Computer History Museum

Interview of Tom Mendoza

Interviewed by:
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Bill Barnett: Okay, great. Tom, let's start with something that you don't normally talk about when you're talking to somebody who's famous for building a great salesforce, and that's the culture inside Network Appliance, or NetApp, as we now call it. I'm going to give a second lead-in here. You guys can cut as your wish. Tom, today we know NetApp as a company famous for being voted the best place to work in countries all over the world. And you and I know that that started a long time ago, and you came into the company in the very earliest days. Could you talk a little bit about the things you did then that contributed to the culture that we know at NetApp today?

Tom Mendoza: You know, Bill, going back in my past experience, I've always tried to lead groups in a way that is the culture of NetApp today. But I've always had to buffer my teams from what came above. So I always believed you should have a culture about respect, about appreciation. I think if people feel respected and appreciated, they'll do almost anything for a company, as long as they understand, and they believe in the mission, and they feel respected and appreciated. Many companies it gets down to, "Yeah, but are you on the numbers?" and that's it. So I always thought there were more to numbers. I think numbers happen if you treat people the right way. I was very fortunate when I got to NetApp that Dave and James felt the same way, James Lau and Dave Hitz. And then when Dan Warmenhoven came in as CEO six months later after me, the first conversation we had at an offsite is, "What are we going to stand for?" And we created values. You know, I often don't talk about values as much because I've seen other companies with similar values that are not good companies, because they don't live them. But the beauty of what happened at NetApp, we said we were going to stand for-- first of all, we believe you had to perform. We're not here to be a charity. We're going to build a special company, and that implies we're going to be successful everywhere you measure business. But we're going to do it in a way that we're going to be proud of the rest of our life. That was the goal: we were going to build a company we would be proud of the rest of our life. Wasn't get on some list, or all this kind of stuff. And from then on, it just, it was a culture of do the right thing, and do it because you're supposed to. And it was a culture where people wanted to sacrifice for other people. It wasn't all about them.

Bill Barnett: So what would be an example?

Tom Mendoza: An example would be-- I ran sales, it was very easy for me to have discussions with people about cutting their territories. That's usually a very difficult conversation: "I own Texas." I made it clear at the beginning, nobody owns anything. And I made it clear that we were going to be a big company. So their goal was to sell enough so I could put another rep in there. And I would often have people saying to me, "I hope we put reps in my territory sooner, because we can get the word out, and it'll look bigger." That's very different from how it is in most sales conversations. I actually got that from John Morgridge many years ago, when he talked about Cisco, and how he did it. And he made it clear, no one owns this, and we're going here, so your job's to get us there. In an engineering sense, we were a Unix company. We delivered Unix data. Our most famous Unix engineer was Guy Harris. He's a legend. He's now at Apple, but he did a fabulous job for us. And there was a lot of controversy within NetApp, when we started, to say, "You know, we got to serve Unix data and Windows data." Unix engineers and Windows engineers, they didn't respect them that much. And Guy Harris raises he hand, and he said, "I'll lead that effort." Most famous Unix engineer. And I had a conversation after that, and I said, "That was amazing," and he said, "Well, if it's that important to the company, we have to do it."

Bill Barnett: Oh, that's interesting. Now, I could see that when you were a smaller company. But as you got bigger, the culture stuck. What's an example of something that would have contributed to that?

Tom Mendoza: Well, I've always said, Bill, you don't know you have a friend until you have a problem. And when you have a problem, people you expect to step up won't. People you never expected, do, and your life changes forever, your relationship. So during the '90s, everything went well, from the outside. We grew to a billion dollars in six years. When the dot com bubble blew, that was a problem. 70 percent of your business is tech or internet, that was a big problem. And I think what differentiated us is that our people did not run. We went out and we talked to all our employees, many-- I think we had 70 percent of

