

# M&A Integration - Software Licensing

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**Version 1.1**



# Agenda

- Introduction
- What is M&A Licensing Integration?
- Four strategy factors that elevate success
- The Playbook
- Closing Thoughts

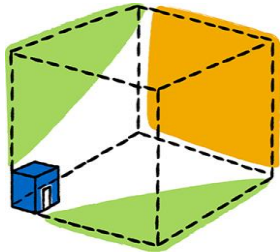


# Who is NetApp?

*Storage Innovation*



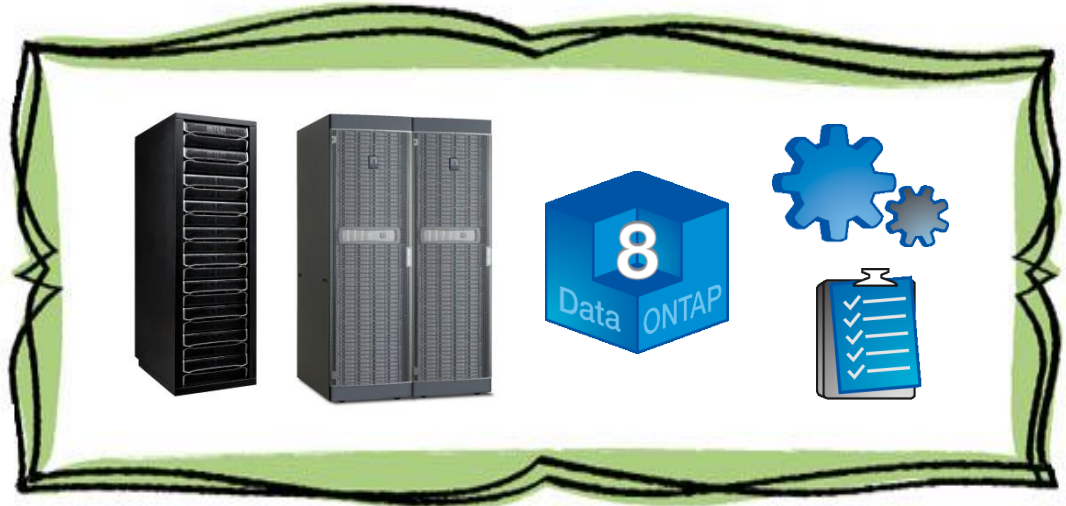
*Efficiency Leaders*



*Foundation  
for  
Flexible IT*

- Fortune 1000 company
- Specializing in storage and data management innovation
- \$5B in revenue
- 20% compound annual growth rate
- Over 11,000 employees in more than 150 offices worldwide with headquarters in Sunnyvale, CA

# What We Sell



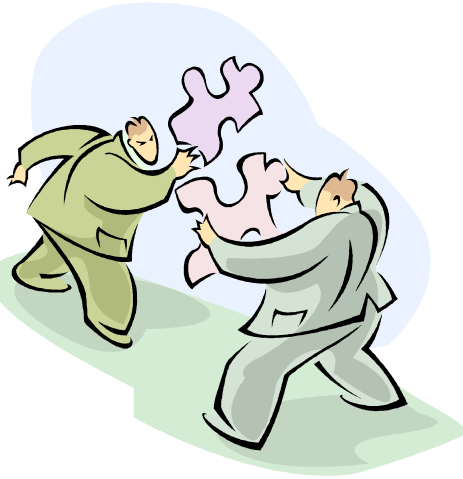
- Storage Systems (Hardware)
- Storage Operating System
- Storage Management Software
- Support & Professional Services
- Packaged Solutions

# What is M&A Licensing Integration?

Too frequently, it's a martial arts exercise banging together puzzle pieces from 2 different puzzles.

