

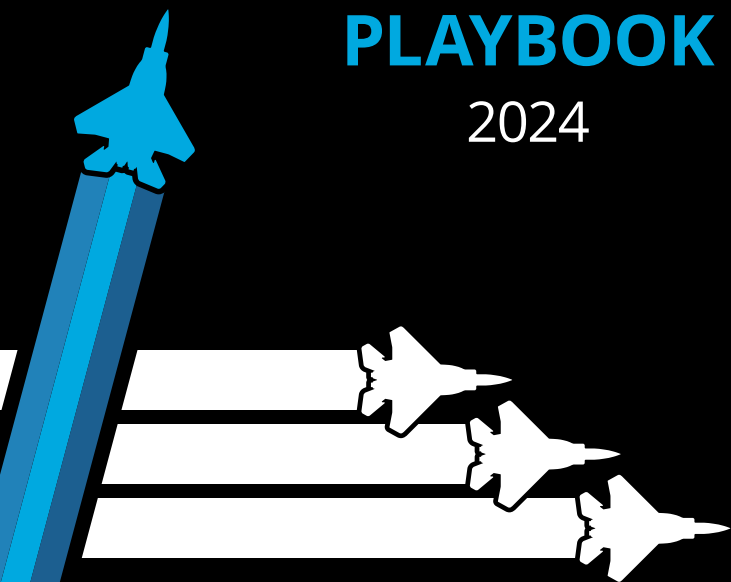


EPISODE 3

THE **DISRUPTORS**

PLAYBOOK

2024



TRACE**3**

I'd rather **BE** ready, than have to **GET** ready.

Earvin "Magic" Johnson

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DISRUPTION FOR GOOD

KEY PIVOTS FOR SUPERCHARGED GROWTH

Team Trace3,

Two years into our New Frontier journey, we find ourselves at a major crossroads. The context around us remains dominated by broad market themes of Convergence, Data-Driven Decision-Making, Securing the Distributed Enterprise, and the Digital Experience.

But something is different. The road ahead appears more abundant with opportunity than ever before.

Yet at the same time, it is decidedly narrower, and speeds are increasing. The future competitive climate simply won't allow for a lot of "winners."

Trace3 has always been a winner; yet to paraphrase Albert Einstein, what got us here today won't get us there tomorrow.



We are facing a massive opportunity with Data and AI. And we need to **BE READY** to meet that opportunity.

To do that, we must double down on changes to our mindset and approach to be successful in this rapidly evolving environment. Some of this change will feel significant, some even bordering on “disruption.”

Disruption is defined by author Chris Field as “Dismantling accepted norms to forge unimagined futures.” Over the past two years – really the past 20 years – Trace3 has been incrementally innovating against accepted norms, building the foundation of a services-first consulting organization ready for this very moment of market opportunity, for this exact unimagined future.

Case in point: earlier this month, we announced Trace3’s acquisition of Tail Wind because of our strong belief that data is the heartbeat of AI. It is with great conviction that we invest considerable resources into our Data & Analytics business. Data is a mission-critical component to effectively embrace the upcoming market disruption (and opportunity) from AI.

I honestly could not be more excited for our future. No one is as fundamentally ready as Trace3 to take advantage of the impending “hockey stick” growth curve of AI. In this year’s playbook, our Chief Technology Officer Tony Olzak will help us explore the enormous opportunity ahead as he outlines the major themes facing Trace3 and our clients with respect to all things AI and Data.

Grounded with this perspective, we’ll then review the two key pivots Trace3 must make as an organization to disrupt for good:

- **Be Who We Say**
- **Seek First To Serve**

First, our Chief Marketing Officer Sandy Salty will walk us through the importance of repositioning our brand identity as it relates to who we say we are. This is not a trivial matter – it is the very core of what we believe about ourselves and how we represent our value to the market.

Second, President Joe Quaglia and Senior VP for Services Drew Cather will share the key themes for actualizing our transition to a true services-first company. Again, not a small task, but one that we’ve been building toward for years.

We'll then zoom back out and set our rally cry for the year. This call to action feels more palpable than ever because this is the pinnacle of our five-year New Frontier journey. We've put in the hard work, and it is Go Time. Market opportunities this big only come around once every generation. We must make these final pivots; we must embrace disruption.

