Event Type: Mizuho Virtual Software Tour

Date: 2020-09-22

Company: **salesforce.com, inc.**

Ticker: CRM

COMPANY PARTICIPANTS

Mark J. Hawkins - salesforce.com, inc., President and Chief Financial Officer, Member of the Executive Committee

OTHER PARTICIPANTS

Gregg Moskowitz - Analyst

MANAGEMENT DISCUSSION SECTION

Gregg Moskowitz

Okay. Good morning. We're going to go ahead and get started. I'm Gregg Moskowitz. I'm Mizuho's Senior Enterprise Software Analyst. For our first session of day 2, we're absolutely thrilled to have Mark Hawkins with us. We also have Evan Goldstein, who, of course, is the VP of IR for Salesforce and Mark, as you all know, is CFO of Salesforce. This session is going to work a bit differently from the others that we've had thus far on the Mizuho Virtual Tour. If you have a question that you'd like to ask Mark, please e-mail it me at gregg.moskowitz@mizuhogroup.com, that's g-r-e-g-g-dot-m-o-s-k-o-w-i-t-z@mizuhogroup.com and we'll endeavor to get through as many questions as possible.

With that, I think we can begin. Mark, thanks so much for joining us this morning.

Mark J. Hawkins

It's truly a pleasure, Gregg. I'm really happy to be here and looking forward to the dialogue. It's nice to see you again as well.

QUESTION AND ANSWER SECTION

Analyst: Gregg Moskowitz

Question – Gregg Moskowitz: Likewise. Very much so. And maybe just to kick off the discussion, so, Mark, you're coming off a truly phenomenal quarter, punctuated by eclipsing $5 billion in revenue, $1 billion in operating profit. And I know that you don't provide segment guidance, but you also reported clear outperformance versus consensus expectations across each one of your clouds. And, of course, this occurred in the midst of a pandemic. So why do you think the company was able to achieve all of this?

Answer – Mark J. Hawkins: Well, first of all, I'm super happy in terms of in the way our team has rallied through the pandemic. And I just have the utmost appreciation for what they are doing, which is really staying focused on our true values, including customer success, innovation, trust in the quality, but I think that's really critical right now. We have pivoted and pivoted again, Gregg, to make sure we're staying and spending a lot of time with the customer and finding new and different ways to do that.

And that with respect I think staying true to that has really helped us stay on point, stay relevant and deliver the kinds of things that our customers need and it just – it essentially turned out to be a terrific outcome because of that. I think the teams pivoted. They pivoted, they were scrappy, they stay focused on how to help the customer and with the product we have, it just turned out to be a great quarter.

Question – Gregg Moskowitz: All right. Terrific. And actually, on the earnings call, if I can go back to that for a moment, so Marc, Bret and yourself, all mentioned the growing importance of digital transformation. But would you say that this is also being manifested in the form of more holistic Customer 360 projects, if you will? And then, further to that point, are you seeing an increase in multi-product sales?

Answer – Mark J. Hawkins: Yeah. I think the – a couple of things here. One, that you talked about on the digital transformation, Gregg, it's like there's no question in my mind that the urgency of the digital transformation just took another notch up with COVID, with people experiencing the criticality of having digital capability that's in the modern way, especially in the front office as they connect with their customers.

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So I feel like that was absolutely critical to what was on the minds of the customer and how we can help them in that way. I also feel like when we look at the customer going through the transformation, I think not only it was our priority, I think we also looked at like how they could use the Customer 360 to continue to build out the modernization of their front office, if you will, in terms of how they're going to like it. Now, Gregg, whereby we would start off with a customer maybe one or two clouds that would be our typical notion, but the other typical notion is that we would land and expand over time.

So in terms of the number of clouds per customer, I don't have any quick updates on that right now. But I would say to you for sure, they're embracing the Customer 360, as they go to modernize additional transformation, we land with a couple of clouds and then we serve them really, really well, make them successful and we expand. And that's what's driving our business even in a pandemic environment, if you will.