Common challenges:

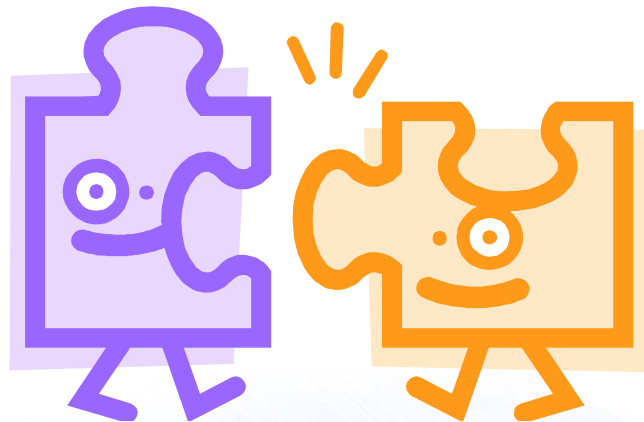
- Competition for resources, strategy & plan
- Integration deadlines for completion established in secret, without much due diligence for licensing
- Overlay of duplicate roles
- Rapid need to consolidate costs for anticipated value capture from duplication of systems, staff, processes



# Strategic Steps for Successful Licensing M&A

The Boy Scout Motto: “*Be Prepared*”...

- 1 Know your company’s M&A strategy
- 2 Define Software Licensing Policy
- 3 Pre-identify your M&A Minuteman team
- 4 Develop an M&A Playbook!



# Strategic Steps for Successful Licensing M&A

Know your company's M&A strategy:

- ✓ Is your company on a buying binge?
- ✓ Buying market share, IP, territory rights, talent?
- ✓ Acquiring strategic suppliers?
- ✓ Industry consolidation?

Most companies have a strategy in the boardroom, knowing yours will setup your plans for an improved outcome.

*This is true if you are the bride or the groom!*

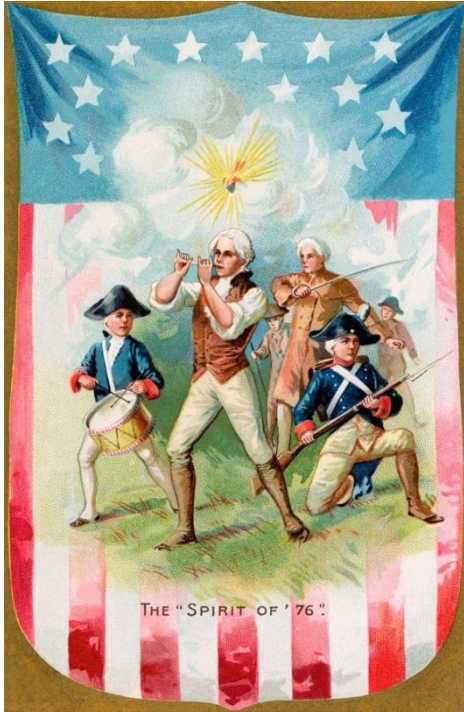
# Strategic Steps for Successful Licensing M&A

Define a software licensing policy:

- ✓ Policy is a clear set of principles, approved at the executive level that will “quite” the debates
- ✓ Policy can govern everything from entitlement, licensing, key management, compliance tracking, and enforcement

*A software licensing policy not only helps to streamline how M&A's are performed, also supports day to day business acceleration.*

# Strategic Steps for Successful Licensing M&A

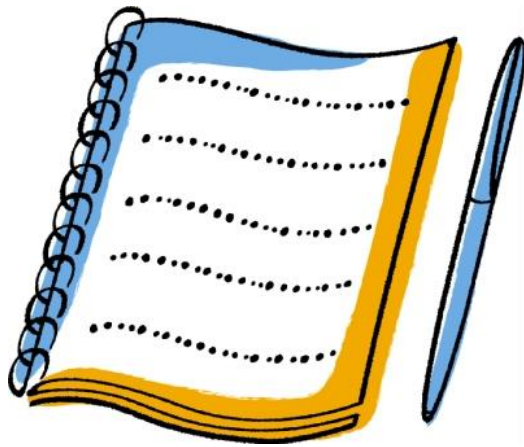


## Identify your Minuteman:

- ✓ Who is responsible to answer the call and prioritize Licensing integration?
- ✓ Identify the required roles and scope
- ✓ Have M&A roles predefined in job descriptions