I hope you can feel the excitement building with our New Frontier strategy and this year's "The Disruptors" playbook. We are perfectly positioned to disrupt ourselves – and the market – for good.

- RICH FENNESSY

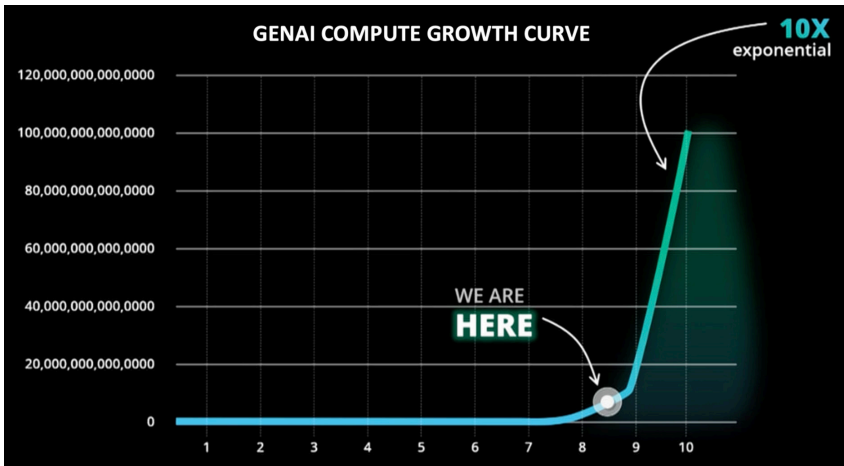
MARKET OVERVIEW

AI AND DATA: A GENERATIONAL OPPORTUNITY

We are witnessing the dawn of the next great transformational business opportunity: Artificial Intelligence. Like the internet 30 years ago, AI existed for some time before it exploded onto the commercial market and into the minds of consumers everywhere.

The tipping point? Last year, a particular use case – Generative AI and Large Language Models (ChatGPT, Gemini, Llama 2, etc.) – made AI accessible to the masses. Seemingly overnight, AI's impact on the written word took center stage. Students and teachers fought over GenAI-enhanced homework, Hollywood writers went on strike for fear of their own obsolescence, and rookie programmers wrote complex code without a degree in computer science.

The fallout from GenAI certainly featured an anticipated uptick in productivity, for which we saw many positive examples emerge (and some not so much). But more importantly, the fallout established a bona fide trend where AI no longer sat confined to the world of IT or even to consumers with high technical aptitude.



Business leaders across all industries were challenged, if not mandated, by their boards and CEOs to “do something with AI next year.” The only problem is that AI projects – which in their simplest form are automated workflows – had heretofore been abject failures, with more than 70 percent of projects falling short of their intended outcomes.

Layer onto this poor track record an undefined scope of ideas that potentially threaten the need for human capital and, for the first time ever, a technology innovation risked more white-collar jobs than blue. “Alexa, update my resume,” might be the next most popular AI prompt as worst-case worker-replacement scenarios took root through media hyperbole.

Suffice it to say we’ve never seen a wave so transformational, with so much pressure to adopt, yet still so shrouded in mystery. The opportunities are enormous for a business built on helping companies understand the foundational elements of AI – data, its organization, its access – and then translating those into a differentiated business strategy, rooted in security, and based on an ethical code.

So, where does Trace3 come in?

For starters, we are one of the very few if not the only firm in the world that can provide AI advisement at any point along the AI journey. Over the last two decades, we’ve been building the fundamental components necessary

to turn data into action. No one else can address this opportunity like we can – and more than 50 percent of the AI opportunity comes from the data side of the equation. Our roots in emerging tech coupled with our big bets in data and analytics make us unique:

STRATEGY

- Trace3's early-stage tracking of AI technology through our Innovation team is our secret weapon. From a pure advisory perspective, we can cut through the hype.
- Our Management Consulting and Data teams can consult with clients to develop business and data strategy that tie back to technology use cases with data governance, risk management, and financial ROI.