Question – Gregg Moskowitz: Okay. That's helpful. Thanks, Mark. And I had a question on new business in the current environment. And it's interesting to me because net new activity was extremely challenge for you in Q1 and then Q2 comes around and your net new business improves so much that it's again consistent with historical levels and that's terrific. But my question is, is this legitimate and possibly sustainable improvement in your view? Or is much of this a function of closing deals that normally would have gotten done in Q1 if not for the pandemic?

Answer – Mark J. Hawkins: Sure. No, I think it's great question. What I was encouraged to see, Gregg, was and you touched on it is that the level of new business activity that we saw. It was actually consistent with historical trends. So said differently, as we talked about and guiding the year, again, in Q1, we were trying to anticipate what would a pandemic be like, what would be the patterns, what would be the trends. What we didn't see at that time was how quickly the customer was really coming back to more historical norms for us given the urgency of digital transformation.

So we feel like that was an encouraging sign to us; that was part and parcel to the delivery end Q2. And then, in terms of the demand that we see building on your question, Gregg, if you look at what we saw at the timing of the earnings call in terms of our pipeline, looking forward, that's what informed us to give the projections for top line that we have going forward. It was beyond the moment. It was more like here's what we're seeing included in the pipeline at the time of the call.

Question – Gregg Moskowitz: Okay, perfect. And actually that is I think really a good segue to a question I received, which is, if you can make any additional commentary perhaps as it relates to the qualified pipeline progression; in other words, what are your later stage pipeline, if you will?

Answer – Mark J. Hawkins: Nothing really more to add than – again at the time of the call, what we always look at before the call is how does the pipeline look and that informs us. We have to look at, as you know, Gregg, like a thousand different things to try to inform our perspective. And that is one important point, including where it is in the stages of the pipe, things of that nature for sure. We look at everything from that kind of demand all the way to foreign exchange. We're trying to dial in a lot of moving parts, but it certainly informed us, looking at all the information during the pipe and you might guess it's Salesforce because of our capabilities and what we helped in the products we provide. We have a good view of pipeline.

Question – Gregg Moskowitz: Okay. Got it. Another question that came from an investor is if you could talk about sales rep productivity rate as well as ramp time, given the current environment that we're all in?

Answer – Mark J. Hawkins: So I want to make sure that I fully heard that again. So just repeat, I just want to – I got the part of that question. I want to make sure I heard the whole thing.

Question – Gregg Moskowitz: Of course, Mark. So the question is about sales rep productivity as well as the ramp times for your sales folks just in the current environment that we're in.

Answer – Mark J. Hawkins: Yeah, right. Sure. So I think as far as ramp time is concerned, I don't see anything that I would call that would be dramatically different. We're learning from the environment we're in. We only have a couple of quarters pandemic-oriented, so it's hard to trend graph off of that. What I would say is, we're continuing to expand our capacity as we do as a growth company with all the projections we have about the future. And we continue to have a very strong and capable playbook in terms of how to enable them, to bring them up to speed in that regard.

So we don't get too specific about productivity per se on any given quarter. Sometimes we'll talk about it like a Dreamforce over the course of the year. But everything we're thinking about in productivity, Gregg, is actually embodied in the forward-looking guide that we gave at the time of the earnings call.

Question – Gregg Moskowitz: Yeah. Okay. Great. And then, along similar lines, any commentary, Mark, that's with respect to average deal size that you happen to see this past quarter versus typical Q2 period as well as just the transaction velocity?

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Answer – Mark J. Hawkins: Sure. The deal sizes were slightly better in Q2 and that was encouraging. I also would say, the seven figure transactions were up 63% year-on-year. And for a lot of folks, Greg, you've been one of them that know our business really well, we don't typically disclose a lot of detail on big deals Q2; that's more like a Q4 discussion, right, where that typically comes up. So we're very pleased just with the breadth of strength in that area.

The other thing that I shared with people in I think at the time of the earnings call was one thing that surprised me is the strength not only in the bigger deals, but all the way down to the ESMB level, all the way down to that level, we saw strength. So that I thought was a good sign to me at the time, and I think again reflects the broad-based, I would almost say urgency to invest in digital transformation, which I think you're seeing with a lot of different lenses. But that's certainly what we see maybe – and what we shared at the time of the call.

