



- Daniel Newman: Hey everyone, we're back. It's day three here at The Six Five Summit. Thanks all for being with us. We're in the security track and I'm really excited to have Gary Steele, CEO of Splunk, back one year into the job. Gary, how you doing?
- Gary Steele: I'm doing great. It's been 13 months for me.
- Daniel Newman: Well, let's kick off there. I had you on The Six Five Summit last year. You were like 10 minutes into the job and seriously, you were just a few weeks and it was great talking to you then. But of course you settle into the gig, you start to really get to know the team, you get to know the employees, you're getting to know the customers, you're getting to know the investors. How are you feeling? What's the year have shown for you?
- Gary Steele: No, it's been an amazing year and I've had just a tremendous time. I think for me a few big data points were one, when I joined I spent a lot of time with our customers really understanding how Splunk was being leveraged broadly. And thematically what I saw was that Splunk was core and mission critical and ultimately driving resilience across both the cyber world as well as more broadly across IT, helping organizations keep their digital systems up and running. And while we've made a lot of changes in the company over the last year, I'm really proud of all the work that's been done and the place that we're at today. And so I feel like for me, I've been on a mission to ensure that we're delivering great outcomes for our customers and we've made tremendous progress over the last year.
- Daniel Newman: Well, I'm going to hit you up and we'll talk a little bit more about that, hopefully at .conf this year, 'cause I think I'll be there.
- Gary Steele: I'm sure to see you at .conf, I'll be there for sure.
- Daniel Newman: I'm sure we're going to be there. We'll have to get back on and actually do a follow-up, 'cause last year we had a pretty great conversation there. The theme of The Six Five Summit this year was about Navigating Rough Waters. As we headed into 2023, you had inflation and interest rates jumping, you had recession concerns, you had new technology deflationary causing potential scares about riffs and lay-offs and reductions. And by the way, maybe without technology, just concerns generally about the economy. All this is building up. And so as we get into the middle of the year, some of that's seemingly played out. Some of it maybe has been overstated a little bit, but you're in the business of resilience, whether it's observability, whether it's security. Talk a little bit about why you think resilience is on everyone's mind.
- Gary Steele: Yeah, I think it's a number of things. One is, from a cyber point of view, the threat landscape's more complicated today than it's ever been. If you look at it from a geopolitical level, you had the situation in Ukraine. And today, add to that, the situation with China, I just think there's a lot of unknowns at a broad geopolitical level. And then threat actors at all levels, whether it's organized crime or just simple threat actors, they continue to win. And as a result of that, organizations need to be super thoughtful about what posture they put in place, the investment they're making around cyber. And if you look at what happened over the course of the pandemic, you saw many customer facing operations move digital. And as a result of that,



organizations have lots of applications today that they're 100% dependent upon and they need to be resilient against whatever's happening. And so we're in a position today where we're really trying to help drive that broad resilience across cyber and broadly in the IT world. And that's really what is the critical focus for the company today.

Daniel Newman: Yeah. So let's dig into cyber a little bit 'cause I like that you took that in a couple directions. This is the cybersecurity track, we're focused here at The Six Five Summit on security. It's a company that's got a strong position leadership role to play, helping companies manage all the data, identify threats, proactively respond to them. And of course, you've been doing AI for a long time. We'll talk about that in a minute. But just more broadly, Gary, the cyber landscape and just the past year, what have you noticed? What's changing?

Gary Steele: I think a number of things. I think one is, given the broader economic backdrop. I think cyber leaders are thinking about who are their critical vendors and how do they ensure that they're getting the maximum value out of the dollars they're spending. In this more uncertain economic climate, I think customers really want to ensure that they're dealing with the right companies. And so while the cyber landscape has gotten complicated, just from the perspective of lots and lots and lots of little vendors, I think there's been an opportunity for vendors like Splunk bigger vendor to be more strategic to their customers and help organizations figure out how you consolidate some of that spend around fewer vendors. And I think we've benefited from that, frankly.

