

# NetApp – Culture-Values-Leadership

## #1 on the 2009 list of the 100 Best Companies to Work For<sup>®</sup>

**NetApp is a serious company. Serious about customer service, serious about beating the competition, and serious about being a great workplace. For 2009, NetApp is the #1 Best Company to Work for in America.**

NetApp was founded in 1992 by James Lau and Dave Hitz. The history of the organization is no doubt of great interest to those involved in the growing data storage and management industry. Yet the history of the organization is also of interest to those who study great workplaces, for Hitz and Lau made a number of key decisions early in their role as founders that helped to chart NetApp's future success.

The essence of what fuels the quality of the workplace at NetApp is the high trust culture. Leaders reach out to employees, sharing information, support and time in a variety of ways. This generosity of spirit is reciprocated many times over, creating within NetApp its own version of a fail-safe networked organization. They provide great customer service, beat the competition, and have now made it to the top of the list – now that's serious!

### Key Decisions

Following on their initial success with financing and product development, Hitz and Lau realized that they needed to look beyond themselves for someone to grow the organization. They found Dan Warmenhoven, who was brought in as CEO in October 1994. The choice of Warmenhoven exemplifies one of the qualities that makes NetApp an amazing place to work, as Hitz and Lau were able to see beyond their own dreams to bring on a leader who would grow the business to great success. Warmenhoven's stated top two priorities when he was hired included increasing revenue and creating an effective management team – a group of smart, high-powered individuals who would work as a team, not as a group of high-flyers trying to maximize personal agendas.

Along with their innovative product and market receptivity, the focus on teamwork and strong leadership meant they were well on their way to covering the three key elements necessary for long-term success: workplace culture, internal strategy and operations, and external market presence. And to their credit, in an industry at times gone mad with the opportunity to make a quick splash or pursue hype at the risk of substance, the entire management team – Hitz, Lau, Warmenhoven and many others – have kept their focus on the important balance of all three elements as NetApp has grown over the past 16 years.

In the past few months, the ability to maintain a focus on all of the key elements that contribute to NetApp's success has been challenging as the economic gyrations facing major customers have affected NetApp's revenue stream. Everyone has been kept well informed of changes in projections with frequent communications from senior leaders. A Vice President's Forum, held every two weeks, has been developed as a way for leaders to share information about the business and the economy, and to hear about the issues and questions on the minds of employees. The information from this forum is passed on from VPs to all people in their areas of responsibility.

A communication kit titled "Communicating with Employees During Tough Times" was quickly developed as a resource for leaders and managers. This kit provides information on how to answer people's questions, recognize and respond to signs of stress, and involve employees in discussions of the issues facing the company and how people can respond together to make the best decisions. The goal of all of this is to insure that people feel supported, are aware of resources that are available, understand the business impact, and understand how they can stay focused and move the company forward.

### NetApp

Web address.....	www.netapp.com
Corporate Headquarters.....	Sunnyvale, CA
Year founded.....	1992
Chairman and CEO.....	Dan Warmenhoven
Industry.....	Information Technology -- Storage/Data Management
Total Worldwide revenues.....	\$3,303,000,000
US Employees (FT, PT, Temp)....	5,360
Job Applications in past year....	more than 45,000

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### Simplicity and Trust

A commitment to simplicity is at the heart of NetApp operations with a goal being that products are as simple as they can be to do the job necessary. In order for the principle of simplicity to be effective, a high trust culture needs to be in place, as trust and simplicity support each other. The corporate culture that supports all of this is described within a circle that begins and ends with employees committed to working together toward the same goals. The simplicity and power of the leadership principles, infused also in product design and customer support, provides the solid ground from which the company has grown.

There is no need for excessive bureaucracy so information travels quickly, input is gathered effectively, innovative opportunities are pursued and the right decisions are made and implemented. This all provides a tremendous competitive advantage in the marketplace, and creates a workplace where people want to contribute, succeed and have fun.

Employees talk about the NetApp culture in terms of how easy it is for them to share ideas, ask questions and get answers, meet with a leader, and take on the responsibility to test out a new concept.