all the worldwide employees within a two-week basis, the top six people. And the conversations quickly evolved to, "But what can we do? What should we do to help?" There was nothing about, "I don't want to cut my group, because I get evaluated by how many people I have." There was none of that. It was-- I had people raising their hand, saying, "I'm not sure my group, what we're making, is really going to sell, given this environment. Is there something else we should shift to, or we shift resources around?" I had so many people saying, coming to my office specifically, and saying, "If you need me on a different account, if you need me to work on a different product, I just want to make sure we help." So I think what hurts a lot of companies is when they really have a problem, they're afraid to even have these conversations. What I think we did right, too, we didn't have a one-way dial-- here's an e-mail, here's a speech, go to work. That's how it happens, let's not give them any questions, or they're canned. We went to everywhere we could, and we had small enough meetings. So if it was-- North Carolina, at that point, had about 500 people. So we broke it into like, five meetings. And we said, "This is where we're at, here's where we see the problem. Here's what we're going to do about it. Here's what we know and here's what we don't know. Let's go to work. Here's the bet we're going to make." We didn't have to have that conversation more than once. People were like, "Let's go." I remember looking at the other guys. There was one other time, Bill, early on-- I know that you just asked me about later on, but let me give you an earlier on one. We used to, back before we went public, so now we're talking 1995. I ran sales, Dan's CEO. He called me up, and he said, "Tom, we could go public this quarter, if you could get a big, big day tomorrow, last day." Now, we were way above goal North America. International wasn't doing anything. And we didn't have to do it, there was no money in it for my guys, the year was like, mid-year. But as you well know, it wasn't the bubble. And if you could go public, you went public. So I put out a voicemail to all our guys. That's how we did it back then, voicemail, before you had all the other tools. And I said, "Guys, you know that I care a lot about family and business. But I care a lot about you doing the right thing, so it's balance." I said, "Tomorrow's not that day." <laughs> I said, "Tomorrow is a day I'm asking you-- I've tried my hardest to help you get where you are, but I'm asking every single one of you not to go home. I don't care if you have a kid's softball game, I don't care if it's your wife's birthday, your husband's birthday. I don't want anyone going home until you've done absolutely everything you could do to try and-- don't do anything odd, but if a customer's going to do the deal anyway, get him to do it by tomorrow." I said, "We just have the opportunity to help the company do something special." Obviously, couldn't say why. And I'll never forget hanging that phone up. I knew for a fact they would go and try everyone. Now, we did it, and we went public. But if we hadn't, that wasn't the point. There was a serenity that came over me, that there's something about that if you know you've given enough, that when you ask back, people are going to try hard to do it. That's the essence of the leadership style we try to promote, and I think we've kept it going, because the founders have stayed, Dan stayed for many years, you know, almost 20. I've been here 21 years, Dave and James a little longer. And even though we have a new team now running the day-to-day, the fact that we're here helping, everybody's all in, makes other people-- and really try to help in any way you can, when you ask back, people try to do it.

Bill Barnett: That's interesting. So let's talk a little about innovation. Because, as you pointed out, the culture of NetApp is important, especially because it's helped you deliver on business objectives, and you've innovated in a lot of ways. One of the big issues with innovation is that it's risky, and sometimes things won't work out for somebody if they're taking a chance. And what have you done to help NetApp employees feel comfortable with innovating over the years?

Tom Mendoza: You know, I think there's two different ways to look at that. One is innovation when you're doing well, and you want to grab something different. Now that's hard, because people are like, "Why do we got to do that?" When we said we were going to serve both Unix data and Windows data, there were a lot of people going, "There's a lot of Unix data. Why do we have to do that? That doesn't seem to make sense. We don't know Windows, it's a different selling motion." Dan Warmenhoven, normally our decision-making-- Dan would be kind of irritating, to tell you the truth, because you never knew which side he was on. You know, I'd had a private conversation, I know how he feels, and he'd take the other side. I'm like, "What was that?" in the meeting. But he wanted to hear everybody's views. Not in this particular one. We had debated it too long, in his opinion. And he said we have to do both, to differentiate ourselves long-term. If you're just in one market, once we get big enough, someone will stifle us and be too easy to stop. No one else is doing this, because they're protecting this, protecting that, we're doing it. We went, "Oh, okay." <laughs> So that was about that. And we went and did it. Now, the

