Doug Merritt (02:39)
Hello and welcome to .conf20. As you can imagine, this .conf is going to be a little bit different than those in the past. That doesn't mean that we're going to miss a beat on the usual excitement, inspiration and fun that comes with .conf. I actually think that our incredible team may have found a way to raise the bar and make this virtual .conf the best ever, and they baked in a few surprises along the way that I personally cannot wait to experience.

As we start to reflect back on year 2020, it will be remembered for so many things: moments of sadness and heartache, of shock and surprise, of heroism and possibility, things slowing and stopping, things beginning and dramatically accelerating. One of the truly beautiful elements of life is that we get to choose how we see, experience, feel and interpret the events around us. We can choose to live in a world framed by scarcity and fear, or to leap forward, surrounded by love and abundance.

There are already so many stories, and the year isn't over, but I believe that one of the greatest, most important and still untold stories of 2020 is that this year would not have been possible without you. An enormous debt of gratitude needs to be laid at the feet of the world's IT Operations teams, infrastructure and data center management teams, help desk teams, cyber command center teams, threat hunting teams, applications management teams, DevOps and SRE teams, programmers, support staff. So many millions of you have worked tirelessly and selflessly to ensure there are critical online infrastructure, not only scaled and performed, but scarcely missed a beat.

Doug Merritt (04:26)

For context, let's look at this year. In 2020, we all saw an explosion in the use of our critical technical infrastructure in every corner of the globe. We saw a 70% increase in internet use. Hard to picture, so for context, there's 140,000 miles of railroad track laid across the United States. That's the equivalent of adding an additional 98,000 miles of track in a matter of weeks.

There was a 76% increase in e-commerce. As a result, we saw Amazon scale its workforce to over one million; and Walmart, in less than one year, hired more than 400,000 associates. 42% of the US labor force is now working from home, up from 5% last year. And there was five times increase in buyer activity for web and video conferencing technology, five times. For example,
we’ve seen Zoom usage grow from 10 million meeting participants each day to over 300 million.

Doug Merritt (05:32)
It is a miracle the internet didn’t go down. It’s a miracle that the cloud didn’t vaporize under this pressure. How is it possible that at a time of the greatest change in modern history, our technology scaled like never before? How is it possible that in the face of unprecedented cybersecurity threats, our major institutions and small businesses alike have been able to do business digitally? How is it possible that entire industries have been able to create new ways of doing business and completely reimagined their supply chains, almost overnight?

One word... Data. Data is the foundational capability that allowed all of you to pull off the impossible. Data provides the insights, the nuances, the truths that are necessary for you, our heroes, to perform your magic. As the world vaults forward because of technology, it’s irrefutable that the Data Age has arrived. And you are the data heroes, on the front lines of the greatest challenge ever faced by any industry, heroes like Eric Yuan, CEO of Zoom. When the pandemic turned life upside down, the world turned to Zoom to stay connected. I sat down with Eric to talk about Zoom’s meteoric rise, his perspective on thriving in the Data Age and how they’re teaming up with Splunk to turn data into action, to deliver connectivity and happiness securely. Check out the discussion a little bit later today.

Heroes like Lanita Colette, deputy CIO and CISO at the University of Arizona. Lanita and team helped students thrive in a fully remote environment. And now, they’re bringing students back to campus with an innovative and data-driven approach to keeping U of A’s 45,000 students safe and healthy while back on campus.

And heroes like Charlie Crocker and Jeff Saunders of Zonehaven. Last year, they received funding from Splunk Ventures $50 million Social Impact Fund. And this year, their fire-tracking capabilities have been helping residents around Northern California get the latest details in the state’s wildfires, providing real-time data on fast-moving flames and available evacuation routes.

Doug Merritt (07:53)
From the bottom of my heart, I want to thank you. Thank you for your courage, your commitment, your skills, and your ability to produce massive data outcomes at a time when our country and the world needed you the most. You are the data heroes who have kept our systems running and scaling, while driving the biggest change in the way we work and live in history. And Splunk is right there with you, every step of the way.