Question – Gregg Moskowitz: Right. That makes sense. And then, on the topic of larger deals or large deals, Mark, so you guys had a truly landmark deal when you signed with AT&T and you won. And then, of course, a large government deal in Q2 as well. And with all of the increased again customer focus on digital transformation, do you think that these types of "mega deals" can become more commonplace for Salesforce over the next couple of years versus the prior two? And then, also are you able to share with us how meaningful these types of deals may be to overall company growth at Salesforce?

Answer – Mark J. Hawkins: I think the thing that I would say certainly I think you're absolutely right, Gregg, that deals like the AT&T deal or other big deals certainly are helpful or important. What I really liked about the AT&T deal was just as one example, the bigger deals is again back to the Customer 360 and looking at the full digital transformation they bought so many different offerings, including Tableau to really help take them to the future.

And so that build out of the 360 is really creating that kind of competitive separation you're seeing when you see the market share that we're taking again, you know that the markets aren't growing 29% year-on-year like we just put up. We've been persistently growing and taking share for 21-plus years and you can project what that's going to do. But I think certainly more and more customers are coming to us and we're coming to them and see how can we bring the entire 360 to help you.

I don't want to over project, Gregg, that we're not reliant on just big deals, we have just such a portfolio up and down. We have the ESMB, SMB, midmarket, GB, enterprise. We saw strength and then you could see it across the geos and you could see it across the clouds in Q2. And I think that kind of – I would almost call it inconsistency at that level was really, really helpful. That portfolio effect was really, really helpful to us. And I think that's important, but definitely, we're in for the big deal. We're happy to serve. But I would go to the portfolio was what's really looking, something really separating us from the competition.

I think people need the portfolio of offerings. They don't want to go do their transformation with urgency with seven or eight different point solutions. You can see it in the numbers. They want a Marketing Cloud, and a Sales Cloud, and a Service Cloud, and a community, and a analytics, and e-commerce. And it's just too much work for them to do one and try to integrate. That's what we hear. And I think that shows up in the growth rates.

Question – Gregg Moskowitz: Okay. Makes sense. That's great. And then, let's maybe dive in a bit on the product side and talk about – you referenced Tableau, Mark, let's just talk about that as your largest ever acquisition, of course. So once you got beyond the initial CMA issue late last year, how has the Tableau integration gone relative to your expectations?

Answer – Mark J. Hawkins: Well, we're very pleased, Gregg, integration always takes multiple years. But what you always look at is, are you hitting the milestones. And to your point, very aptly said, we do a deal, run right into the CMA, where we navigated through to the other end successfully, appropriately and with utmost respect for that process.

And then, secondly, we go basically right into COVID for it kind of looks like the first full quarter of being unencumbered and yet you can see that – and you're hearing the details on earnings calls such as we were very pleased with the performance, we were very pleased with the growth rate. The cultural compatibility is terrific. Adam Selipsky is just an excellent CEO. And we're integrating in so many different levels and more work to do with systems integrations and process integrations and lot of stuff in the back office wouldn't be as exciting to talk about perhaps right now.

But in terms of integrating them into the Customer 360, having them show up like in an AT&T won deal is a great example of they're in the mix and we're really happy about it. We think this is tracking very well compared to our hopes, let's just put it that way.

Question – Gregg Moskowitz: Okay. Fantastic. Another question, Mark, that has come over is just that with respect to Sales Cloud, is that still the main landing point for Salesforce? As we know, Service Cloud has recently (14:38) Sales Cloud in terms of total size but if you could comment on again how you land with customers and how that may be changing, if at all?

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Answer – Mark J. Hawkins: Sure. I think, historically, you're absolutely right, Gregg. I think Sales Cloud, Service Cloud have been the landing pad. And I think that landing pad is expanding with Service Cloud. And what we're finding is that once you land and you really truly help a customer pencil out the ROI that they needed and help them be successful with what they're trying to achieve, more goodness comes if we do a good job for them.

And so we're seeing sales, service being primary landing pad. I will say to you that it's been fun to watch things like MuleSoft and other parts of our business. I think you'll probably recall Marketing Cloud brought net new customers to us at different times. So I think there's a primary landing pad, but then that landing pad with Customer 360 is starting to branch out a bit is what I would say. All right? I think you should expect that to continue.