“ I have been given lots of freedom to implement my ideas to make things better and also am able to make decisions in order to get the job done. At the end of the day I can look back and see what I have been able to accomplish with a great feeling of satisfaction. ”

Most impressive thing I find about the company is the open door culture. I can approach any other engineer with technical issues, product marketing with new ideas and anyone in management with any questions. ”

This company is unique in my experience for avoiding the politics and empire building typical in growing companies this size and fostering an environment where cooperation is the expected and actual norm. ”

### Values

NetApp's values reflect the serious pursuit of success that characterizes the workplace with the final value - Get Things Done - exemplifying the excitement one feels at NetApp locations. There is a concentration of energy in the air, at meetings, and in presentations that reflects the potential of the data storage and management industry's tremendous future opportunities. Everyone at NetApp seems to feel it and realize that their journey is in its very early stages.

“ I think the most unique thing about NetApp that makes it what I consider the best place to work is that they give us a lot of the free stuff: free as in freedom, not “free beer”. There is a lot of “free beer” here as well (free gifts, goodies, lunches, etc.), but I think giving “free beer” to keep employees happy works only as long as the company is in the high. Freedom lasts forever... I think NetApp is a great model for this ideology. Everyone here loves working here, every intern wants to come back full-time, everyone works together .... ”

Leaders at NetApp are regularly challenged to seek opportunities that take advantage of their collaborative culture and are reminded of the importance of upholding the entire set of values that enable their teams to work effectively. Warmenhoven has a management approach that minimizes the potential of politicking and maximizes effective decision-making. As he explains:

“ If you deal with the ethereal, you can get into personalities and people's objectives. If you deal with facts and hard data, it's a little harder to have a personal agenda. And we're very, very focused on data....So it doesn't get to be personal. The focus is on the issues. And in most cases, you find that the issues aren't owned by any one particular function. So the focus is on team problem-solving. ”

This focus on the facts and hard-data for decision making does not occur in a vacuum – it is encased in an unwavering commitment to integrity, teamwork, respect for ideas, wherever they come from, and ‘always acting for the absolute good of the whole’.

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### Recruiting and Rewarding the Best

NetApp started a recruiting campaign directed at attracting ‘brilliant’ people to their organization. This approach was developed based on feedback from employees who indicated that they ‘feel like they matter to the company and are rewarded for the contributions they make.’ Potential job applicants were told that they would be both brilliant and appreciated at NetApp. Employees internally were told that as well, to encourage referrals and insure that people already at NetApp knew how much they were valued.

To support efforts at recognizing people’s contributions, there are structured programs in place like the SHARE Rewards program, a Professional Services incentive-based program designed to encourage participation in knowledge sharing; the TCE (Total Customer Experience ) Champions program, which acknowledges employees and teams that have made a difference and impacted a customer’s view of NetApp; the NetApp Patent Award program, through which employees are eligible to receive patent incentive awards of \$5,000 to \$15,000 per patent, depending on the number of named inventors, as well as individual stock grants for multiple patents, and many others. During the 2008 fiscal year, \$1,010,089.50 was awarded to 543 employees through various patent award programs.

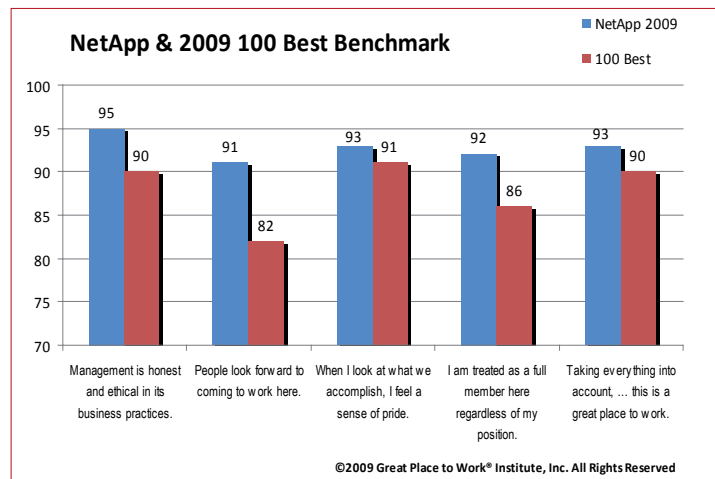
The recognition provided by these programs celebrates people’s effort, teamwork, and contribution to the success of NetApp. Award recipients are often acknowledged publicly at company-wide gatherings, are noted on the company intranet, in publications and with plaques, and are further recognized through the distribution of financial benefits that can be significant. There are also unstructured recognition and appreciation programs in use that have a tremendous impact on employees as well – most notably, the informal ways in which leaders go out of their way to say thank you to employees for their contributions.

