

DAVID SOLOMON: Marc, really appreciate your taking the time to be with us today.

MARC BENIOFF: It's great to be with you.

DAVID SOLOMON: 2020 has been quite the year. Health crisis, economic crisis, social crisis. But in the midst of all this, Salesforce was added to the Dow. You acquired Slack. You were named the CNN Business CEO of the Year. By the way, congratulations for that. That's quite an honor.

MARC BENIOFF: Thank you.

DAVID SOLOMON: The tech sector has been a shining light in an economy that's obviously been heavily impacted by the pandemic. Talk to me a little bit not just about how your business is faring but share some of the lessons that you've learned as a result of operating a business of this size and scale during the pandemic.

MARC BENIOFF: Well, I'm still finding my way through this. You know, this is my first pandemic. I would say a year ago, you know, we were at the World Economic Forum in Davos together. And amazingly we didn't really think this was going to happen. In fact, a lot of folks were saying it wasn't going to happen. And very few people were saying it was going to happen. But it did happen. And within a few weeks we were saying, wow, what are we going to do? All of our businesses are basically shutting down, if you will. Our employees are at home. And we're in a new world.

And kind of suddenly in March of last year the path, well, it's all gone. And we have a new world that we're in. This new pandemic world. And initially we had trouble kind of getting our sea legs. I would say we didn't exactly know what to do.

We even got a phone call from the Chancellor of UCSF, that's our medical system in San Francisco, saying "Hey, we need help getting PPE." I didn't know what PPE was. I'd never heard that term before. Well, everyone knows what that is now. And so we helped source about 60 million pieces of PPE. We distributed it to about 300 hospitals internationally. We started making financial contributions to a variety of causes, including our local small businesses who were really struggling. We made significant investments in our local San Francisco and Oakland public schools to help them go remote because that clearly was a crisis we never anticipated. And we'd done more than \$100

million of philanthropy in our local San Francisco and Oakland public schools. Nobody ever told me that we needed to be preparing for remote learning.

So, we're rebuilding our company. You mentioned we acquired Slack. That transaction has not yet closed. It's underway. And we have a vision that we're going to rebuild all of our products to be work from home first. That is a tremendous opportunity. Slack is one of the most important work from home products. And combine that with Salesforce to be able to sell and service and market, conduct commerce, do analytics from anywhere, combined with the collaboration work from home characteristics of Slack, we think that's an exciting combination for all of our customers and for the industry.

DAVID SOLOMON: I hear you talk about the adaptability to what the current normal is. There obviously will be a new normal as more vaccine is distributed and we work our way through this. But the world, obviously, as you highlight is changing. And you talk about how you're preparing Salesforce for that change. Talk to me about your view of what the new normal might look like.

MARC BENIOFF: I think we should basically assume we're in a new pandemic world. And look, this is probably not the last coronavirus you and I are going to see as leaders of our businesses. And we need to inoculate, not just ourselves, but our companies for our ability to go forward. And our schools. And our small businesses. And our society. And all of these things that we need to be doing.

And look, we learned a lot this year. You know that we do a major conference every year. We do conferences all over the world constantly. But we do a big one every year in San Francisco called Dreamforce. It's very exciting. We have 150,000 people come and watch it. We have 10 million online. Those are the 2019 numbers. This year I stood in a park in San Francisco, did it live by myself. And now we had about 150 million online viewers. So that exceeded our expectations. But it was a very different experience. And then we had to integrate all kinds of digital content into that. We're adapting. We're changing how we work, how we market, how we sell, how we're communicating.

You know, you and I have seen each other in forums like this. But even on a phone. You know, we're in an all-digital world. The reality is, is that the past is gone. It's gone. And I think for a lot of us we still yearn for it to come back. We didn't realize how much we enjoyed, maybe, traveling sometimes or being

able to go to another country. You look at things we've had to do this year, we've put contact tracing systems in all kinds of countries and states and cities. We helped beat it back in places like Victoria and Australia. And it's like, wow, I didn't think we'd be building contact tracing. And we're also currently running the vaccine management system in the US and for a number of states and cities and so forth that we've built. Obviously, there is a lot of information technology required for all this vaccine management. And the administration that's going on, especially with these multi-injection vaccines.

Did we ever think that we'd be building vaccine management into our health cloud? You know, no, we did not. But we're there. We're able to move quickly. We're agile. We're a large company, 57,000 employees, but we're agile. We're able to quickly move. This was definitely a test, I think, for a lot of companies. Can they pivot?

DAVID SOLOMON: I want to for a minute dig into the acquisition of Slack that you're working on. And you talked a little bit about how Slack is a great dispersed work at home product. Just give us a little bit more insight into how you think about Slack and how you see it evolving, you know, your offering more broadly.

MARC BENIOFF: Well, we have a history of very successful acquisitions in terms of how they've been able to transform our company, increase our relevance with clients, extend and compliment our core offerings. We've had so many exciting deals, if you will, that we've done. Maybe more than 60 of these over 21 years. And some of the marquee include things like ExactTarget. We're one of the largest email providers now in the world, if not the largest. MuleSoft, of course. We help companies integrate all of their enterprise offerings together and give them and single source of truth, so they know exactly who their clients are. Tableau, the largest analytics provider in the world. The ability to have analytics everywhere for your whole company. And now, really, Slack which is really probably the most successful at home collaboration network product we've ever seen in our industry. The ability to take something like that and integrate it within Salesforce, wow, that's an incredible opportunity.