Question – Gregg Moskowitz: Okay. All right. Good. And then, on the topic of MuleSoft, the value proposition, I think, of MuleSoft speaks for itself. (15:49) our opinion that your acquisition here was one of the most successful transactions in software over the last decade. Having said that, I was curious about the rate and pace of integration projects, and specifically, the customer willingness to tackle those projects in this environment, just given the underlying complexities that exist in their architectures. So I guess, with all that said, what are you seeing with respect to the MuleSoft demand at this time and if that's confusing at all?

Answer – Mark J. Hawkins: I think the MuleSoft performance at the time when wrapped through Q2 at the time the quarter, I can speak at the end – end of the quarter I can speak obviously very happy with that. We put out some numbers in the past to share with you including an Investor Day and such and how – what we're doing with MuleSoft. We see that as an integral part of the Customer 360 solution. And my experience is when you go accelerate the clock rate of digital transformation, MuleSoft is going to be part of it, because it unlocks your data whether it's cloud, whether it's legacy, you open the aperture of the data that can start to flow in a digital transformation, you use Tableau to see and understand, use Einstein to push it to predictiveness, and you use that whole backdrop as part of the Customer 360 in terms of customer success.

We see that – we see people certainly based on the performance we saw in Q2 very happy to engage in that way and you're just solving problems that customers have. That's the bottom line. They're needing that and we're delighted to help them with that.

Question – Gregg Moskowitz: All right. Okay. That's great. And then a couple of similar questions actually on Commerce Cloud. So I'll try to read this in as best I can. But how would you characterize your position in e-commerce? And also, are you concerned that you may be poorly positioned at the low end because of Shopify, and then, possibly in somewhat unsustainable position at the high-end, because of competitive logistics, including payment offering that may exist again at the higher end.

Answer – Mark J. Hawkins: No, no, I think again, a couple of things I would say. Certainly, we have a ton of respect for Shopify; good offering, to your point, marginally at the low end, but a capable company. And I have a lot of respect for that group. I think what we see is our e-commerce capability, obviously, very happy with it. We talked about growth 100% GMV. That's usually a good sign. I would just put it that way.

And we watch – it's not just the capability, which by the way, we had the choice to look at lots of different options when we bought Demandware. It's got a lot of capability to scale up to the enterprise at higher and higher levels. And, of course, you can imagine our ability to work in a SMB space or ESMB space over time as well. So we're happy with it. It's part of an overall solution. It does B2B and B2C and other offerings are not there. So when you look at that lineup and that capability integrated also with Marketing Cloud and Sales Cloud and service a community and analytics with MuleSoft propelling that. We really like what we can do for customers and you can see it and some of the growth rates there.

Question – Gregg Moskowitz: That's great. And then, a follow-up question from just on the SMB side, Mark. So the comment is sort of many other software vendors have talked about weakness in SMB and so this investor is curious how Salesforce is actually seeing decent strength relative to others in SMB, and is there anything that you would call out that perhaps maybe a differentiating factor if you were to look at other SMB-focused companies such as perhaps Zendesk, Atlassian or parts of Microsoft.

Answer – Mark J. Hawkins: Yeah. I think what we see – and again, I definitely was happy to see not only SMB strength but also ESMB strength, which I called out earlier. I think what we're seeing certainly in SMB is an SMB today is a midmarket tomorrow and an enterprise in the future. And I think some of the challenges that SMBs are faced with is do I want to go with something that doesn't scale for a while, disposable, and then go to something like Salesforce that does scale to as big as you want to be.

And I think what you're seeing when people are going through the digital transformation is they're saying, hey, look, I don't want to do this with seven different points of solutions and then reintegrate it again because that can't scale. And so this is the feedback we're hearing is like the innovation we have, the scalability we have, the completeness of the offering we have. The proof points including the customer, Gartner Magic Quadrants, you can pick it. It's not us saying

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it. It is what the market is saying is – I think driving the growth. And I can't speak for other companies, but I know our setup is quite unique.

Question – Gregg Moskowitz: All right. Great. All right. Thanks, Mark. Another question is how important is CDP, your Customer Data Platform as it relates to the market expansion?

