

CASE STUDY

VMWare/IBM Go Big

Afterburner helps VMware and IBM Go Big to revitalize a critical strategic alliance and deliver 150% of goal

A Complex Partnership

IBM and VMware – two of the world's largest technology companies – were facing a significant industry challenge, one that eventually catches up to every strategic alliance. The partnership they created in 2016 had been neglected and was not producing the expected return on investment for either party. The CEOs were aligned since the inception, but the alignment was never fully embraced at the functional team level. To tackle this challenge together, it would require tight alignment across both organizations' product, sales, and deployment teams.

Unfortunately, those deep connections were never properly established early on, incentives were misaligned and other priorities took precedence. As time passed, the teams responsible for executing on the alliance goals became despondent and fractured. VMware became focused on driving its partnership with Amazon, an IBM competitor and IBM acquired Red Hat, a VMware competitor. "Coopetition" became a threat and the relationship became further strained.

The two companies were going their separate ways and the alliance was suffering from a lack of transparency, focus and clear motivation. Joint account planning discussions were not happening at the field level and long-term product roadmaps were not in sync, further contributing to the underperformance. In an unprecedented move, leaders from both companies called an all-hands meeting with over 60 stakeholders from across the globe in a last-ditch effort to save the relationship.

A Fresh View of the Opportunity

The Global Account Director at VMware knew that to make this alliance work he needed a third-party facilitator that could help align both companies to a common vision and provide a consistent execution rhythm to hold teams accountable and achieve goal. He had worked with Afterburner in the past to help solve complex strategic execution challenges and knew they could help this alliance succeed.



STRATEGIC ALLIANCE

ALLIANCE REVENUE PLAN

\$300 million

SITUATION

Significant underperformance

Lack of trust and alignment

Co-opetition

RESULTS

117% of plan in 3 months

Pipeline to deliver 150% of plan



Afterburner provided a framework on how we can work and aligned the teams in a way they had never been.



GLOBAL ACCOUNT DIRECTOR,
VMWARE

In this situation, Afterburner would help teams from the two organizations align around common goals, build a common mental model that fostered trust and collaboration, and ultimately establish collaborative culture that fostered growth and success for both companies as well as their joint clients. Because the stakes were high, the program was dubbed “Go Big.”

Assess, Align and Act with Agility

During the two-day all hands meeting, Afterburner conducted detailed assessments of the alliance with all key stakeholders. Based on these assessments, Afterburner guided the teams to the common vision of success for the alliance, or what Afterburner deems a High Definition Destination (HDD), which was to make the IBM-VMware partnership widely recognized as most collaborative, innovative, and leading provider of enterprise hybrid cloud solutions that drive business value for clients and partners.

Once the two organizations were galvanized around this single HDD, Afterburner helped define clear strategic campaigns and near-term missions to drive product, sales and deployment alignment that would successfully move the organizations toward their HDD. The VMWare Global Account Director observed almost immediately that “Afterburner provided a framework on how we can work and aligned the teams in a way they had never been.” The Afterburner methodology ensures that each strategic mission empowers and encourages teams to act with agility to quickly achieve the vision of success.

The first challenge was focusing the cross-functional teams on the critical product offerings that would lead to quick wins and re-energize the partnership. Prior to the Afterburner engagement, there were more than 20 joint product offerings stalled in the evaluation process, many with no business case, and there was no shared product roadmap. With Afterburner’s help, the team opened up dialogue around the product roadmap and through rigorous discussion and a data driven approach, focused the teams on one big, innovative initiative to rally around, a solution called Mission Critical VMware (MCV).

Once the featured offering was determined, Afterburner shifted focus to the two organizations sales teams to jointly align at a geographic level to grow and convert the pipeline. The Afterburner team helped the organizations overcome misaligned incentives and a significant level of mistrust to gain buy in at all levels. Common KPIs were developed and progress was tracked weekly through highly targeted, succinct meetings, called X-gaps, where team members could report progress and identify roadblocks to overcome. Joint account planning began to take form around the MCV solution and quickly evolved into pipeline sharing. Soon, activity behind other previously ignored products began to build momentum.

Afterburner worked with the deployment teams to align and integrate with a higher degree of transparency, common reporting, and a focus on maximum customer impact. The Global Strategic Relationship Manager at VMware was quick to point out that “Afterburner missions are resulting in a dramatic shift in our alignment and transparency – the volume and quantifiable data shared between VMware and IBM increased greatly.”

Powerful Results

The Go Big program resulted in teams achieving 117% of goal in just the first three months, and

leaders were confident the joint teams would achieve **150%** 
of the fiscal year financial goal.

The Afterburner engagement created trust between the two organizations during a time where the market was pulling them apart. Now, using the proven Afterburner methodology as a standard operating model, the two organizations continue to align around product offerings, joint sales efforts, and deployment. “We never would have gotten here without the Afterburner process. There were just too many competitive elements,” said the VMware team lead, “but Afterburner focused us on a common vision and a focused play between the companies with massive accretive value for both.”

For more information about how we make your success our mission, contact Afterburner at 404.835.3500 or team@afterburner.com.



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