EXECUTION

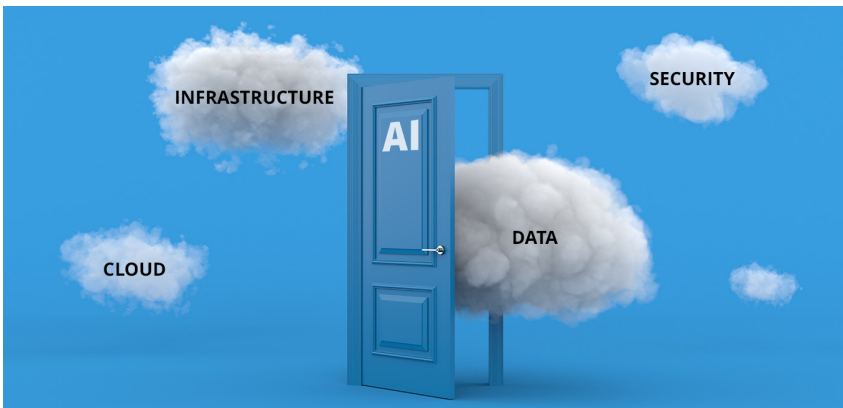
- Our Management Consulting, Data, and Cloud teams have a track record of building and executing classic AI projects, including AI clusters with NVIDIA.
- Management Consulting has established automation centers of excellence that easily translate to AI. This includes organizational change management capabilities as a differentiator.
- Our Data & Analytics team has broad experience constructing modern data platforms, architecting unstructured data to make AI more specific to a client's enterprise. This presents new opportunities to leverage AI while providing new data insights through analytics.
- The deepest skillsets of our Cloud Solutions Group and Data & Analytics team are with Microsoft, which has become the premier first option for Enterprise-level GenAI adoption.
- The Contact Center team is poised to usher in a major transformation in how our clients create more personalized experiences through AI.

OPTIMIZATION

- All our business unit teams are ready to provide a set of optimization and managed services that include key focus areas in convergence, such as Cloud Security, along with our standard services in support of data protection, network monitoring, and Cloud FinOps.

Given this experience, along with our very fresh Tail Wind acquisition, Trace3 is making big plans for 2024. We will continue to invest heavily at the corporate level to cascade AI enablement and project support to regional teams through our “Strength at the Core, Juice at the Edge” organizational model, including:

1. A new corporate AI pursuit team and AI Center of Excellence to attract and resource appropriate projects in the field
2. An internal AI Legends webinar series to enable our own staff on what exactly the AI opportunities are
3. An external AI Legends webinar series to educate our clients and the broader technology community, positioning Trace3 as the authority on AI
4. A new AI industry certification, sponsored by Trace3
5. An AI-focused marketing campaign through social and digital channels
6. Last, but not least, a revised brand identity to evolve into a services-first AI and data company.



CALL TO ACTION

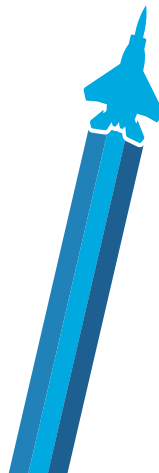
There is no more converged topic on the planet than AI, with Data as its foundation. AI is quite literally the new door we walk through on the way to our legacy expertise of Cloud, Security, and Hybrid Infrastructure. Getting there will require a leap of faith, it will require disruption.

The gap in AI knowledge across the market is both a challenge and an opportunity. It's OUR opportunity. The team that builds AI muscle the fastest will position itself for the best client relationships, the most innovative projects, and the greatest growth in brand equity and shareholder value.

So, we must see AI for what it is – the next natural pivot for Trace3. That said, **there is no time to waste!** We ask our team members to get serious about their AI skillsets and talk tracks, and to do so quickly:

- **We need everyone in Trace3 to become bilingual, with AI as your second language.** Our entire world is about to change in the next five years – get educated as soon as possible.
- **When in doubt talking a client through an AI journey, please reach out to the AI COE.** The AI pursuit team is ready to go, and we will guide you along the right conversations to have and the next best steps.

What lies ahead is a massive opportunity for Trace3. No one can cover the AI journey like we can because AI is simply the next layer of our Elite Expertise. We need you ready to talk AI. We need you ready to connect the dots between AI, Data, Cloud, Security, and Hybrid Infrastructure. We need you ready to Disrupt!



KEY PIVOT 1

BE WHO WE SAY WE ARE: REPOSITIONING OUR BRAND IDENTITY

To best meet the market opportunity squarely ahead, we as Trace3 must disrupt ourselves – for good.

What is coming with AI and its data-driven infrastructure will completely change the technology market, the way our clients do business, and the need for consulting firms well-versed in emerging tech and converged solutions.