Answer – Mark J. Hawkins: I'm glad we're doing what we're doing with that. I think our marketing space, you can see us in the share, we've been taking for so long. We came from what was number six and we're right there at the top. And it's just one of many strengths that we have on that. But I think it's a helpful offering unlike what we're doing on all aspects of the Marketing Cloud, aspects of the Commerce Cloud and the other cloud. So I think it's methodical.

Question – Gregg Moskowitz: Okay. Great. And then, tell us why the Vlocity acquisition was so important. And (22:08) Salesforce and certain verticals that you're specialized or where Vlocity specializes telco, media and entertainment, healthcare et cetera?

Answer – Mark J. Hawkins: Yeah. The one thing I will just say in the last question, just probably a good finer point on the CDP at the end. Basically, what we're creating with that as part of Customer 360 is just a complete solution for the CMO. And CMOs love to have a complete solution. Again, biggest point I would say is, we talk to so many people, Gregg, just ask how many of them want to fractionalize the solution that they have to integrate versus what we're offering. And I think that that gives another lens on the CMO and CDP.

As it relates to Vlocity, the thing I like about Vlocity, Gregg, is it opens up just even more progress on the verticals. And you and – I can remember talking six or more years ago, we're like hey we're going to go to the industries, we're going to get people who can speak the language, check point. We're going to go, partners that can help support the customer in a more industry focused way, we checked it off. We're going to start delivering vertical products and we're doing that and then we're having success with wealth cloud, retail banking cloud and health cloud and we said you'll see more of that in Vlocity, it opens up the solutions even more when you think about all the different energy and utilities and the communications side and everything government, insurance, health that offers even more verticals for us to build the products on top. And the reason that's so powerful Gregg in my mind as CFO is, that's called out at Investor Day, I'm picking up an incremental $160 billion TAM that's good, I'm picking up a product where at least our early industry SKUs show a 30% lift in ASP, because there's more value. We see with the early SKUs the attrition rate is – it's low single digits. There's a lot of unit economics there, there's new logo creation there and so we think that this is just another way to propel us for the long-term future, that's what I would say there.

Question – Gregg Moskowitz: Okay. Great, very, exciting in terms of everything you guys are doing there. I know its early innings with respect to (24:31) look forward to seeing that line progressive. Another question, Mark, on a different front and this relates to hiring. I think many investors who are tuned in for the session have probably seen or heard but if they haven't, the recent plans and Marc B. briefly sort of talked about hiring 12,000 or so new employees I think over this next, I believe, 12-month period. So that's almost a 20% increase in head count. And the question is how do you think about where you are investing and given that you just had some reductions sort of following the recent earnings call and then related to that investors want to know, are you seeing the demand return to the point where you're now comfortable investing in the business again or is this more just sort of reinvestment from some of the work from home savings that you capture?

Answer – Mark J. Hawkins: Yeah. And I think the key point that I would say is we've never stopped investing in the business. We're always taking the long view to help to think about it. We were always – obviously, this year we're going add thousands of incremental heads by the end of this year as well. I think Marc talked about more of a forward-looking view over longer periods of time as well, but we are a growing vibrant company. If you just look at 29% growth last quarter and our scale as the fourth biggest enterprise software company in the world, you don't see that kind of growth of scale in enterprise software at all. We're investing across all the businesses both in product and in region and very, very purposeful in that way. So I think those are the ways to think about a product in our regions, industries, the things that our customers position as to best serve the customer as they go to the future, as they modernize. But that's what I say, we've never stopped investing and just we're always improving and adjusting and making sure that we're going into future even in a pandemic time.

Question – Gregg Moskowitz: Okay, got it. And then maybe as a follow-up, Mark, just in the aftermath of you delivering 20% operating margins this quarter, does the shift to a hybrid workplace lead to a cost structure that is slightly or perhaps modestly lower for Salesforce on a sustainable basis? How do you think about that?

Answer – Mark J. Hawkins: Yeah. I think the thing I would say to you is – certainly with the work from home circumstance, where travel is not, where travel would be and are there opportunities with real estate and that type of thing. I think I'm sure there are, yes, the answer is yes in Q2 for example. In terms of where things would be, it obviously is very early. People are wondering like will people come back to offices again someday. I believe someday they will. Will it be exactly like it was pre-pandemic, I don't believe it will be exactly the same way but we're not over-extrapolating right now, it's just too early days. But we really are reimagining our future. We always want to be leaning forward, Gregg, and I would say to the entire employee population, you know it's like better, better never done, ever.