second point was when the dot com bubble blew. We were in trouble. 70 percent of your market is no longer buying anything. We always knew we had to get to the enterprise. So I was visiting Cisco yesterday, so Cisco, we were selling big to the engineering, but we weren't-- and our thought was, "If I sell enough here, you'll buy it for SAP and all your other things here." But that wasn't happening yet. Now, that part is stopped. We have to sell over here. No one knows what we do over there. Already have a solution. What is it we're going to do to differentiate? We took a step back as an executive team, and with some of our smartest technical people, and we said, "What's the business problem, long-term, we're trying to solve?" Business problem was data's growing at 30 to 40 percent a year, that's 5 to 10x every five years. Gartner Group says it's $6 a megabyte to manage, every one you buy. So that says, at some point we give it away for free, people can't take it. So we said, we got to store less information. You should have seen that conversation. One of our board members, I presented, he goes, "I always thought of you as smart guy, right until now." <laughs> You sell this [ph?], yeah, but right now we have 6 percent market share. If we could convince everybody by using NetApp we could get higher utilizations, that you would have to buy less, we'd change the industry. Everybody got excited about that. How are we going to do that? We have one operating system. So we turned to engineering and said, "You have to find a way, in our core file system-- this is dangerous-- to make it so people make less copies, to make it so that they're more efficient." So instead of 30 percent utilization, they go to 60. One of the ways was what they called dedupe. Dedupe is a computer term today-- usually you store your information, you back it up, you put it in an archive, and then you look for duplicate blocks. Somebody said, "Why don't we stop it on the way in?" Well, that became huge. VMware came, we became *the* partner because of that. We grew from two to six billion between 2006 and 2011. Five companies on earth our size or bigger grew at our rate or faster during that time: EBay, Amazon, Google, Apple, Huawei. This was coming out of a dot com bubble, took us two years to get back to a billion, two years to two, and then explosion. But right at the beginning, we said, "What's the problem? What are we going to do different? How are we going to innovate our way out of this?" instead of, "How are you going to cut your way out of it?" And then we socialized that around the company, and we bet it all, and went and won. So that was one where we knew we had to do something. And the beauty of the culture is we didn't do a lot of debating. People trusted when we said, "This is the path," and they went.

Bill Barnett: You know, that's interesting. So, the question I'm going to ask now, I'm going to get at catching somebody doing something right. So I want to get you there, so I'm just going to ask a question, but that's where I'd like you to go. Looking at day-to-day life, when you go into NetApp, what I've noticed is that it has that same start-up feel today that it had back in the day, even though now it's many times larger. What are the kinds of things you've done, as a leader, to help strengthen that over time?

Tom Mendoza: When I got to NetApp, I was like any other company, all excited. And you could see everybody. I was the 32nd employee. And I've always believed you can't thank people enough. So I'd be here at night. I lived in Dallas, so in the evenings I'd play ping pong with some of our key engineers. And you're just there for them. If they need pizza, you get it, it's just one of those things. And as we started to accelerate, I couldn't do that. That first year was 16 million, then 43, and then 90. At that place, you can't do it. Other organizations I have been always evolve to a "those guys" thing. Those guys are not performing. Those sales guys aren't working, the engineers aren't working, I don't want that. So I say, how do we avoid that? I always believe if you could look for the good. And certainly, if there's an issue that you want to talk about, that's not working, and you have a solution. If you don't have a solution, it's called bitching, right? But if you have a solution, we'll talk about it. But more importantly, if people are going to give you their heart and souls, you want to make sure that they know you appreciate it. So I started a phrase here over 20 years ago now, "Catch someone doing something right." And the way it started brought the leaders together, "Look, I can't see everything anymore. But if you see something do something extraordinary to help NetApp, to help a customer, to help society." One of the benefits we give every employee is one week's vacation, if they'll work for a charity, any charity they want. I love that benefit. But when they do it, I like to call them. I just went to Mexico and built an orphanage, one of our guys from Canada just did that, I called him. But any of those-- and simply put, they send me a message, and I make 10 to 15 calls to this day. I have five or six on my phone I was going to make when I was sitting out there right before this. And I simply call and I say, "I heard about this. I just want to thank you. I really appreciate it, I love what you're doing." I put this on steroids a few years ago, Bill, and it's around the concept of inspiration. Everybody needs inspiration, you don't need it all the time. And observation is