Our brand pillars of Emerging Technology, Elite Expertise, and Client Intimacy still resonate within this evolving market context, but there is a need for Trace3 to say and do more to disrupt ourselves, to transition into a true services-first enterprise.

And for that, we go back to the beginning and ask ourselves Patrick Lencioni's four big questions:

1. Why Do We Exist?
2. How Do We Behave?
3. What Do We Do?
4. How Will We Succeed?

"The Big 4 Questions" - Organizational Clarity in the New Frontier

WHY DO WE EXIST?	HOW DO WE BEHAVE?	WHAT DO WE DO?	HOW WILL WE SUCCEED?
MISSION	CORE VALUES	VALUE PROP	BRAND ID PILLARS
ORIGINAL <ul style="list-style-type: none">To Elevate and Secure the lives of our clients, employees, partners, and communities	ORIGINAL <ul style="list-style-type: none">JuiceStreet SmartTeamwork	ORIGINAL <ul style="list-style-type: none">We solve Business problems with Technology	ORIGINAL <ul style="list-style-type: none">Innovation & Emerging TechClient IntimacyElite Engineering
NEW <ul style="list-style-type: none">No Change, our North Star remains constant	NEW <ul style="list-style-type: none">Add three Core Values to reflect client-centricity<ul style="list-style-type: none">ConsultativeOutcome & Value-DrivenInnovative	NEW <ul style="list-style-type: none">Update Value Prop to be more aspirational and align with New Frontier<ul style="list-style-type: none">We Transform Businesses with Technology	NEW <ul style="list-style-type: none">Maintain Brand Pillars but update success metrics to align with New Frontier<ul style="list-style-type: none">Services-first approachTargeted client growthValue realization through data & analytics

As it relates to the first question, our **Mission** continues to be the same, our ultimate North Star: To Elevate and Secure the lives of our clients, employees, partners, and communities.

For the other three questions, however, we must **inject some disruption** to purposely seek a higher degree of aspiration and tighter alignment with our New Frontier five-year strategic plan.

So, beginning in 2024 we will ascribe to a new set of **Core Values that include three additions**. These are Consultative, Outcome & Value-Driven, and Innovative. These terms were specifically chosen to view our **Value Proposition** through the lens of our clients.

Consultative implies a services-first mentality; **Outcome & Value-Driven** conveys a true understanding of what it's like to walk in our clients' shoes; and, **Innovative** doubles down on the Trace3 brand equity we've been building for more than 20 years, the brand equity that really moves the needle on increasing engagement with our most important clients.

- Consultative:** We're all about our clients! We listen, we understand, and we provide thought leadership specific to the most pressing use cases in our clients' industries. We bring our A-game to every collaboration. We're not just consultants; we're true partners who see our clients' business goals as our own.

- **Outcome & Value-Driven:** We're client-centric navigators; we're in sync with our clients' digital transformation journeys. We're driven to understand their path, steer through challenges, and deliver business value that resonates. We're goal-oriented, executing from our clients' market perspective, ensuring every step we take reflects their needs and aspirations. We're not just about ideas; we're doers, turning innovation into reality, transforming possibilities into impactful results.
- **Innovative:** We're emerging tech rockstars. Our superpower? Out-of-the-box thinking while delivering top-notch custom solutions that result in competitive advantage and ROI. We breathe life into fresh perspectives through action.

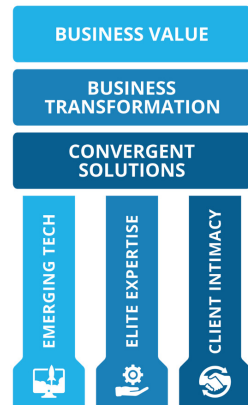
We also need to look at our **Value Proposition** to the market – Does it clearly articulate who we are and how we provide value? Then, we need to look at the interlock between our Value Proposition and our **Brand Pillars** – Are we extracting the full benefit of our past history, also known as our brand equity, to forge a new path ahead? And are we appropriately communicating our intended **Brand Position** to the market?

As of last year, the answers to these self-assessments were: "Not quite." More **disruption** was required.

So, we've created a new **Brand Position** that is more succinct, more action-oriented, and hits the right notes as it relates to our updated Core Values, Value Prop, and Brand Pillars:

"Trace3 delivers business transformation. We consult on, integrate, and operate convergent solutions across data, security, and cloud that embrace emerging technology and drive measurable value."