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How do we keep improving? (27:53) we know we'll come back but the question is how much. There's been so much discovery of what's possible, what's more productive, based on the learnings that we're having now, and we want to keep leveraging those learnings and spur continuous improvements. So, we're pleased to put up the first ever building now plus operating margin dollars. And in Q2, we're pleased to hit the 20%. We've made progress as you know over the years but we're also keeping growth as number one, continue to make the progression on operating margin over time and our cash flow over time and this business continues to scale forward and that's obviously been our consistent intention.

Question – Gregg Moskowitz: Okay. All right. Thanks, Mark. And then question actually going back to service cloud that came in. What are your goals for service cloud and specifically the intent of the question is about field services or field service management. I know you obviously sort of expanded a little bit more into that area late last year by virtue of an acquisition with a company you were partnered with, but if you can sort of talk to your aspirations and whether that's an important part of the equation for service cloud going forward?

Answer – Mark J. Hawkins: I think the field service, we have great opportunities there to serve the customer. The reason we bought ClickSoftware again our customers were expressing how we could take the 360 and just keep building it out and expand it even more in field service which is such a great market.

You can see it in our service cloud, not only being number one but with the kind of growth rates we're putting up, we're again really distancing versus the competition you just have to look at the aggregate numbers despite the scale that we're at. I mean that's, as you pointed out is our biggest cloud, if you adjusted platform for the analytics. And it's growing nicely. So, I think field service is a very much part of it, click was very much part of it. Our customers are asking for it, that's what drove us to the acquisition ultimately and we're excited to you know see more and think about the combinations of our technologies and what we can bring to bear in that areas. This is exciting to me.

Question – Gregg Moskowitz: Right. Terrific. Thanks, Mark. The question is coming around just the go to market. And the question is, Marc B. has sounded excited recently about some innovations in go to market for salesforce, is there any color that you're able to provide on this?

Answer – Mark J. Hawkins: You know I think not a ton more than what kind of what we talked about. We're part of it, I mean, again keep in mind there's also a proprietor nature to this that we have experimented and experimented and experimented again and we're finding some things that are really helpful in a world where we approach and we begin to rise and we imagine. And we also know how powerful it is to operate with the values that have got us here 21 years later in terms of customer success, staying very close to the customer. In ensuring the relevance of what we bring to the customer, making sure that we're always solving a problem that's most important to them and executing and being the pioneer in innovation that we've always been. So, I think if anything just being laser focused on what's most important to customer and then there are other operational things that we're doing that we're obviously pleased with as reflected in Q2.

Question – Gregg Moskowitz: All right, great. Thank you. And then a question on – another question on Tableau. And the question is, can Tableau be accretive to organic growth as they come into the organic base this quarter. I know you don't have quarters (31:50) guide by segment or by products or anything along those lines, but if there was perhaps anything you could talk about a high level, around the high level and maybe not even for this quarter but just about the ability of Tableau to grow sort of these would be the overall business?

Answer – Mark J. Hawkins: I will say this. We are very happy with the opportunity with Tableau. We're very pleased with the way this is progressing relative to our hopes. Obviously, it's a big TAM, it's a big market. We see the opportunity much like we see with other M&A where there's an opportunity to be better together. And we're shifting and selling motion, we're leveraging our experiences, we're learning experiences at Tableau. But I would just – we're not getting numeric on you, I think that this is a very strategic sale on the C suite, it allows us to really go all the way from opening the aperture of data, the type of data with Mule all the way to seeing and understanding applying the Einstein capabilities and then putting it all within the circle of the customer success platform is a – we think a great combination. You can see it in numbers in Q2 and we have lots of hopes around this. But we're going to buy a company and you're hoping that it'll do what you were hoping it would do. I think you heard from Marc Benioff on what his view on how this is progressing. I think it's very much meeting our hopes and we have high hopes as you know.