offered the most when it's needed the least, the least when it's needed the most. Meaning, if you have won something, after three or four calls, you got it. It's not inspiring. So I turned to our engineering team, because they were sending the least, and I said to them, in front of a large group, "You asked for-- how many have heard of catch someone doing right?" A lot of hands. "Well, you asked for less than anybody else. I would have two observations: number one, maybe you're not anything you should be thanked for." Guy in the front row, "What's number two?" "Number two might be, you think you're waiting for a big win, but in IT and in engineering, you'll very rarely get big wins. You're right on to the next problem." I said, "I'll tell you what I'm looking for. Tell me somebody who you know is a great NetApp employee, fantastic, but they're struggling right now. Maybe they have personal issues, maybe they have health issues, or maybe we over-goaled them, maybe we didn't give them enough resources, and they're killing themselves because they don't want to let this team down. Let me call that person. That's the call they'll never forget." There were 2,000 people there. Every one of them, I believe, sent me something. Because I got like, 25, 3,000 calls. Took me a couple weeks to flush it through. But it fundamentally changed so many things-- I have people that have had five or six calls over the years saying, "I'll never forget that one." So today I think would-- which I want, before anybody makes a call, they're looking for the best in each other, they're certainly rewarding people who are hitting, but more than that, they're saying, "Who's a great person? Let's make sure they know we have their back when they need it, not when it's obvious."

Bill Barnett: Yeah, that's interesting. What's it like on their end, when they get one of these calls?

Tom Mendoza: Well last week, Saturday was an Indian holiday, I called a girl. I had eight calls to make in India. I called a young lady, it was 10:00 at night her time. They're all in engineering, and they did a great-- again, it's not a home run, but it got us to a gate we can't get to, and it solved a lot of customer problems. I called her, it was 10:00 at night. Now, I'm sensitive to their times when I call, but I've learned in India, if I call 10:00 or 11:00, I'll often get them at the office, their time. And she was on a train for eight hours to meet her parents, for the holiday. Two hours into that train ride, and I said, "I apologize for calling you so late." She says, "Any hour you call me would make it the greatest day of my career." So that is one reaction I get a lot. Another one is, "I'm part of a team that's doing so much, I feel a little odd being singled out." And I said, "Well, I appreciate that. Why don't you send me the names of the other people, and I'll call them." So I have, two of the lists I'll be calling today are
people that did that. Funniest one was one in England, a guy, my manager calls me up, he goes, "We got a new guy--" This was ten years ago, he's still with us, so he's still-- he hears it every time I come over. So he goes, "I got a new guy. Six months and he is the model of what we're looking for here. Would you call him?" Yeah. The guy's name's Phil. "Hello, Phil? Tom Mendoza." And he goes, "Who is this, really?" I said, "No, it's Tom Mendoza, I'm calling--" And he goes, "Tom, I'm a very busy man." <laughs> They're trying to pull me into a board meeting, I'm like, "No way, I got to hear this." So he says, "Tom," I say, "How can I convince you, Phil, it's me?" And I let a stream of expletives go. And he goes, "Tom, it is you." <laughs> You know what I'm saying. At that point, he pulls into a tunnel. He's on a train. Phone dies. I say to my admin, no matter what he does, don't let him back in. <laughs> I got an ascending level of messages, and in the meantime-- of course, I send his boss the note of what just happened. He calls him, "How do you screw this up? I mean, Jesus." Like, "2:30, Tom, I'm going
to bed." That was the last one. So the next time I called him. By that point, everybody in England knew who he was. So it does-- sometimes it gets funny like that. But often times, you know, people feel respected, appreciated, and again, Bill, the lower you go in the organization-- and the reason this is so powerful, we win before I make the call. People are looking for the good in others. They either want to lift them up, want to thank them. I remember, too, a young lady came through sales training, she said to me, "I'd like to thank these two people out of office, they're super-busy. I didn't come from storage, I'm a networking person, came from Cisco. Any time I ask them for help, they do it. They're over-the-top. And when I asked them why they do that, they say, 'We're just paying it forward, someone did that for us.'" Now, you are different than a lot of companies when people are thinking like that.

Bill Barnett: If we could talk just a minute about leadership. And I bring it up because as you mentioned, you started leading sales, but you evolved into being company president, worldwide. And obviously, from

the things you've said, you've had a huge effect on the organization, far beyond sales. If there were one or two lessons that you and NetApp have to teach us about leadership, what would they be?