Daniel Newman: Yeah, I think that's absolutely true. And I think the trend line, whether it's been ransomware, whether it's been cyber, spear phishing attacks, we do know, by the way, Gary, that AI is going to drive both the good actors and the bad actors.

Gary Steele: Yeah.

Daniel Newman: We know that as technology makes it easier to create threats and then it becomes a key in solving the threats. It's a cat and mouse game in some ways, but everyone is talking AI, I'm a professional event attendee. Not only do we put on The Six Five Summit, Gary, but as we spend time together at Dotcom, I do about 45 weeks a year on the road, something like a 100 to 150 tech event. So let me just say, so far this year there has not been a keynote that was not, if you just did the Charlie Brown thing. So there's quite a bit of that going on. So everyone's talking about it, Splunk's been at it for a bit. But talk a little bit about how Splunk's thinking about this whole AI movement that's clearly taken front and center stage.

Gary Steele: Yeah, you bet. Obviously it's a topic that's on everybody's minds today. I'm super encouraged about the potential, now we've been leveraging AI for a long time and where we've been focused predominantly is using machine learning to get better outcomes for our security team. So where does it get deployed today? Well, today we leverage ML for anomaly detection as an example. So from a detection point of view, machine learning has been a very good capability that's been important and critical to us. We also see benefit in AIOps. So understanding and being able to be more predictive on things that might break.



Now from a generative point of view, the encouraging thing there is being able to use large language models to make Splunk frankly easier to use. At the core of Splunk is a query language known as SPL. Can we make it that much easier for someone to use our product and get the outcomes? That's something that's super exciting. Now we've had a co-pilot out for quite some time using earlier language models and we think there's tremendous opportunity going forward again to bring the barrier down to be able to use Splunk to drive incredible outcomes. So I'm super encouraged by this. As you said, I think in the security world it's also AI becomes a tool set for threat actors. And so I do think the number and the level of sophistication of threats will increase. And as a result of that, I think all of us in the industry that are delivering capabilities, we need to help our customers prepare for that.

Daniel Newman: Yeah, it's interesting. Zoom out just a minute 'cause obviously you're leading a growth-oriented public company, AI through your lens, there's the part of it that's going out to your customers, it's being built into your solutions. And like you said, you've been doing this for a long time.

Gary Steele: Yeah.

Daniel Newman: But AI, when I talk to CEOs as a whole, I just like to get your thinking. It's interesting, I recently went to this ServiceNow Event and Bill McDermott flashed a slide, it said something along lines that 40% of CEOs believe that their business model won't survive the next decade. With this whole onset in the rapid onset gear has raised the thought bubble at all in your mind about how do you stay, how do you run the company differently? How do you change the structure of the business? How do you implement it in your operations and processes? I'm just curious for the CEO viewpoint.

Gary Steele: Yeah, I think every company has to think about all those core operational processes and is there a fundamental rethink that can occur as a result of the advances of technology? And so when I think about our internal operations, so for example, how do we serve our customers and how can we find leverage in how we help them identify and diagnose issues? And I think there's a lot that can be done. And it's true not just in our customer facing functions, but some of our back office operations. There's ways to drive simplification and improvements in efficiency. And so to me that's super encouraging. I am super excited about the opportunity that comes with that. And I think every corporate leader has to be thinking about these fundamental changes and the opportunity, frankly that comes with that.

Daniel Newman: Yeah, I think that's absolutely right and I do think it's going to be different. But the one thing I'll say that I feel is somewhat of a bit of a mistake, and this by the way parallels nicely to security because I think the historic security approach has been, we'll fix it when someone breaks it. Meaning, when we get hacked, we'll get after it. And I think people in your chair and in companies like yours are like, "Whoa, bad idea." It's a bad idea from the standpoint of business and reputation, it's a bad idea from the standpoint of customer taking care of privacy and data risks. But at the same time you know that there was an era where it was like, what's the least we can spend to get by on security? And I think we saw in this year of resiliency that there's a little bit of an opposite approach that's going on is let's get out in front of it.