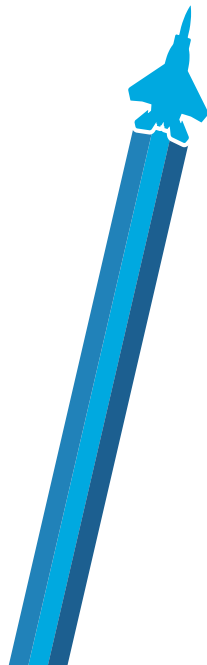
In visual form, the interlock looks like this: We deliver business transformation through Emerging Tech; we leverage our Elite Expertise to consult on converged solutions; and, we realize value unique to each organization we serve through Client Intimacy.



If this all feels a bit academic, realize this: Words are important. These words become more and more important as we scale the business through both organic growth and M&A. These words have real meaning to team members, partners, and clients, both new and old. Words are how we ensure alignment across the business.

Late last year, Trace3 senior leadership proposed this rewrite, this self-imposed disruption of Trace3's brand identity to our Board of Directors. The updated brand elements were well-received and will come to life within Trace3 corporate marketing campaigns this year and next.

More importantly, this disruption of our brand identity – for good – now sets the stage for our most significant pivot as a consulting firm: How we think, act, and deliver on a services-first approach to client engagement.



KEY PIVOT 2

SEEK FIRST TO SERVE: OUR SERVICES-FIRST APPROACH TO CLIENT ENGAGEMENT

With a refreshed brand identity that reflects our desired position in the market, how do we cascade these new principles to our Client Engagement and Services Maturity growth pillars? And, do so while applying the necessary theme of Disruption to take advantage of the AI and Data opportunity?

The answer to these questions is the crux of our ability to win in the New Frontier.

The importance of being early to market for the next technology growth curve goes beyond a marginal “taking share” kind of conversation. This massive opportunity calls for **true disruption** – the type of disruption that leaves Trace3 looking quite different 12 months from now.



This disruption starts with a Services-first mindset, and then extends into our Client Engagement strategy.

Services-First Mindset

Coming off a slower-than-expected 2022 in terms of Services growth, we declared that Services would be the True North of our Go To Market strategy in 2023. We said we wanted to be a “Services-led” company, and we began to invest in related resources, sales enablement, process improvement, and toolsets.

Despite a slow first quarter in 2023, we made significant progress toward this goal. We grew Services bookings by 20 percent the remaining nine months of the year, ending with phenomenal 33 percent growth in Q4 year over year.

We also said it was important to diversify from the reliance we have on our Big 3 Services regions in 2023. We achieved that, as the non-Big 3 regions grew Services by 17 percent year over year.

So, we have real momentum entering 2024. That said, we are only just beginning to transform the Trace3 business with Services. Last year gave us an opportunity to level-set the strategy, put a new lens on everything, and formalize our Services-first approach to the market.

What we know moving forward is that our Services growth goal of \$100M by year-end 2026 is achievable, but incremental thinking is not going to get it done. We need true **Disruption** here.

We also know that our clients are disrupting themselves, proactively or reactively, to address the prospect of data-driven AI applications that enhance their businesses. The pressure to adopt AI and its data-based foundation is as transformational as the internet was 30 years ago. Yet there remains so much mystery, so much hype, so much confusion around AI and how to get started, let alone succeed.

This mystery is our gateway, our access point to drive Services growth, but it requires Disruption. We need bold strokes and a strong commitment to our Vision. We must become a different kind of technology partner if we want to be known as THE COMPANY for AI and Data.

Trace3 Services Shared Vision



To clearly articulate this new thinking about Services and our approach to the market, we’ve created a double-click on our New Frontier “House” strategic plan that is specific to the Services Maturity growth pillar.

At the top of the house, we’ve created a new Trace3 Services Shared Vision that is to grow our business by 20 percent annually over the next three years to achieve a target of \$100M.

To do this, senior leaders will rally teams and resources around three key Services Growth Drivers:

- **Strategy** – focus on what we do best ~ Data, Cloud, and Security
- **GTM** – define very specific plans for each region and each account, and measure against them
- **Delivery** – ensure a high degree of excellence in execution, along with profitability, resource management, value realization, and client satisfaction.