Tom Mendoza: Well, my number one mantra of leadership, which has guided me the entire time, is people don't care what you know unless they know that you care. They just don't. So I am always actively looking for ways to show people I care. If I give you one example-- and I'll give you a second thought. We had a guy in Israel, who's fantastic. Sarfra Catz, now CEO of Oracle, called me up one day, and she goes, "I'm at a NetApp show that I'm speaking at in Israel, with 1500 people." She goes, "We did Oracle World in Shanghai, there were 10,000. You could fit everybody in Israel in a phone booth in Shanghai, how could you-- and I ask Orin, they say, 'Shlomo, Shlomo, he's your guy.' I just thought I should tell you, you have a great guy." I hired Shlomo, 1999. Shlomo's an older guy, he's a wing commander, Six Day War. He set up the MOD for Shimon Peres. The first time I met with Shimon Peres is 2006, because of him. Anyway, he retires. Fantastic guy. 10 years, VC now. And they asked us to do a film for him, me, Dan Warmenhoven, James Lau, and Rob Salmon. So we do that film. He's going to retire on Monday. I'm at Notre Dame watching a football game on Saturday. Middle of nowhere, if you know where Notre Dame is, and I'm telling this story, and someone said, "Did you ever think of going to that ceremony?" I went, "No, because I had to be in Silicon Valley on Wednesday." I was embarrassed the moment I said it, because I hadn't thought about it. It was just hard, to go to Israel and then get right to-- and so I called my admin, I said, "Is there a way I can get to Israel and make Dan Warmenhoven's meeting?" I got home on Sunday, I changed homes, flew out to Israel, got to the airport-- fortunately, Shlomo's son ran security at the airport, so I got through fast. They came on the plane, "Mr. Mendoza--" it was like out of _____, <laughs> yeah. Anyway, took me off, and I walked into this theater, the screen was down, showing this movie. I ran there, showered, and boom. I'm walking in, and it's packed with 500 Israelis of our people, the customers, many of the intelligence, because we have tremendous presence there. That screen went up, me talking, and I was standing there. It didn't matter-- I ended up singing a song, and doing stuff-- but it didn't matter what I did, they never forget it. When I go back to Israel-- now, I left at 8:00 in the morning for Northern California. Most of them stayed up all night with me, to talk and do whatever. Drove me to the airport. So it was the ability to do something physical, just go and show them you care, I think had an enormous-- which ties into my second thought on leadership. I have an observation, leadership all over the world-- I don't care what industry, I don't care if it's, what culture. People come through for their greatest leaders not because they're afraid, not because they're intimidated. They come through because they don't want to let them down. I got that from my father. You know, my whole life, he supported me, and he was like, "You can do it, you can do it." I was the first person in my family ever to go to college. My dad, he didn't have a dream like that, because his parents were dead young. But his dream was to have me to go school. I never forget when he came to Notre Dame my freshman year, he left a note under my pillow, and he said, "I cried when I walked around campus." I had never seen my father cry. So as I-- at that age, you can do a lot of stupid things. I didn't do them, because I didn't want to let him down. So I think when you're leading something, you got to say to yourself, "If I do what, if I give so much of myself, when I ask back, will they do it?" And you'll want them to do it not because they're afraid or intimidated. If they're asked, they feel honored to be asked, and they do whatever they can to try and not let you down.

Bill Barnett: Wow, wow. That's a story I hadn't heard. You know, so NetApp is obviously in this ecosystem of companies in the Valley, and in the world economy, and you've had a lot of relationships with a lot of different companies, some of them very different from NetApp. And how would you think about the place that you guys have as an organization in that larger ecosystem?

Tom Mendoza: That's a very interesting point. I had John Morgridge come to my sales meeting back in the '90s, and speak as our keynote. And he made a point that really resonated with all of us at the higher level, because he talked about Cisco, to be where they wanted to be, had to be a great partnering company. And we weren't thinking along those lines. We were very focused on competing with everybody. And we started to take a step back, and we said, "Unless we're going to be that big, we have to find ways--" because everybody looked at us, as you're going to take our business. Well, over time, Oracle, we won a big, big deal with Oracle in 2000, where they had EMC and us, and EMC had a much closer relationship, EMC bought a lot from them. And through technology, we flat-out won it. And it had a couple things that it did. Number one, people said you can't run database on NetApp. Well, after that, they