In this Data Age, our mission is to make sure that you not only survive, but that you thrive.
want to help you drive better outcomes faster, and live healthier and more prosperous and productive lives by removing the barriers between data and action. To us it's clear, the people and organizations who can act decisively on their data are going to succeed, and those who don't will quickly fade.

In order to achieve this mission, we have completely re-imagined everything about our organization and our technology to better serve you and your evolving needs. As CEO, I have dedicated all of my energy and time to ensure that there is nothing too sacred to be reinvented and no change to bold that it can't be considered. If there's one thing you take away from today is that we are not the Splunk of 10, five, or even two years ago.

Doug Merritt (09:11)
Our relentless focus on your success has resulted in three essential transformations. Number one, becoming a world-class cloud provider; number two, delivering the world's first Data-to-Everything Platform; and three, re-imagining our business fundamentals.

Let's start with becoming a world-class cloud provider. Moving to the Splunk cloud gives you a ton of impact, faster time to value, greater business continuity, accelerated rate of innovation through faster releases, and tailored machine learning insights that are gathered from you, our customer base. Ultimately, our cloud delivers a better experience with less complexity.

So, how do we get here? For many years now, we have been re-architecting our entire portfolio to deliver a cloud-native experience. And we learned from legacy SaaS multi-tenant systems and realized that we needed to take a different approach to the high compute workloads that you need to execute and deliver. Let me just give you a few examples of our innovations-

Doug Merritt (10:15):  
Let me just give you a few examples of our innovations. We’ve separated storage and compute, and delivered an awesome capability that we call Smart Store. We've moved our indexers to be stateless, delivering high volume ingests in the cloud with the ability to auto scale to variable workloads. We delivered SPL2, which is a complete rebuild of our query language to allow organizations to cooperate with other popular languages, increase performance, and make it simpler and easier to learn and use. We've built a highly elastic stream engine to separate data ingest from data search and analytical workloads. And to give you even more choice, we've also expanded our strategic partnerships with cloud providers like AWS and Google Cloud.

We are clearly here for the duration as your partner in the critically important arena of turning data into doing. Let me give you some context on how strong we are in this landscape. If we use
the preferred metric for cloud software, annual recurring revenue or ARR, Splunk is growing faster, much faster, than the household name cloud software players when they were at our stage. At the end of Q2, for example, with our ARR just short of 2 billion, Splunk grew at 50% year-over-year. That was our seventh quarter of at least 50% growth. What does that mean? That means that Splunk is growing faster than ServiceNow at $2 billion, faster than Salesforce at $2 billion, faster than Workday at $2 billion. Why is this important? Because we know that when you make a commitment to a vendor that is helping you extract value from one of your most precious and important assets, your data, you want to be sure that we will be there as your strategic partner for the long term. When it comes to data, we would all prefer to make a safe, smart, and long lasting investment.

Doug Merritt (12:05)
And how is our cloud performing? First of all, we crossed a big milestone in Q2. This was the first quarter where cloud delivered more than 50% of our total bookings. And our cloud growth that quarter came in at 89% year-over-year, which was an acceleration from an already set of incredibly impressive quarters of growth.

What is Splunk cloud growth versus comparable cloud companies? We look at the top 10 public cloud companies with under $1 billion in ARR. Their average growth that same quarter was 48% versus our 89%. And for one more fun fact, that 89% growth was the highest growth number of any of the top 10. We've all seen so many technology companies get disrupted by a new cloud entrant. At Splunk, we decided that our cloud disruptor would be Splunk. And this growth would not have been possible without you.

Beyond cloud, we heard you when you asked for new solutions to solve the challenges that come with the huge increases in the volume and velocity of data, which drove us to our second transformation: delivering the world's first and only Data-to-Everything Platform. Our highly scalable index is incredibly powerful for many types of data challenges, but we needed to push beyond it. We needed to bring our capabilities to where your data lives and give you full control and visibility over your entire data landscape to help you solve all of your problems.