In support of these Drivers, Trace3 will leverage Services Growth Enablers:

- **Offering Management** – manage the Services offering portfolio lifecycle to focus on where to invest / divest and standardize what it means to be a Trace3 offering to build confidence and clarity
- **Operations** – centralize and optimize tools and processes and reporting to make data-driven business decisions
- **People** – recruit, hire, and train for Services acumen to ensure we have a strong bench when it's time to grow the delivery team.

There's a lot more to unpack within our new Services house, and we will dig into more of the details in the days ahead. At a high level, the visual outlines how we intend to leverage our organizational model to ensure corporate and field resources are 100 percent aligned. The **disruption** comes in our application of this vision, in our focused approach on the right clients and how we engage them.

Client Engagement Strategy

Trace3 boasts a healthy client roster of more than 3,500 active accounts. We love each and every one of our clients, and we could not be happier they have entrusted us to fulfill their technology solution needs.

When viewed through a Services-first lens, however, the number of accounts that make a material difference to achieving success shrinks significantly – to just 100. Think about that for a second: only three percent of our client base drives the majority of our opportunity around Services. **Now that is focus!!**

This Top 100 focus is where Trace3 will apply disruption in 2024. We will rally additional corporate resources around these accounts to ensure that Trace3 is delivering the Services-first message consistently, and our teams are actively following up on Services-oriented opportunities, especially those geared toward AI and Data. These accounts have been targeted based on their fit of an Ideal Customer Profile known for Services consumption, or propensity for it, and thought leadership in the AI and Data space.

To bring this new strategy to life, we will execute a series of **KEY PLAYS** to Disrupt – for good – our Client Engagement relative to Services growth:

Services Growth Key Plays

- 1. Update Brand Identity:** As discussed earlier, we've changed our thought process from being Services-led to Services-first. The words we use to describe our commitment to Services really mean something.
- 2. Scale the Goal:** We are **increasing** our 2026 year-end Services target to \$100M. We refuse to be shy about our commitment to Services!
- 3. Practice What We Preach:** We are leveraging our own Data-Driven Decision-Making skillset to better understand our client base for Services consumption. For example, through analytics we've learned that larger Services deals deliver almost 2x in margin, and new clients whose first purchase is Services tend to become larger Services purchasers over time.
- 4. Start with Anchor Accounts:** Within our Top 100 exists a smaller subset that are primed for breakout Services growth given their current engagement levels. We will place extra attention on this group to generate momentum toward our overall goal, including a highly visible companywide dashboard.
- 5. Build Corporate and Field Alignment:** For each of our Top 100 Services Growth Accounts, we will develop comprehensive GTM plans with specific offerings that we can get a large team behind – both corporate and regional. These plans will include specifics about what types of Services we offer (Advise, Consult, Integrate, Operate), what technology solutions we prioritize (Data, Cloud, Security), and how we communicate value to ensure repeat investment (Value Realization Reporting).

To summarize, we are going “All In” on our new Services Shared Vision to disrupt our Client Engagement growth pillar. Our hyper focus will drive a Services-first mindset, seeking quality over quantity. Every part of the organization will be oriented toward supporting the success of the account teams who manage these Top 100 Services Growth Accounts, from our Business Units to Marketing & Partner Development to the back office.

We need all 1,300 of our teammates to prepare for disruption here. Success with our Services Growth Vision is absolutely paramount to achieving our New Frontier plan.

CALL TO ARMS

2024 RALLY CRY: IT'S TIME TO DISRUPT!

Now the stage is set for Trace3's supercharged growth. We have addressed the massive market opportunity stemming from AI and Data. We have pivoted our business to a Services-first mindset through a refreshed Brand Identity and a new Services Vision. The stage is set – all we need is **YOU**. Are you ready to disrupt?

We know Trace3 is ready. Our organization has been building for this moment for the past two decades. As early adopters of the convergence between Data, Cloud, and Security, Trace3 has created a technology solution platform that expertly addresses the foundational elements of the modern data center, and AI is simply the next natural evolution. Surround this with our differentiation in emerging technology and Innovation, and no other company in the world is as well-positioned to embrace the AI opportunity as Trace3. We truly believe that.

We've made the right bets, and with these bets come new opportunities. We must not be shy about telling the market **we are ready to disrupt – for good**.

So, with this year's annual operating plan – The Disruptors – we have an exciting roadmap for Trace3 to do more than just take share. We are anticipating supercharged growth.