“ At NetApp there is a true sense of team spirit and “family”. The supportiveness and amiable environment makes it a GREAT place to work. If an employee has a tragedy befall them, colleagues rally to support. Also, I have never been at a company where the top executives actually CALL me to thank me for a job well done and great attitude. Even the “little” people get noticed by Tom Mendoza, our Vice Chairman and it says a LOT about our company’s value of “catch someone doing something right”. Makes me much more committed to my career and job here. ”

### Opportunities to Learn

In order for the recognition to mean something, it needs to be backed up with opportunities to learn, be challenged, and take risks with new ideas. NetApp provides employees with a variety of learning opportunities, and involves many of its own leaders as teachers and mentors in management development programs.

During the past year more than 26,000 hours of training were completed by NetApp’s US employees. With a growing emphasis on having employees take charge of their own career development, NetApp provides tremendous opportunities through internal programs and support for participation in external development programs. Yet employees must take the initiative, working through self-assessments, seeking out coaches and mentors, and enrolling in various programs. People will give advice and encouragement, yet personal initiative is definitely important.



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“ This company provides more access to training and self help materials for personal growth and advancement than any other company I've worked for. They openly promote use of these materials for self improvement and advancement. ”

“ They really spend time on training people in the organization for leadership. Whether it's optional classes for managers and above on “managing with impact” or Leadership, or mandatory classes like, Senior Leadership 1 and 2 (week long boot camps on leadership) and “managing legally and ethically”. There are also continuous opportunities to take on new projects, and develop new skills. ”

“ My manager encourages me to look to the future and develop myself and my skills for what I want to do in the future. He gives me assignments that help me to grow my skills. For instance, I am an Administrative Assistant but I am being sent to Virginia for a week to learn a new website platform/software product so that I can put together a team within our department to re-vamp our internal website. To me, that is exciting and a great chance to learn a new skill! Plus, I will be spreading my wings a little and learning to lead a team. Wow! ”

### Respected for your contributions

At NetApp, the talk about teamwork, cooperation, and respect for different points of view is reflected in the practices of leaders and managers. This all starts at the top, with many employees commenting on the openness and honesty they experience in their interactions with senior leaders.

“ Netapp Culture makes everyone seem at the same level. I can ask any question of the CEO or manager and treated as a member of the team. Everyone wants to do what they can to make the company better. ”

“ Friendly people, work as a team. Hostility at work is discouraged. Executives are proud of the culture and are doing their best to retain the good part and keep improving as the company grows. Excellent leadership from the executives, who are very approachable and willing to listen to new ideas. ”

“ My experience working at NetApp is unique in that it has been nothing short of exceptional! The executive team communicates openly and honestly. I've personally experienced Dan, our CEO choose to share difficult information in the spirit of candor rather than pushing it under the rug. We're all treated fairly, paid well and treated with respect. The executives uphold and live the values they've set forth and the culture is strong because of it. ”

And it is from this base of openness, in a tough, no-nonsense highly competitive business environment, that employees are invited in to the organization to be significant contributors. NetApp provides exciting opportunities for people to succeed, supports work-life balance with flexible scheduling, encourages volunteerism in the community with paid time off, and goes out of its way to help people in need. Fundamentally what people experience at NetApp is respect.

“ What I appreciate most about NetApp is that I am respected -- to manage my time, my day, my workload. No one is telling me I must be at my desk by a certain time, or gives me a strange look if I am leaving the office early, it is expected that you get your work done, and if you do that late at night or early in the morning, that is your choice. ... the atmosphere is positive, creative, and the bar is higher; no one is watching your movements, it is about performance, achieving goals, doing more. I plan on sticking around and doing my part to keep raising the bar! ”

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“ I’ve worked for several other high tech companies. NetApp provides a unique atmosphere in which to work and succeed. It fits the profile of companies years ago that my father used to talk about. Those that knew first that their employees were people and that respect for them generates the highest loyalty and commitment. I’m proud to work here. ”

NetApp has enjoyed tremendous success where many other companies have struggled. While much of their success can easily be attributed to their superior products and customer service, one singular, irreplaceable ingredient – now also very well known – is that they are an amazing, fantastic, wonderful place to work!

### Unique Practices

There are many programs offered at NetApp to support employees’ growth and development, and to insure that NetApp’s unique culture is maintained and strengthened.

Below a variety of NetApp’s Best People Practices are highlighted.