Doug Merritt (13:37)
So we dove into building our Data-to-Everything Platform to meet your expansive and heterogeneous data needs by bringing together our scalable index with a set of the most powerful capabilities in the market. Stream processing brings Splunk to all your machine generated data and in real-time. Machine learning makes the platform easier to deploy and operate, delivers powerful out-of-the-box analytics and extends analytics to solve your most complex use cases. Federated search and analytics runs deep search and delivers insightful analysis against all of your data, whatever its stage, state, or location. And collaboration and
orchestration turns insights into doing to create a hugely efficient and effective team of data heroes.

It is awesome to have such a powerful platform, but we know what you really want are specific solutions to problems. The massive expansion of our Data-to-Everything Platform and the advances to the capabilities in our platform are ultimately there to power our world-class solutions, as well as allow you to create your own solutions. This is the tooling that you need to turn data into action.

The three solution areas that we focus on here at Splunk are security, IT, and observability. Our solutions accelerate time to value and enable vertical specific capabilities. And they're built for the enterprise-grade customer with a feature set required to address the complex requirements of modern enterprises.

Doug Merritt (15:13)
So let's start with our newest area of focus and investment, observability. Our world is evolving at a rapid pace, especially with the massive acceleration in e-commerce, internet usage, and remote work. Delivering high quality and reliable digital experiences matters more now than ever before. You told us that the way your teams are building, deploying, managing, and optimizing applications and environments has changed. You are now faced with the challenge of monitoring and managing systems across complex hybrid cloud and multicloud environments. You're modernizing applications by converting monoliths into distributed architectures. You're also building new applications using containers, Kubernetes, microservices, and server-less functions to rapidly scale and accelerate time to production. And since these technologies spin up and spin down in seconds, and many are no longer under your direct control, you are challenged with monitoring performance, managing usage and controlling costs. You said you needed a new approach. And as you'll hear from Tim and Sendur later today, that is why we've made ymassive investments to expand our portfolio to include observability.

If you couldn't tell, I am really excited about this new portfolio. It brings together our best in class solutions, cloud infrastructure monitoring, application performance monitoring, and incident response, as well as adding in some things you haven’t heard about from us yet: digital experience monitoring and purpose-built log investigation into a tightly integrated suite of products.

Doug Merritt (16:49)
One of my favorite parts about this portfolio is that it delivers a single, consistent user experience powered by our sleek and modern UI that so many of you have come to love. By combining our products under a common user experience, we're able to give you a simple and
seamless workflow across monitoring, troubleshooting, and investigation, making it easy to go from problem detection to resolution in minutes, no matter how complex the problem is. The portfolio also leverages our industry leading no sample streaming, full fidelity ingestion, and sophisticated ML capabilities to collect and correlate across all of your metric trace and logged data, all in real-time and at any scale. I know that's a mouthful, but it is worth repeating: No sample streaming, full fidelity ingestion, and completely differentiated ML. As you'd expect, we use all this capability to automatically surface actionable insights. So you can avoid the manual data stitching and finally see everything in one place.

Swivel chair operations are a thing of the past. We're also embracing open standards and standardizing data collection on OpenTelemetry. For those of you that don't know, OpenTelemetry is the most active CNCF project behind Kubernetes. It has support from other industry leaders like Google and Microsoft, and is absolutely critical to all of you to allow you to avoid vendor lock-in. You need openness and democratization of your data. As co-founders of OpenTelemetry, we are 100% committed to it and have been the most active contributor to the project over the past year. All of these products and capabilities are designed to help you maintain the highest level of business performance, minimize your downtime, and deliver a world class digital experience.