Question – Gregg Moskowitz: Yes. And further to that point, because as I think about Tableau as an independent standalone company prior to the acquisition. They were truly well; they are certainly growing. They didn't have however the enterprise and C suite relationships that salesforce does and Mark had talked about that little bit as well right in terms of elevating to those – to the CIO or to other C-level executive I guess to that point maybe if you could start to talk about what you're seeing with respect to wall-to-wall deployments of Tableau and maybe how that notion has been progressing.

Answer – Mark J. Hawkins: Yeah. I think a great example and I just use it because we've spoken about it so much publicly, but there's other similar examples AT&T you just go right down the fairway and for AT&T they were like okay, like we need to completely leverage 360 period. And that's what we need to do, we need to work together. This is a

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CEO to CEO discussion and Tableau is right in the mix. That is a great example. You know you're not getting C suite with the top of the tops, some of the biggest corporations in the world but you're in the C suite and you're delivering relevance and value innovation they need as part of this regular solution, that is a – what I would call kind of a poster child for the kinds of opportunities that we're seeing and the kind of collaboration that we're excited about.

Question – Gregg Moskowitz: All right, terrific. And then just a reminder, if anyone does want me to ask a question please e-mail Gregg.Moskowitz@mizuhogroup.com, we have a little less than 10 minutes left I wanted to actually touch on Work.com, if I could, Mark, because...

Answer – Mark J. Hawkins: Sure.

Question – Gregg Moskowitz: It should go without saying that what you guys have done there, it's just remarkably laudable. My belief is that it will genuinely make a difference and is already making a difference in the fight against COVID for governments and corporations that adopt it. Also, really impressive that 36 states, at least that I know of, have already signed on. But I'm curious how you're thinking about this as CFO? Do you think Work.com can make a decent financial contribution over the next 12 months or so, either directly or even indirectly as a door opener so to speak?

Answer – Mark J. Hawkins: Yeah, I very aptly stated there, Gregg, I think about the Work.com was such an interesting way – and you alluded to it, how it started, when the Governor of Rhode Island called us and asked could we help in a urgent, urgent time? And you know we basically said absolutely, and we couldn't sort it out like – they're saying like, I don't know what my budget is, and it's not the same – that's not what this is about. This is about certainty right now. And we did and you've heard her speak about that and of course such spread across the United States where people are using that very productively and not just at the government level in corporations across the United States, across the world in that way. It shows just another area where we bring relevance to the most important thing that's on the mind of ever leader, of every organization in the world, civil society, in education, in government, in business, we're there to be there for you right now to help you.

And so, what Work.com did not only the relevance was so critical, following our values, we're going to take care of the customer first, we're going to innovate, we're going to build trust. And what it allowed us to do. I wouldn't think about it, Gregg, so much as like a SKU that we're going to try to lift up like X amount that's driving for the top line. Think about a completely different values drive value, that was the ability to knock on the door of every single one of the customers we have in world. And say can we help you with this, would this help you. And that opens up a whole another dialogue and people would say something like, Gregg like, how did you guys just do that in like three weeks or four weeks? Well, I mean this is not like legacy time or other kinds of proximities. This is like three or four weeks and then you start to explain the power of the platform and objects and what you can do and the OpEx change and everything that's happening that future proofs that investment for anything that you make, and you can begin to see that dialogue happening and you can see how friendly it is and, and you can just imagine the rest. But I think again, we've always believed, Gregg, and we've talked about it in years gone by at Investor Day that values drive value. You go truly stand up and support the customer, you truly help them in their hour of need. And maybe you're going to learn something, maybe you're going to find innovations, maybe you're going to help them, that's what we've always tried to do and it's been really rewarding to get some reactions from customers of every part of our society. It's been motivating for our team for sure.

Question – Gregg Moskowitz: That's fair. I can imagine so and it's a great point actually about its rapid (38:45) you guys showed internally around work.com and with respect to productizing et cetera. As a result, I mean it sounds like this is the case, but is this opening more eyes among your customer base just in terms of your capabilities that exist within your Lightning Platform?

