arcserve®

> Dell Divests Software Division

Competitive Opportunity Summary

What you need to know:

» Dell's exit strategy offers Arcserve an opportunity to increase its market share significantly

- A very high probability of customers switching data protection solutions
- 3 Product lines impacted: AppAssure, Quest NetVault, Quest vRanger
- A very large customer base of 100,000+ customers to go after

» This presents a major Opportunity for Arcserve Appliances & Arcserve Cloud

- Dell's PBBA market share in 1Q/2016 ~3.2%. +34.7% [1Q/16:1Q/15] growth (IDC)
- Future of AppAssure, critical part of Dell's DL series, is unknown
- DRaaS market forecasted to grow @44% CAGR (2015-2021) to reach ~$13.5B

» Unclear roadmap and directionless state

- EMC^2 acquisition brings focus to hardware not software
- EMC^2 & Dell data protection customers now face a forced technology refresh
- Confused channel strategy combined with Dell's reputation in the channel, create a favorable ground for Arcserve
- Large enterprises is the core focus segment

DELL has been stunning the industry with a variety of moves, and the most recent one, is its decision to say goodbye to its software division. Francisco Partners and Elliott Management (hedge fund management company) entered into a definitive agreement to acquire **Dell's Software Group** for about $2B. Such an acquisition will invariably lead to significant disruption in operations and product delivery. Remember the recent and disastrous Veritas transition that caused severe disruption to the channel, leaving partners & customers highly dissatisfied.

EMC^2 comes with a solid set of data protection solutions, and impressive technologies. At the same time, Dell needs to fund this acquisition with divestitures combined with significant redundant/overlap portfolio cuts.

It comes from the top: 3 main priorities from Elizabeth Phalen's (SVP & GM, Data Protection and Availability Solutions) **interview** to theCUBE @ EMC world 2016:

1. Data Domain is 'core' to their data protection strategy

2. Focus is on selling the entire suite (DPS) versus catering to customer's specific needs

3. Solutions for large enterprises. Strategy for emerging markets, unclear or unavailable

Λssured recovery™

ACTION

» Look for prospects using AppAssure or Rapid Recovery. Focus on UDP's strength in

- deep data reduction,
- protecting virtual environments,
- Cloud.

Talking points:

- Future of AppAssure, unknown
- Gartner in its recent MQ report dropped Dell
- Compare with Arcserve having a solid roadmap backed by a clear vision.

» Position benefits of our 7000 series UDP appliances to prospects using Dell's DL series

- Highlight the Dell appliance shipping with AppAssure 5.4.3 requiring an upgrade
- Discuss 'unknown' state of its 'core' offering
- DRaaS & Arcserve Cloud: Enabling availability

» Customers using Quest vRanger or Quest NetVault, explain the benefits of

- UDP's virtual offerings (including agentless, Instant VM, VSB)
- our strength in tape
- HA capabilities

Talking Points:

- Currently directionless state of Quest Software due to divestiture
- Our comprehensive offerings for DR & BC scenarios
- Highlight RHA's core capabilities

» EMC's target market seems different from ours

- Focus on mid-market / SMB customers using one or more of EMC's products. They may not need the entire DPS from EMC when one instance of Arcserve UDP can cater to all their data protection requirements
- When it comes to DataDomain, focus on UDP's deep data reduction coming at '0' cost. Remember that we can replace the backup software and the target deduplication with Arcserve Appliances, resulting in significant cost reductions for the customer
- Scale-out architecture support by UDP at minimal cost, as opposed to HUGE 'hardware + software' costs incurred with EMC purchases

» Leverage marketing material such as battlecards, CI deep-dives, silver bullets and others (approved versions)

› Battle cards for reference: AppAssure | Avamar

Sources:

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http://www.businesswire.com/news/home/20160524006294/en/Global-Disaster-Recovery-Service-Market-Worth-USD

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PRs and website info available in public domain