Doug Merritt (18:43)
And the best part is that they're all available to you from one place. I told you, this is not the Splunk of yesteryear, and the market is taking notice. In our very first year in the DevOps and observability space, Gartner rated us as a visionary in their magic quadrant for application performance monitoring. That is an incredible showing in such a short period of time. And it's a testament to the team that was brought together to deliver the only offering in this space that is capable of scaling up to meet the needs of large enterprises. You'll hear Tim dive deeper into our industry leading capabilities and Sendur talk about our new observability products. So stay tuned for all of our keynotes. Also, be sure to check out our observability Super Session and DevOps breakout sessions.

Observability is mission critical to help your applications teams deliver the velocity and quality that's needed to digitally transform your business. However, we all know that performance is not enough. So many of you out there have the incredibly challenging job of keeping our critical systems secure. As hard as this task has been over the years, doing this as your companies accelerate the digital transformation and deal with a chaotic landscape of intermixing public clouds and private data centers only makes it harder. The bar has never been higher for everyone as security teams contend with the complexities and vulnerabilities of this landscape. Splunk has been an unwavering partner to the world of security teams, working with you constantly to push the boundaries on capability and scale.
Our industry leading security portfolio was built to meet your highly demanding needs. And it's there for you as you take on the difficult tasks of modernizing your security operations, strengthening cyber defenses and reducing your exposure to risk. It truly is the most comprehensive and performant security portfolio in the industry, covering investigation and forensics, SIEM and security analytics, automation and orchestration, security incident response, and unified security operations. Now, these are all critical functional capabilities, but when it comes to contextualizing your threats in security, there is absolutely no substitute for scale. To stay ahead of adversaries, it is beyond imperative that you have a solution that is able to handle the high data volume and continuous interrogation analysis that your cyber teams need. This is one more area where our unmatched scale in the cloud and the breadth of our ecosystem will help you stay nimble against your operating realities.

Doug Merritt (33:00):
And for the seventh year in a row, Gartner has named Splunk, a leader in the SIEM magic quadrant. And once again, according to Gartner, Splunk was the number one in SIEM Market Share. Taken together, the two leadership rankings are powerful validation of our team's work. And to top it off this week, thousands of you have participated in Boss of the SOC. I love that event, the enthusiasm in the community is truly infectious. So, tune into Sendur’s keynote, as well as her security Super Session for more details and the advances we're making across our entire security portfolio. Our teams are obsessed with helping you successfully and securely get to the cloud and unify your security operations, while you deliver increased productivity and efficiency back to your organizations. Alongside the emergence of observability and the increasing pressures in the security landscape, the move to cloud is forcing IT to support more high visibility services and manage increasingly complex heterogeneous environments. And the landscape brought on by this pandemic has only added to the complexity. First, you now have been asked to support a remote workforce. That means you're delivering and supporting services in a different way to ensure workforce productivity. You need the right data to support your employees and collaborate across your teams. Second, critical systems are under tremendous stress. That means even core services powered by ERP systems have had to meet new demanding requirements. Many are in the middle of moving to the cloud and need to be monitored end-to-end as they make this journey. Finally, you have to do more with less. With the increased scrutiny around spend and ROI, that is a challenge. It means even greater need to make sure that you tie IT performance to tangible, business outcomes.

Doug Merritt (23:17)
Splunk gives you the agility, the speed, the visibility to protect your business critical services, no matter how complex or convoluted your environment. We bring cloud and on-premise environments together, adding AI and ML to your decision-making and actions to give you the technical detail for this service and business KPIs that your users hold you accountable for. Our
solutions have been ahead of the curve with our analytics driven approach, allowing you to automate tasks, increase visibility and prevent performance degradations. As validation, IDC recently ranked us as number one in IT Operations Management and Gartner recently ranked us number one in the ITOM Performance Analysis Market, which includes AIOps, IT infrastructure monitoring, and IT Operations management. Our best in class IT portfolios made us the clear choice for so many NOCs and IT teams the globe, and we are continuing to push the boundaries of what's possible. To learn more, please join Sendur’s keynote. It's a popular one, as well as our IT Super Session.

