Strategy

Our strategy

At SUSE, we are on a mission to be the most innovative, trusted leader in providing open source solutions and technologies.

To ensure SUSE's future is even brighter, we have charted a strategic path to become the global leader in open source software infrastructure. Our long-term strategy, strengthened by our core differentiators, will help us capitalize on ongoing digital transformation, supporting substantial growth. For more information on SUSE's differentiators, see What SUSE offers on page 2.

Strategic pillars

Pillar 1 Organic growth acceleration	Pillar 2 Platform for inorganic expansion
We will grow our core enterprise-grade Linux solutions and emerging technologies by focusing on five growth levers: – Commercial excellence – Underserved markets – Accelerators – Cross-selling – New solutions including Edge initiatives	In pursuing strategic acquisitions: We seek to expand our existing product suite and add additional functionalities to increase the strength of our current offerings. We also seek acquisitions that are in line with our culture. If an acquired product is not open source, we would aim to turn it into an open source project and product.
Progress in 2021: We achieved significant growth in underserved markets, and the Rancher growth story continued with extremely successful cross-selling. We also set up dedicated teams to support the launch of our Edge offering and improve our pricing approach to better meet customer needs.	**Progress in 2021:** SUSE has 15 to 20 acquisition targets under review at any one time. The Rancher Group and NeuVector acquisitions were two successful acquisitions in FY21. As a result of the Rancher acquisition, we saw emerging growth increase in multi-year deals. Rancher's people have provided contributions to overall culture.
Outlook: Our near-term focus is on continuing to grow in Business-critical Linux and Enterprise Container Management, plus capturing market share in Edge and winning in other ecosystems with the goal to extend our excellent support towards new customers and partners as they pursue digital transformation.	**Outlook:** In the near term, we are particularly focused on security solutions for applications deployed at the Edge or in cloud-native environments. We are seeking tuck-in or bolt-on acquisitions which can be quickly integrated with SUSE's existing business.

Delivery on our strategy is enabled by

Our people

Our highly skilled workforce collaborates to innovate and ensures we are able to help our customers succeed.

Our core differentiators

We are unique in the market place for a number of reasons. One key differentiator is our open approach. Unlike our competitors we provide truly open and interoperable solutions, giving our customers the flexibility to leverage best-in-class solutions and technology.

Delivering on our strategy: How we do it

Ensuring we capitalize on the explosive growth in digitalization, hybrid and multi-cloud architectures, and Edge computing requires us to manage and measure the right things.

The below highlight growth levers SUSE uses to stay on course to deliver on our long-term strategy and growth objectives.

For more information on addressable markets and key market trends, see Operating environment and stakeholders on page 16.

Commercial excellence

What this is and why it is relevant:
Our global customer organization delivers impressive reach throughout the customer journey with a unique combination of our highly motivated and effective enterprise and digital sales force, and extensive partner network.

For more information see Products and innovation on page 26.

Accelerators

What this is and why it is relevant:
The cloud route to market provides opportunities to sell SUSE solutions via our extensive partner base. Our new business units like SUSE Rancher Government Services allow us to serve highly regulated markets. This greatly accelerates how SUSE does business and is poised to win in these new and emerging spaces.

For more information, see Financial commentary on page 40.

New solutions including Edge initiatives

What this is and why it is relevant:
Unveiling new solutions shows our innovation at work and we see massive opportunities and growth in the Edge market in particular. We continue to deliver secure and reliable solutions through new products and industry-first certifications.

For more information, see Products and innovation on page 26.

Underserved markets

What this is and why it is relevant:
We invest in markets which present opportunities for growth, including increased penetration in the federal market in North America and capitalizing on continued growth opportunities across APJ and LatAm.

For more information, see Financial commentary on page 40.

Cross-selling

What this is and why it is relevant:
Following our acquisition of Rancher, we have seen substantial opportunities to leverage SUSE's go-to-market channels and reach within existing customer base. We anticipate the same following our NeuVector acquisition.

For more information, see Risk management on page 75.

Strategic acquisitions

What this is and why it is relevant:
We seek to expand our existing product suite and add additional functionalities to increase the strength of our current offerings, extending the depth and breadth of the SUSE suite of products.

For more information, see Risk management on page 75.