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VMware Customers Look Past the Turmoil

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[VMware](#) has taken a beating in the press and on Wall Street lately over its management upheaval, slower growth rate and competition from [Microsoft](#), but customers at the VMworld conference here said they were either unaware of or unconcerned by the mounting pressure.

"The only thing that matters is that the products are good and the support is good," said Giel van Santvoort, IT director at Hogeschool de Kempel, a teacher training university in the Netherlands.

His view matched that of several other customers interviewed at VMworld this week and points to the gulf that can exist between the views of reporters, pundits and investors who track a company closely and those who toil in the trenches with its products.

VMware's stock is hovering near its 52-week low after growth at the company has been slowing, top executives including CEO Diane Greene have been fired or quit, and Microsoft has blustered into the market and is offering its competing hypervisor software free.

Headlines this month included "[For VMware, an uncertain future](#)," "[At VMware, a firing is still reverberating](#)" and "[As key leaders exit, has VMware lost its innovation edge?](#)"

Customers here don't have time for any of that.

"I've never been especially enamored by any CEO, so I don't feel that strongly when they come and go. The engineers are going to keep building the products," said Shawn South, a systems architect doing a VMware consulting project for WFG Investments.

WFG is using VMware for a consolidation project that will see its 25 physical servers reduced to six. It also plans to use VMware -- probably its High Availability software -- to set up a disaster recovery system that it needs to comply with regulations for the finance industry.

"The software licenses may be expensive, but the alternative would probably be more expensive," South said, referring to the cost of a failure, but also the cost of a more traditional, hardware-based disaster recovery system that would require more servers.

Wall Street has high expectations for VMware, he noted, and whether the company meets them does not necessarily affect customers. Indeed, VMware's revenue increased 54 percent in the second quarter, a dream for most companies, but that was down from 69 percent growth in the first quarter, and from 90 percent in its first quarter as a public company. That is partly why it has been punished by investors.

Steve Adams, a senior systems engineer with Expert Server Group of Bedford, New Hampshire, a professional services company and VMware reseller since almost when VMware was founded, thinks the company will hold onto its market-share lead. It makes good products and has strong name recognition, he said.

The departure of Greene, who was replaced in July by former Microsoft executive Paul Maritz, also didn't faze him. Greene is said to have left because of conflict with executives at VMware's parent company, EMC.

"I see it more as a transition than something to be concerned with," Adams said. "When a company gets bought, sometimes [the buyer] doesn't see eye-to-eye with the former leadership. It's not unusual."

Ravi Mattada, lead systems engineer at PDI-Inc., which hires out sales representatives to pharmaceutical companies, said VMware has a broad enough customer base that it probably isn't in any danger. He thinks the new leadership is unlikely to do anything brash that would alienate customers.

"If they try to do anything different from what they're doing then people will leave," Mattada said.

PDI is using VMware Infrastructure for its server virtualization and looking at Virtual Desktop Infrastructure to deliver the PC environments to its sales representatives. "We don't want to ship any more desktops to end-users. We hire three to four hundred sales reps," he said.

VMware makes "great products," according to Mattada. "It works fine, I've no complaints."

Some customers admitted they may be out of the loop with the goings on at VMware, or else too busy to pay attention.

Van Santvoort said he heard about Greene's departure only after he arrived at the conference from Holland on Tuesday morning.

"Back in the Netherlands I don't think anybody has heard about it," he said.

He noted that VMware isn't the first company to lose an iconic CEO.

"It's like with Microsoft," he said. "Bill Gates has gone, but if he's there or not, we still have to use Microsoft products."