Okay. Two massive technology transformations. That might seem like more than enough for anyone to take on. But, we knew there was still more that we could do and actually that we needed to do. A transformation in the cloud demands much more of a company than a technological shift and re-imagining of the product roadmap and portfolio. It also demands a complete overhaul of the business fundamentals to ensure we're innovating to deliver superior customer experience and alignment. So, with superior customer experience at the tip of the spear, our most urgent and important change was to augment our pricing model. One constant that I've heard from you, day in and day out, is that data ingestion based pricing is a barrier. You've told me that you love our technology and the almost serendipitous insights and aha moments that come with playing with data and experimenting with data, and putting a meter on data slows the momentum and the value that comes from Splunk. Which is why we have shifted our preferred approach to workload pricing.

Doug Merritt (25:23)

This change is designed to help you pay for the value you get out of your data, not the volume you put in. We've also created and invested in a world class customer success team, who among other things is dedicated to helping you tap the collective knowledge of our ecosystem through tools, best practices, and soon, in-product guidance. We have dubbed this new capability, Splunk Lantern. Lantern will give you real-time, in-product, proactive help. And recommendations, so you can more quickly and more effectively achieve your outcomes. Our customer success team is taking a holistic approach, working to stitch together a seamless experience from pre-sales, to implementation, to support, to your outcomes, to help you get the best of Splunk and deliver on your needed ROI faster. So, don't miss our customer success keynote, where you hear more about the innovations this team is driving to connect your buying experience to your end-to-end journey.

We've also built a rich ecosystem to support you on your journey, including experts here at Splunk, incredible partnerships and a community with over 200,000 members, all actively sharing ideas and solutions. We’ve welcomed new partnerships like Google Cloud. We’ve launched new solutions, including Splunk Service Intelligence for SAP solutions. And we’ve expanded our relationships with partners who can help turn data into action faster than ever.
Our Splunk partner ecosystem is 2,000 partners strong. And many of you, our valued customers, work closely with partners who provide you Splunk services, hosting, and solutions to solve your most pressing data challenges. In fact, almost a quarter of our .conf attendees are partners. Hopefully it's come through that Splunk is obsessed with customer success and to serve you better, we relentlessly innovating.

Doug Merritt (27:13)
As a company, we focus on solving the challenges of today, while building the tools and technology that we all need for tomorrow. We are delivering the world's best security, IT and observability portfolios while investing in our Data-to-Everything Platform, so we can power data solutions for a future where every single part of your business can act on their data in real-time. This is an ambitious charter, but one that follows in the footsteps of other visionary companies. Who would have believed that you could start by building one of the world's best performing cars with the ultimate goal of re-imagining global transportation and battery production? Or begin by building the world's largest bookstore while on the path through re-imagining shopping and supply chains for every single product in the world?

2020 has been a year of unexpected changes and challenges. My hope, my expectation, is that we will choose to face this time with a growth mindset and reinvent and reimagine our companies and our own lives, for the better. If you look back historically, the vast majority of impactful innovations have come during the greatest times of adversity. The future will tell us if we rose to this challenge or not. However, what we do know is that in 2020, data became an essential service and IT professionals became data heroes. In 2020, our industry was called, and together we are answering that call like no other industry at any time in the past.

Doug Merritt (28:54)
Together, the women and men in the IT world, right now, are driving the biggest change in the way human beings work and live in history. At massive scale, in the face of unrelenting security and availability risk, our industry is rising up to meet and surpass the demands of this incredibly tumultuous time. Our industry is tackling things that people did not think were possible, transforming them into doable and solidifying them as dependable. There has never been a more seminole time. We will remember these days for the rest of our days.

In conclusion, I want to thank you once again from the bottom of my heart. Thank you for including Splunk. Thank you for partnering with us. And most importantly, thank you for being data heroes.

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