#### Senior Leaders Meeting

The Senior Leaders Meeting is a 2-1/2 day business conference that focuses on leadership, alignment and commitment to execute NetApp’s business strategy and provides a progress update on annual objectives. The meeting reinforces NetApp’s identity as a company, where they are going and why they win in their markets. Global leaders have the opportunity to reenergize and to focus on ways they can innovate, adapt, change, lead, execute, and sustain a growth-focused business environment and renowned company culture over 12-36 months.

One element of this year’s Senior Leaders Meeting was a noncompetitive, fun team activity called “The Go Game – The Amazing Discovery”. The purpose of this activity was to reconnect senior leaders with the NetApp culture, values, behaviors, and attributes that have enabled success over 15 plus years. Many of the NetApp senior leadership team is new to NetApp (two-year tenure). This fun activity provided cross-functional teams the opportunity to internalize the core NetApp culture, values, and expected behaviors.

#### “Fruit Tuesdays” and “Bagel Fridays”






Every week, a variety of fresh fruit (Tuesdays) and bagels (Fridays) is delivered to all Sunnyvale break rooms. Remote offices have followed suit and developed their own culinary traditions, offering bagels, fruit, yogurt and even waffles.

The goal of these free offerings is to help maintain a small-company feel as the organization continues to grow and create an informal opportunity for employees to gather, network and share information.

#### Volunteer Time Off Program

This program enables full-time employees to take up to five full days off per calendar year, (with full pay and benefits), to volunteer at local schools, at a non-profit organization of their choice, or at NetApp-sponsored community relations activities in their area. In addition, employees with technical expertise may take additional time off as needed to provide technical assistance for recipients of NetApp’s in-kind donations of products, equipment and/or technological skills.

### Great Place to Work® Model®

Dimension	How it plays out in the workplace	
	<b>Credibility</b> <ul style="list-style-type: none"> <li>• Communications are open and accessible</li> <li>• Competence in coordinating human and material resources</li> <li>• Integrity in carrying out vision with consistency</li> </ul>	T
	<b>Respect</b> <ul style="list-style-type: none"> <li>• Supporting professional development and showing appreciation</li> <li>• Collaboration with employees on relevant decisions</li> <li>• Caring for employees as individuals with personal lives</li> </ul>	R
	<b>Fairness</b> <ul style="list-style-type: none"> <li>• Equity–balanced treatment for all in terms of rewards</li> <li>• Impartiality–absence of favoritism in hiring and promotions</li> <li>• Justice–lack of discrimination and process for appeals</li> </ul>	U
	<b>Pride</b> <ul style="list-style-type: none"> <li>• In personal job, individual contributions</li> <li>• In work produced by one’s team or work group</li> <li>• In the organization’s products and standing in the community</li> </ul>	S
	<b>Camaraderie</b> <ul style="list-style-type: none"> <li>• Ability to be oneself</li> <li>• Socially friendly and welcoming atmosphere</li> <li>• Sense of “family” or “team”</li> </ul>	T

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### GlobeSmart

As an answer to requests from employees who travel, GlobeSmart was introduced in 2007 and continues to be a well-utilized tool. GlobeSmart provides quick and easy access to business relevant information on over 50 countries. It can help improve communication, collaboration, cooperation and business effectiveness within and across cultures, geographies and time zones. Employees utilize GlobeSmart for the following:

- Assessment Profiles which let employees compare their business style profile with up to 14 country profiles and 14 colleagues or a work team.
- Focus Areas provide country-specific information about culture and customs, business practices and travel essentials.
- Country Content includes business-relevant information on over 50 countries, covering more than 50 topics for each country.
- Enrichment of Training Programs by using the tool as a teaching aid and ongoing reference for managing cross-cultural relationships and adapting to a global workplace.

### Corporate “TOAST” – (Training on All Special Things)

TOAST, NetApp’s unique monthly orientation program, introduces new employees to the company, senior management, business objectives, and NetApp’s distinctive culture and values. It’s an example of executives’ commitment to a live forum exemplifying the behaviors they practice and expect every day – trust and integrity, leadership, simplicity, teamwork and synergy, “going beyond,” and “getting things done.” Although the sessions occur monthly, specific dates are determined according to when senior executives are in town and can present in-person.

The program concludes with a one-hour question-and-answer period that gives new employees a unique opportunity to ask top executives any question they’d like – and they do! At the conclusion of the session, attendees receive a complimentary NetApp shirt.