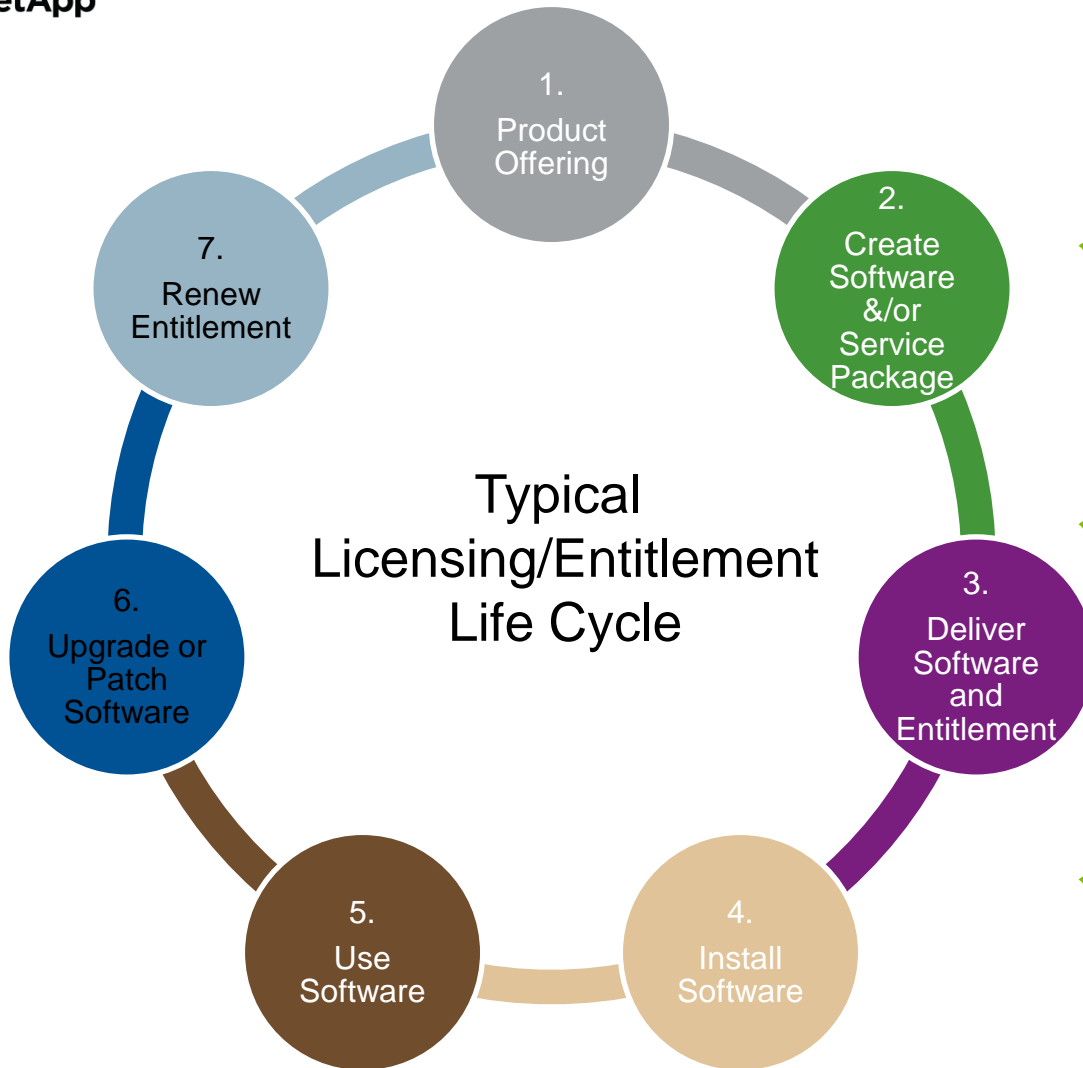
*Some companies have a permanent core M&A team, some do not. In all cases additional subject matter expertise is typically required across the enterprise.*

## Define a M&A Licensing Playbook:



- ✓ What's the battle plan for your Minutemen?
- ✓ Have a predefined set of actions and best practices for each phase of M&A integration for Licensing
- ✓ Scope should cover the lifecycle of software licensing
- ✓ Avoid too much lashing together with bailing wire, and build for speed
- ✓ Hopefully this is chapter of a master M&A book!