The Disruptors playbook includes a number of areas where you as an individual or team leader can plug into the 2024 Go To Market plan. Let's summarize them here:

1. Market Opportunity
 - a. Get educated on AI as your new "second" language, and get ready for Legends AI
 - b. When in doubt about a client's AI or Data initiatives, contact the AI COE hotline
 - c. Revisit our Legends Services webinar series from 2023, and check out our written guide in the Appendix for having a Services First mindset.
2. Brand Identity
 - a. Take a few moments and reflect on our new Brand Position
 - b. Then, internalize your own elevator pitch on what we do and how we describe it
3. Client Engagement & Services Maturity
 - a. Learn about our Top 100 Services Growth Accounts
 - b. Consider how you can support their account teams

Lastly, we would encourage you to take advantage of each other and the collective brain power of Trace3. To stimulate knowledge sharing, creativity, and client focus, we are migrating our office spaces to become "collaboration centers." The new design will better support our hybrid workforce model while helping to fuel the achievement of our 2024 strategies.

There will be challenges ahead, for sure. Yet with all Trace3 working in unison, there is no obstacle too great. We have a proven track record of embracing challenges as learning opportunities, and The Disruptors playbook is clear evidence of that. This is our opportunity for supercharged growth.

As we launch into Year 3 of our New Frontier journey, we leave you to consider this: When was the last time you disrupted your competition by leaning into Innovation? Better yet, when was the last time you self-disrupted — challenged yourself to learn about a new topic, departed from your routine sales motion, re-invented yourself in the eyes of a client or partner with strategic, Services-first thought leadership? **Now is the time to do so.**

Consider this an official call to arms: **IT'S TIME TO DISRUPT!**

APPENDIX

THE ANATOMY OF A SERVICES-FIRST MINDSET

"Services should be the primary thing you focus on in your business. It takes a specific mindset to sell Services; but you can evolve your brand through Services."

- Eric Carter, Trace3 GM, FSG

5 Keys to Growing Services

1. **Services-First Mindset** - long term vs. short term thinking
2. **Relevance & Customer Selection** - focus on clients who consume services
3. **Do Something You Know** - build trust in outcomes (3x)
4. **Build a Champion(s)** - focus on relationships, NPS = 100
5. **Visibility & Scale** - value communication and program management

Services-First Mindset

- Knowing the desired business outcomes of a client or prospect is the secret to success.
- Sell thought leadership: challenge stakeholders to think about how they can create business value.
- Services initiatives are naturally strategic. They allow you to re-invest in the client, which creates relevancy. They also give the client a reason to move product business to you for continuity.

Relevance & Customer Selection

- Information is capital: What conversations are you in vs. not in? What do you know?
- The client or prospect you pick matters in order to position thought leadership.
- Focus on clients that have material spend in Services (don't waste time on others).

Do Something You Know

- Always execute well – deliver successfully three times to build a Champion.
- Build delivery partnerships – internal and external.
- With any Services delivery, understand the Risk/Reward, shared responsibilities, and strength of key team members .

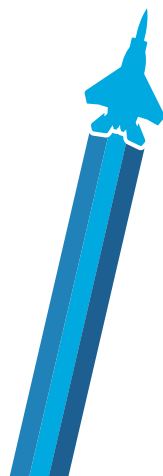
Build a Champion(s)

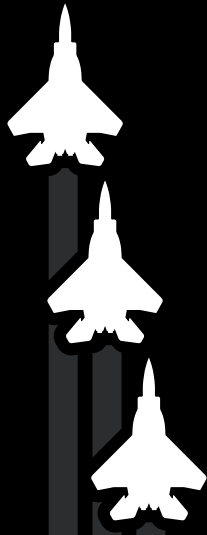
- Our success is their success, their growth means you are growing too.
- You've earned their trust, and allow us to push outside the Services sweet spot.
- They control large budgets.
- They are willing to do the hard things for you (call in a favor, get a deal done, provide unfair share of information).



Visibility & Scale

- Focus on large plays where you can execute materially-sized opportunities.
- Build momentum by selling the next engagement while in the middle of a current (successful) engagement.
- Scale – reinvest in your team as they are our brand and value to the client.
- Self-promotion is important, make sure you are communicating value back to the client (Value Realization Reporting).





TRACE3