We want to be able to provide companies really with four ideas. One is a tremendous system of record. That is everyone's building a system of record. You know that as a bank. That's where it all started. You had a big IBM 360. You had systems of

record. You knew everybody's accounts. Well, we all understand the criticality of a system of record. And traditionally things like Salesforce automation, customer service, marketing automation and commerce, those are systems of record. Two is you want to have a system of engagement. That's really the second level of computing. Systems of engagement are critical. We pioneered one with Chatter about a decade ago. A lot of us use email, a lot of us use social media. These are systems of engagement. But when you can couple it with a system of record, that's a powerful shift in how you communicate and collaborate in your organization.

And then you want to be able to take that and apply a system of intelligence. Those are really the three phases of enterprise computing. And that's really kind of how we have seen that motion. And the fourth is you ultimately want to get to a single source of truth. So, when I walk into the AT & T store, they need to know exactly who I am as a client, regardless of if I'm on HBO Max watching *Wonder Woman*, or if I just bought my Apple phone for them, or if I'm a DirecTV subscriber. All of that needs to be a single source of truth.

So those four levels of computing, well, that's been our stated vision for a long time. Now we can fully manifest that into these companies. And the response from customers has been way beyond our imagination.

DAVID SOLOMON: Shifting gears a little bit. I know you've been very outspoken on technology industry regulation. Give us some of your latest thoughts.

MARC BENIOFF: Everybody knows how I feel, which is that in regard to social media, you know, we have very significant issues on our hands that we have not addressed. And we need strong government regulation to come in and to address things that we've seen now for a number of years but have manifested into our society in very dark ways. Look David, here's the thing. Technology is never good or bad. It's what you do with the technology that matters. Okay? There's always going to be dark parts of every technology. But it's what you do with it that matters, what you do with your life that matters. What you do with your companies that matters.

You know, Salesforce, we believe business is the greatest platform for change. We're looking to use our business in ways to positively impact the world. We're using our products to do that in ethical ways. You know? So this is what we have to look

at as CEOs. And that's not something that's shocking that you're hearing me say such a thing because I believe that this is the greatest opportunity we have as leaders and CEOs and we can use our businesses in positive, constructive ways. This is a gift.

And I think that a decade ago maybe that was hearsay. "No, no, it has to be only about shareholders and shareholder capitalism." But when I look at you and your leadership at Goldman Sachs, and I go back 20 years ago, the way you're operating as CEO is very different, right, than previous CEOs. So, why? Because we're in a new world. And CEOs have to take a new responsibility. And they get it. We have to move to manage for all stakeholders, not just all shareholders. Define those stakeholders. And act on supporting them.

Look, where I am in San Francisco, the homeless. Well, let's look at it, the customers are stakeholders. The employees are stakeholders. Partners are stakeholders. The planet is a stakeholder. That's why we're a net zero company. Our public schools are stakeholders. That's why we're helping them with remote work.

DAVID SOLOMON: So, finally, just to wrap up I'll ask you one last question. I'd just love for you, given all we've been talking about, given the uncertainty that I think you very appropriately framed at the beginning that we all face as we move forward, what's one key piece of advice you have for all the business leaders that are attending this conference?

MARC BENIOFF: You know, I think that the most important thing is to really plan for multiple scenarios going forward. We can see where we are right now. We're all at home. I'm at home. You're at home. I can say. You can see. I'm not in my office right now. And many of us who are watching this presentation or listening to it are also at home. Will we be at home six months from now? A year from now? When will we really be back at our office? You know? And when will we really be traveling the world again? I don't know.

So, we need to plan for multiple scenarios. We have to look at all the different potential outcomes here because we're in a new pandemic world. So, number one, is how will you execute in multiple scenarios? How will you look at your business? Where are you in your digital transformation? We're still very much in the digital imperative. And that's why we're altering our company to prepare for the future. Because we want to be well positioned and relevant for our customers in the future. We have

been this year. But we also want to be for the next decade. I think every CEO needs to look at that as the model.

And you know what, sometimes it is risky to do an acquisition, creating maybe some volatility, you're taking a bet, you're looking at things maybe a little differently than how others are doing. You have to do that if you want to be successful. You have to trust yourself, be confident in your relationships without there's, listen to them, but also listen to yourself. And then execute and go. And I think for a lot of them, they have to answer those five, four messages of leadership. What do they really want, especially in this year now, year two of the pandemic? What are their values? We've talked about values. What are your values? Is it trust, is it truth, is it customer success, is it innovation, is it equality? What are your core values? Three, how are you going to get it this year and for the next couple of years? What actions are you going to take and what prioritization? Four, what is preventing you from being successful or what stopped you in 2020 and have you removed those obstacles so you can move forward rapidly now? And five is how will you know that you're successful in this new world? And I think, of course, market share, of course revenue, of course your margin, of course maybe your market capitalization, employee sentiment, your glass door ratings. But how do you view your success? What are your core metrics and your KPIs? And now execute because we're at a moment in time still that there's a lot of vulnerability for a lot of companies. And companies like ours have to take the risk to be able to amplify our core, like we're doing with Slack, so that we can deliver massive value this year for our clients.

DAVID SOLOMON: Marc, always love talking with you. Always interesting. Thank you for doing this today. Stay safe. And we'll see you again soon.

MARC BENIOFF: Great to be with you always. Thank you for having me.

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