# M&A Playbook – Define Licensing life Cycle



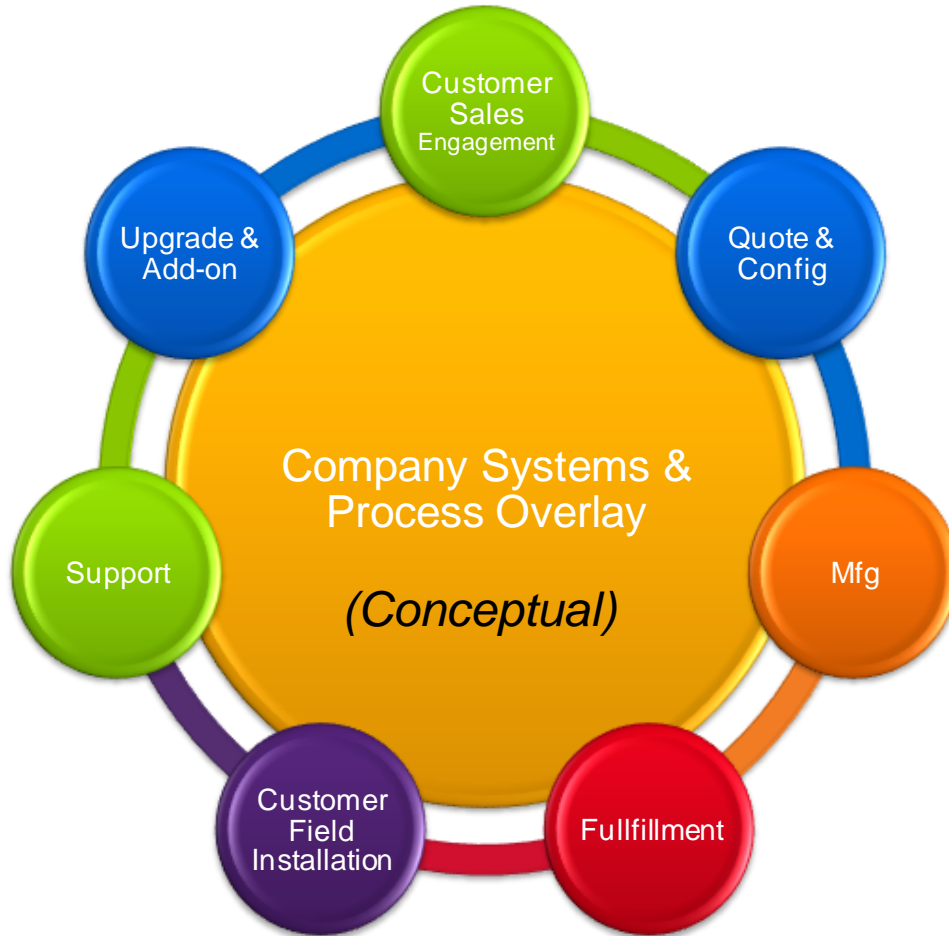
✓ Map the lifecycle to business functions & systems

✓ Strengthen your company's life cycle methodology before M&A occurs

✓ Remember the Boy Scout motto...