could. Then Bill McDermott came to visit us, and they really wanted to sell to us. Bill and I are very close today, CEO of SAP. And Dan and I went to IT. For first of all, at Oracle, we said, "If we do what, can we important to you?" They said, "Oracle on demand, that's our next big push." All their biggest partners had already bought Oracle software. They didn't want to go Oracle on demand. We were the first big, and the largest Oracle on demand. IT did not like that here. Oracle said, "We don't want to go Oracle on demand." Oracle-- every tour they showed us, because it was NetApp running Oracle on demand, and our business with Oracle flourished. SAP came and said, "We want part of this." Now, that's not normal. We wanted part of SAP, we went to IT. <laughs> Dan and I were not so popular with IT, and we said, "We have to do something with SAP." And I said to Bill, "If we do something with you, we're going to expect you to do something with us." Bill said, "We will, definitely." So SAP's German site is almost all NetApp. We do a ton with SAP. Others do too, but it was fundamental. And then the big one, I thought-- so those are two examples that were critical. And we said, "We're going after the enterprise." We did that before the dot com bubble. So, you know, we got through the dot com bubble for the work we did before. But the one after that, the financial meltdown was 2008. 2006 was VMware. All the analysts said, "You are dead. You're dead. You're going to virtualize your stuff." And then EMC buys them. You are double-dead. I don't know if that's possible. So we took an attitude that we are going to go find a way to be a better partner with VMware and EMC. That's kind of an odd approach. And we went over to VMware, and we said, "tell us what your problems are. You're doing great, but if you did what--" Turns out, this thing where your bring all this information in, virtualize it, is if you have too much storage, it's still kind of expensive. So that's where dedupe came in. And so we were able to get 80 to 90 percent. So instead of bringing 100 terabytes in, you brought 10. Now you're rocking. There's a couple of-- VDI is a big, virtual desktop became big. It didn't become big until we did that with VMware, because the PCs would have been last, so, boom. A second thing is there's a lot of copies on the other side, through another product we had called cloning, took care of that. So every time EMC would talk- I told him just once about VM World, he goes, EMC goes up and goes, "They're value proposition, we own those guys." <laughs> Nobody at VMware ever said, "Hey, we're owned." So, when we would speak with them, we would talk about less copies, less data, customer success, every bank in New York we want, every bank in London, with them. Now, where does NetApp fit in? I think the fact that our culture, and we're known as a great place to work. We want to be a great place to work, great place to partner with. All the attributes that we push-- honesty, candor, make sure you live up to your end-- are big in partnerships, just as they are with an employee, and with a customer. If you know there's a problem, get to it fast. I think that everywhere I go in the world, Cisco, VMware forever have said, "You're a better partner to us than our alternative, by far." Now, that is something that we work at naturally, through our culture. You know, how do you get a culture like this, Bill? Let's just-- how does this-- you know what it is? Hiring's the biggest thing. We spend a lot of time on the interviews. We give like, 14. I've always thought that was crazy, but Dan won that argument. But the first two are on fit. Or excuse me, on talent. The next 12 are on fit. Is this person-- and you're interviewing with the team you're going to play with. So they've kind of bought in, I've got to make this person successful. But I've always maintained, we tell them exactly what it's going to be like when they walk in. We tell them whether the good, the bad, the ugly. Well, here's what we know, and here's what we're going to do about it. And the right person-- you could say, "I don't want to be there, that's right. But you're saying I could make more money somewhere else?" Potentially, yeah. But that kind of person's going that way. This kind of person says, "I'm coming home. I want an opportunity to be in a place that's going for greatness, treats people with respect, that I can live a life-- if I want to do something outside of work, they're going to back me. If I ever have a problem in my personal life, they'll be there for me. Something bigger." And I think that's what NetApp stands for to most of our employees, and to a lot of our partners. And I think that's given us a great place in the ecosphere.

Bill Barnett: Yeah, yeah. That's very interesting. You know, so back to the worldwide side of NetApp. As I look forward, the way you've grown, clearly now you have a worldwide, a global footprint. What do you think the legacy's going to be, of NetApp, worldwide, in the years to come?