Answer – Mark J. Hawkins: I think it is, I think people just again they understand it, I think what people understand and it's just a reminder you know this, our investors know, we've always been a platform first company, and that platform has just added to the power of the integration all the way from the moment we came up with first ever SaaS app, we started this focus as a platform and now what people see is the speed of development, the sheer horsepower where people can develop on our app and on our platform, which created the biggest business to business opportunity in the world and you bring that to a customer and you say you want to solve their problems. I mean you got (39:46) and that's what we're trying to keep perpetuating and it's created a great dialogue and yeah.

Question – Gregg Moskowitz: All right. Terrific. All right. And then one question that I wanted to ask was just around your international revenue contribution. And so, it's fairly low for a company of your scale, Mark, and I know that Gavin, your new President and CRO Gavin Patterson know he's going to help address that. But I'm just kind of wondering if you have a high-level target for just how you tend to think about the international revenue mix over, call it, a three to five-year period?

Answer – Mark J. Hawkins: Well, I certainly do think about that, in shaping (40:26) the long range plan, always I'm trying to think about the future. And also, Gregg, you know my background, I lived overseas in Europe for years, I was on Board of Directors also in Shanghai and in Tokyo in years gone by, so my international focus is always prominent.

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Gavin is an amazing CRO, who will bring even more international perspective to our C suite. I think the key thing to think about in international is the reason most people see that ratio changing where international as a percentile grows a lot more, as people are saturating the US market. And so, by definition, that growth rate goes down and the international rate goes up and therefore that mix starts to shift. The thing that's different about Salesforce is the growth rate is not going down in the Americas on a revenue basis when relative to the kind of normal patterns that you see and what you see is this amazing TAM in front of us. And you see a market that's growing according to Gartner in the 11% to 12% range let alone the share take that we're taking for 21 years and then you see the opportunity.

So, it's a numerator and denominator issue and the reason it's staying so relatively stable is that there's just growth in all areas basically. And I think that's a very good sign and it's a very unique sign. But in terms of investing in international, absolutely. In terms of having amazing executives like Gavin, absolutely. In terms of our growth runway for years to come in that area I'm just settling there from that (42:03) our point.

Question – Gregg Moskowitz: Okay, thanks Mark. So we had three and different questions that I'll synthesize just as it relates to M&A and we're almost out of time so this will be our final question but it relates to the fact that there's been a lot of inward focus within Salesforce just with respect to Tableau integration and then of course COVID and as we're kind of starting to come out of that at least somewhat in both cases and as a lot of the integration works even though it's not done has been accomplished with respect to Tableau and you're anniversarying it, et cetera. How are you guys thinking about M&A going forward and particularly as it relates to a larger M&A?

Answer – Mark J. Hawkins: Sure. Here's what I would say to you. I would want to confirm one of the points you made is Tableau integration is heavy on my mind, because for people that understand – a lot of people think, okay company has purchased, its integrated, the company has the overall chart changed, its integrated the company begins to leverage the sales motion integrated, but there's product road maps or systems or processes, and so it's a complicated important multiyear experience, and this is the biggest I think we've ever done. So obviously a lot of work yet to go as we talk about, very happy with how things are progressing. And that's been on in my mind and I think Mark has touched on that before. Obviously now we're getting to the pandemic and keeping our employees' safety, incurred with customers, community, shareholders is ever bit on my mind always.

And, and then you know of course where you know as we go forward as a company you know Marc has made comments like hey, we always have to keep beginner's eyes. He told you of the integration and that type of thing. And we always have to think about that. We've always been opportunistic as a company. And I just think you know we need to just realize that's you know who we've always been. But you know do, do we have a lot of going on with the integration, yeah, we want that to go well. And yeah, we want to you know navigate to the pandemic, exactly right, right. I would just say that being opportunistic in the beginner's eyes is something that we've done for 21 years. It's kind of who we are over the long-term. That's the way I think about it.

Question – Gregg Moskowitz: Okay.

With that, we are unfortunately out of time. But I'd like to thank everyone for tuning into this session of the Mizuho Virtual Tour. I'd especially like to thank Mark Hawkins for just for a terrific discussion. Thanks. Thank you for being here, Mark.

Gregg, it's really a pleasure. Thank you and I wish all of you – everyone listening as well, you know safety and wellness and hope you're all having a good balance of the week. Thank you so much, guys.

Perfect. Thanks again Mark. Thanks everybody.

Yeah. Take care.

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