisco's Datacenter.



AN INNOVATIVE SOURCE: Stephen Todd, a finalist in the competition seeking employees' innovative ideas, explains his concept for using EMC Centera capabilities to trace the lineage of a document or a piece of information. His was one of 30 ideas on display at EMC's first innovation conference.

innovation, and discussions of how to share ideas with Engineering or pursue a patent application.

The Network, Jeff says, gives EMC's thousands of technical people around the world "a way to find each other, converse virtually on R&D topics they are interested in, and create inventions that we can harvest and drive forward through collaboration."

The EMC Innovation Network adds to the innovation picture "by letting researchers and technologists across our businesses and offices collaborate on those key information infrastructure insights that we're in a unique position to discover and bring to customers," adds Burt.

The Network augments the work of other innovation-harvesting groups at EMC. One of those is the Technology Ventures Group, created in May 2006. It concentrates on emerging customer and technology trends, exploring and developing ideas that might later become major business units for EMC. With people in Cambridge (Massachusetts), Hopkinton, and Shanghai, the TVG creates opportunities from within EMC's ranks, rather than via acquisition, notes Mark Lewis.

The TVG's mission includes launching "start-ups" in an 18-month delivery model. The group, whose work complements EMC's more traditional research and development projects, is an independent, agile component of the innovation push. Starting with a concept, TVG staff leverage existing EMC technologies to deliver prototype products and solutions that might revolutionize those existing technologies. The group, led by SVP Mike Feinberg, is customer-focused and seeks to deliver early-stage products to early adopters.

Yet another example is EMC's New Technology Group, a more narrowly focused team created in 2006. They look for ways to make EMC's enterprise-scale technologies appropriate for the small office/home office marketplace. The group began with six people in various U.S. locations. It has evolved to 30 people working around the globe, including in Shanghai, notes the group's CTO and Director, Brian Gruttadauria.

His people not only develop products for emerging markets and new customer segments, but they also have created product-development

processes suited for geographically dispersed teams. The New Technology Group played a key part in the development of EMC LifeLine OEM Software (see p. 9), which is the brain of a consumer-grade NAS appliance geared to the SOHO "prosumer" mass market.

The company also is continuing its decade-long push to establish Centers of Excellence around the world to foster development. EMC recently opened a second R&D center in China and operates centers in Russia, Ireland, Israel, India, and the United States.

A new EMC

The strategies EMC is using to bolster innovation are essential to what company leaders describe as the "new EMC." Joe Tucci told analysts he considers the dawn of the new company to have risen when EMC acquired Legato in October 2003 and then began purchasing more innovative technology companies in the following years.

"As we've changed EMC over the years, the top question I get is, 'What is EMC now? It used to be a storage hardware company. How do you view yourselves today?'" Joe says. "It's really simple. I view EMC as a technology company and, of course, we have a laser focus on information."

The acquisition of innovative companies and the investment in R&D are parts of a strategy that's working to help EMC grow market share and revenue. EMC's renewed focus on creating an internal culture of innovation that yields products and opens up markets is the other crucial component for continued growth.

As Mark told the employees at October's Innovation Conference, "This is not a top-down thing at all. The reason you're here is to feed this culture. It's not just about 'the idea.' It's about embracing change so we don't become extinct."

"If we can point the way and shed light on areas of opportunity, then great ideas are going to come from throughout this company," adds Jeff Nick. "Not just from a research group, not just from the CTO's office, not just from a particular development team, but from *all* of us." ◇



SOFTWARE BY EMC: EMC gave Innovation Day attendees a glimpse of a NAS appliance that uses the groundbreaking EMC LifeLine OEM Software.