*"Be prepared"*

# M&A Playbook – Define Impact Functions



- ✓ Overly the Licensing lifecycle to business functions
- ✓ Map resources, systems, & functions impacted
- ✓ Roll this into your playbook framework

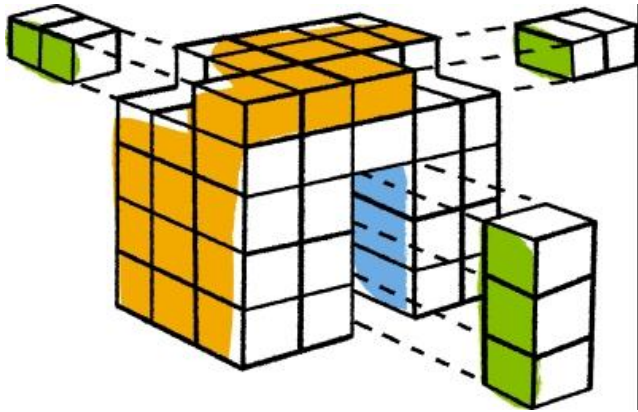


# Sample Map of Life Cycle to Functions

	1, Product Offering	2. Create Offering	3. Deliver Offering	4. Install Offering	5. Use Offering	6. Upgrade or Patch	7. Renew
M&A/Integration	X	X	X	X	X	X	X
IT	X	X	X	X	X	X	X
Product Operations	X	X	X	X	X	X	X
Finance Q2I			X			X	X
Finance Ops			X		X	X	X
Global Support	X		X	X	X	X	X
Manufacturing Operations	X	X	X	X		X	X
Sales			X		X	X	X
Marketing	X		X		X	X	X
Logistics			X	X		X	X
Legal	X				X		
Brand Protection			X	X		X	X
Channel Management	X	X	X			X	X
Systems Engineering			X	X	X	X	X
Professional Services	X		X		X	X	X
OEM Partner	X	X	X	X	X	X	X
IP Provider	X		X		X		
Channel Partner		X			X	X	X
End User			X	X	X	X	X

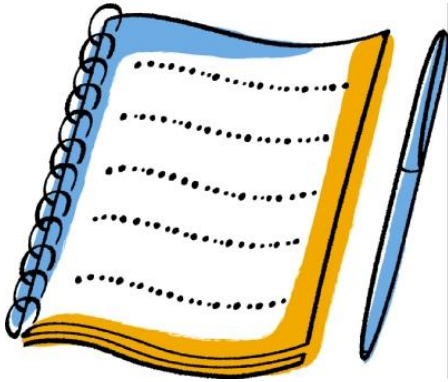
# M&A Playbook – Harmonize Licensing Models

We could spend the entire morning on this topic alone....



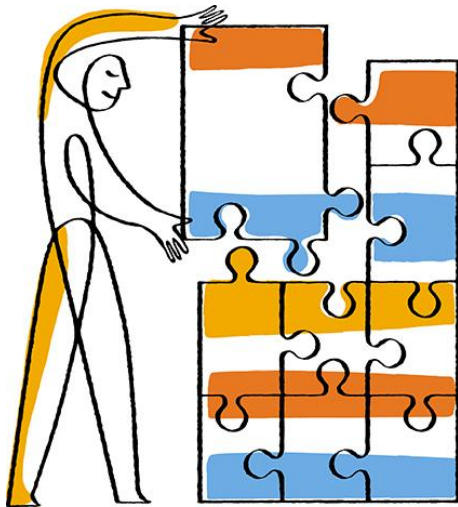
- ✓ Align on strategy, and determine where improvements & compromises need to be made
- ✓ Develop & drive a plan to segue legacy acquired customers to revised model(s)
- ✓ Balance customer expectation with business forecast with new plan
- ✓ Done well no one notices, disrupt – then duck and cover
- ✓ It's a balance of priorities

# Licensing M&A Playbook Outline



- Define sections by phase, like “Due Diligence”, Pre-close, and Post announcement
- Have a standing set of questions for the due diligence phase that impact integration planning around Licensing
- Each section should form the high level plan and detail best practices
- Define strategies to harmonize licensing models and routes to market
- Focus on the **customer experience**

# Final Thoughts



- Use your Software Licensing Policy and Licensing M&A playbook to help support team organization & IT POR
- Get help! There are lots of resources available. Budget as part of your M&A plan
- Stay solution focused! Up-level disagreements to your goals
- Plan for continuous improvement, post the initial effort
- Remember the acquired teams are most likely struggling with uncertainty for a position
- Like a finger print... no two M&A's are the same

# Thank you!

## Questions?



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