And I think the AI narrative is a little bit the same, if you're sitting around waiting for this to slow down, I think this genie's not going back in the bottle. And I think the other thing is, if you think it's a decade that this is going to take, just look at what's happened in six months, look at how fast this has proliferated. So with that in mind, as it pertains Gary, to security, as this tech moves faster, whether it's the gen AI or just traditional risk factors for cyber, how are you advising in your team at Splunk, advising the customers to be ahead of this and drive resilience in cyber and their organizations?

Gary Steele: Yeah, I think the big things that are critical right now are every organization recognizing where the threat environment is and the risk that are pose as a result of that. And then think broadly about how do you build posture that enables you to be able to respond to a more diverse set of attacks. One of the fundamental things that we believe, and I think it really played out for why I joined Splunk, was this fundamental view that security's become a data problem. Tax surface is massive. You can't see, a human eye can't see everything. And it's really creating that broader opportunity where broad data analytics and AI can play a critical role to see things and be able to take actions that human eye just can't see and can't respond fast enough.

And so I think that while there's still a lot of work to do, I think as you said, technology will move fast, I think the impact can be significant and I think organizations need to keep thinking about what does that next generation of security look like for them and be willing to make changes in the way they've done things in the past.

Daniel Newman: So we're day three here at The Six Five Summit, so we're winding down. But as we wind down, I'm pretty sure you have a team of people that are really busy at work getting your conference.

Gary Steele: Yeah.

Daniel Newman: I'm going to have to come home from vacation, 'cause I like to take the whole month of July off usually.

Gary Steele: Okay.

Daniel Newman: That's a true story I made up. And I'm going to come back for .conf, but what do you guys, I know you probably can't spill your guts, so although I'd love for you to announce everything here, but what do you think? We have Resilience and Navigating Rough Waters, what are some of the themes that are heading event this year?

Gary Steele: Yeah, I think so our user conference called .conf is scheduled for the third week of July in beautiful Las Vegas. And the things that are on our minds is we really want to demonstrate to our customers interesting new innovations that we have. And there's some very cool things that we'll be launching .conf, and we'll also give folks a really detailed view of how we're thinking about the impact of AI on our business and how customers can leverage AI along with Splunk. And so that's another big piece of what will be unveiling at .conf.



- Daniel Newman: Well, Gary, as I've said to you before, I just genuinely believe that there are two major investment vectors right now for tech. And I think one is, we've said it 75 times in this show, AI. But the second, for any company that really cares about its customers, security has to be high on the list, has to be a focal point. And so as I see it in times of austerity, which is you know, could argue that some of the macro factors would suggest that we are investing in those kinds of things that are going to shore up the business, keep your customers' data safe, keep privacy in place, make sure that those core functions of the business are running. It seems that Splunk is really well positioned right now to take advantage. And then of course during growth periods, you should get that tailwind as well.
- Gary Steele: Yeah, I think that we want to be really good partners with our customers through this challenging economic time and resilience is the thing that is on everybody's minds these days given the breadth of digital systems that have been built out. And we want to be a good partner to help organizations think what does that next generation of security and resilience look like for them?
- Daniel Newman: Well, Gary, I really appreciate you joining me here at The Six Five Summit-
- Gary Steele: Great.
- Daniel Newman: Resiliency is on the mind, everyone out there, and if you're not putting the security of your enterprise at the top of your list, I think you're creating unnecessary risk. And I think there are great companies, great partners, and a lot of them here today at The Six Five Summit that you can be talking to, to work with on solving these problems. Gary Steele, CEO, Splunk, look forward to seeing you at .conf, maybe I'll see you at one of the F1 races.
- Gary Steele: All right.
- Daniel Newman: Appreciate you joining me today.
- Gary Steele: All right, take care. Have a great day.
- Daniel Newman: All right everybody, stay with us. We are here, it's day three at The Six Five Summit. We appreciate y'all tuning in.