Tom Mendoza: You know, one of the things that when we started NetApp, we say, we don't want to be a great Silicon Valley company. And we don't want to be a great American company. You know, we don't want to be those smart guys who come out to tell everybody else how to do it. You know, like a New York attitude, "Well, in New York, we do it this way." Goes over big everywhere. But a lot of companies end up

being like that. "Oh, we're from Boston." Good for you. Well, we want to be a great place to work every place that we do work, in their eyes. Not our eyes, their eyes. So, as we sit here today, we're in the top ten places to work in 20 countries. And in many of those countries we've been number one, and in many of those countries we've been on lists for many years. I'm very proud of that. I just think that when I go to other countries, they want to talk to me about this. I sit down with Naftali Bennett, who runs the economy of Israel, last year. It's supposed to be a ten-minute meet and greet. We spend 45 minutes. Of course, on his sheet somewhere it said, "Number one company to work in Israel, a couple years ago." He goes, "How'd you do that?" People want to know how an American company gets in the top five in France. That one was-- shocked all of us. Top one in China. Top five in Japan, top five in India, number one in Australia, number one in Switzerland. When I go to their countries, they're interested. And you know, they know they can't do all the same things. But there's some human element about how we're approaching it that interests them. So they're interested in the culture. At the end of the day, that's given us an opportunity to be looked at. We've now demonstrated tremendous success and innovation over a period of time, and we're viewed as a very significant infrastructure player around the world. I don't think these things can be separated, though. I think it's-- they're a quality company to do business with. If you do business with them, they won't let you down, and they'll probably be a very good company for a long time. And now they think of us that way in many, many countries.

Bill Barnett: You know, Tom, I remember when I met you, and in the '90s, you were saying these same things. And you'll hear a lot of people who look back and revise history. And I got to hand it to you, because you've lived the vision that you guys set in the beginning.

Tom Mendoza: Yeah, thank you.

Bill Barnett: And it's paying off. But, you know, that payoff in a human sense is maybe the most important part.

Tom Mendoza: You know, Bill, we have the number one market share in Australia, by a lot. And it's almost not by accident, because we say, "What markets-- let's do something the other guy just won't do." I went to Australia every August for like, eight years now. Dan also went quite a bit. But I went in August. That's because no one goes there in August, because they go in January with the family, they work a day or two, they go to the beaches. And I had a guy at a big bank say to me, "Why do you come in August?" And I says, "You know, I'm working. I'm here to work. And by the way, you're here. You're all here." And I said, I never forget saying to this guy, because earlier he said to me, "Every year, I sit with all the executives of various com-- and they have a different story. Our new this, our new that, we're going this way, we're buying that company, we're doing this." He said, "I don't know if you're right or wrong, but your story's <laughs> the same." And I said, "Well that's good. And it keeps building. But it's not a new story. There has not been a second NetApp story. This is where we're going." One of the criticisms of NetApp forever, has been, "You guys should be broader. You should be much broader." This is not a new thought. It is my thought that many companies that have gone badly go into things they don't know very well, get away from what they know well, and get destroyed. Now, if we were in a business that wasn't growing, I get it. You still want to go in tangential businesses if you can, as opposed to, "Let's go that way," my opinion. And the fact that we've been able to stay in a similar business which is more and more vital to people. How do I store my information? How do I get it? When do I go to a cloud? Now new things are coming. But all this stuff, trust is where it all comes down to. At the end
of the day-- and I said this many years ago to our own company-- when you're asking someone to move infrastructure to us from somebody else, the single biggest issue is, can I trust you when something goes to hell in a hand basket? Which it will, whether they cause it, we cause it, another network causes it, because we're network storage. Can I trust that you will be there? Because even if they don't like the company they're with, they're used to them, and they know what they will or won't do. And that's why I say we have to be the one, when things go bad, that you can trust. That's what we focused on from the beginning, and building trust is, if we've committed it, we have to come through. If it's painful to us, we have to come through. If it's expensive to us, we have to come through, but we won't leave the customer

saying, "You didn't come through." If we can continue to do that-- that's the most consistent thing you've heard out of NetApp. And whether, you know, the fact that we've done what we've done, Fortune 300, it's kind of, all the lists we're on, only give us the opportunity to play in a much bigger game, a fast-changing game. And as you well know, if you went to the S&P 500 in 1957, you look now, there's like 60 of them that are the same. The ones that have been able to stay are those ones the customers say, "Look, they didn't always have the best strategy. I thought they went in the woods over here. They had some issues, but I always trusted they would get it right, and they wouldn't leave me hanging, and I believe in their company and their leadership." That's what we have to-- if we keep that going, I think we'll do well.

END OF INTERVIEW