### NetApp Volunteer Network

This network was introduced by CEO Dan Warmenhoven to underscore his support of employees performing volunteer work in the vicinity of their home or workplace. Launched at corporate headquarters, the group is run by employee volunteers, and strives to celebrate and recognize those passionate employees that are actively engaged with non-profit organizations, while encouraging others to become familiar with the organizations they support. Once a week, at the NetApp Volunteer Network @ Noon (NVN@Noon) bring-your-own-lunch event, an employee sponsor invites the organization of their choice to NetApp to recruit volunteers and spread the word of the benefits they provide to the community. This has created an exceptional feeling of community, and regularly engages employees in new volunteer activities.

### Flexible Work Options: Telecommuting, Compressed Workweeks, Part-time Employment, Job-sharing

NetApp supports flexible work options when appropriate from a business perspective. Many employees work from home on a regular basis. Some telecommute one or two days a week; others alternate coming into the office one week and telecommuting the next; and other employees – who may sometimes live hundreds of miles from the nearest NetApp facility -- telecommute virtually, everyday. Some work on a compressed work-week schedule, such as four 10-hour days a week. The guiding principle is, whatever works to get the job done.

Work-life balance at NetApp is reflected in the fact that job promotions – even significant ones – don’t automatically mean that an employee must relocate to a large NetApp facility. The general manager of NetApp’s Digital Media Content Division, for example, lives in Atlanta, Georgia and manages his global team virtually.

Part-time employment opportunities are possible at NetApp – particularly for new mothers. Part-time arrangements are the result of manager-employee consensus, and are distinct from one employee to another. Such agreements often include weekly telecommuting components. For many new parents, such flexibility is a bottom-line requirement, and represents the difference between continuing to be a NetApp employee and resigning.

### Autism Benefit

In 2006, NetApp introduced a truly unique autism benefit in their medical plan. This benefit provides coverage for many services and therapies not normally covered under most health insurance plans -- as long as they are provided to treat an autism-related diagnosis. The benefit was designed and implemented in response to employee input regarding the special needs of their families who are affected by this condition. To date, 43 employees have utilized this benefit at a cost of \$242,452. In 2007 alone, 31 people utilized this benefit at a cost of \$135,879. Response to the autism benefit has been overwhelmingly positive, both from the employee population and even from the public. NetApp was recently contacted by the Human Resources department of another company who heard about the autism benefit and was seeking advice on implementing a similar benefit at their own company.

# Any Company Can Create a Great Workplace

## Our Mission is to Help Them Do It



**Great Place to Work® Institute, Inc.** has conducted pioneering research on the characteristics of great workplaces for over 25 years. We believe all companies can become great places to work, and our mission is to help them succeed. Our Great Place to Work® Model® is recognized as the standard for assessing great workplaces. In 40 countries around the world, we are proud to:

- **Recognize the Best Companies** for their achievements through our international Best Companies lists. In the U.S., these lists include Fortune's 100 Best Companies to Work For®, as well as the "Best Small & Medium Companies to Work for in America" published in collaboration with SHRM.
- **Help companies create and sustain great workplace cultures** through our consulting services. Our data collection tools (employee survey, focus groups, 360° professional development tool) educational workshops and training programs, action planning system, and strategic advising services all support the transformation process within any organization. The Institute's unique access to Best Companies' data allows us to offer unparalleled benchmarking opportunities, best practice information, and transformation insight to our consulting clients.
- **Share resources, best practices, and Institute research** through our education services. These include peer networking groups, workshops, conferences, and publications which enable organization leaders to learn directly from each other, as well as benefit from our wealth of knowledge and lessons learned from the Best Companies and our clients.

### For more information, please contact us:

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#### Additional Resources

- Join us for the 2009 Great Place to Work® Conference, May 6-9 in Miami Florida, to learn more about how to create great workplaces directly from Best Companies leaders. For more information, visit [www.greatplacetowork-conference.com](http://www.greatplacetowork-conference.com)
- Nominate your company to be on Best Companies lists in North America, Europe, Latin America and Asia by visiting [www.greatplacetowork.com/best/index.php](http://www.greatplacetowork.com/best/index.php)
- Consulting Services: We believe passionately that any organization of any size or industry can become a great workplace. Great Place to Work® Institute, Inc. consulting services are based on 25 years of researching Best Companies, and our in-depth knowledge of how companies transform can help you achieve higher levels of productivity and profit. Through our assessment, action planning, and advisory services, we can help you to measure, benchmark, and positively impact employees' experiences of your organization.