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Verizon 2018

Just before the turn of the year 2018, when the strategy for transforming telecom network provider Verizon was due to reach another peak, Chairman and CEO Lowell McAdam returned to his open office at Basking Ridge, New Jersey, headquarters from New York City. He had appeared on CNBC television with National Football League Commissioner Roger Goodell to announce a five-year deal for Verizon to live-stream professional football games on mobile devices for an undisclosed amount, speculated to be anywhere from hundreds of millions of dollars to \$2 billion. This was part of the battle for screen-front territory that Verizon would soon be waging with telecom competitor AT&T, if AT&T's planned acquisition of Time Warner was approved by U.S. regulators, and with cable giant Comcast, which had NBCUniversal media assets and cable connections into 22.3 million homes.

Verizon was now a media company. Verizon had been bundling internet content acquisitions. In 2015, the New Products organization led by then-Executive Vice President Marni Walden went after AOL, which had spun off from AOL Time Warner in 2009. AOL, headed by CEO Tim Armstrong, owned such internet news stars as TechCrunch and Huffington Post, although all were dwarfed by Time Warner's CNN. Verizon hoped that its data about mobile phone use could combine with AOL's digital advertising platforms to create a strong competitor to Google and Facebook. [See **Exhibit 1** for a chart of the media market in January 2018.] After the 2017 acquisition of Yahoo, Verizon grouped its media content companies, numbering as many as 50 distinct brands, under a new corporate name, Oath, led by Armstrong. While Oath was only a small part of Verizon's revenues, and its viability remained to be proven in light of some earlier failed media efforts, it excelled in the cool factor and exuded social media culture.

Verizon was also firmly a technology company, although in very different technologies than the old copper wires of the phone company. Verizon had been acquiring spectrum and fiber assets to enable bandwidth hungry video and data transmission, and was working hard to launch even faster connections with higher capacity—fifth generation mobile networks, or 5G. Verizon was not alone (AT&T and T-Mobile were formidable competitors) but it hoped to be the first and best. That way Verizon's 5G networks could underlie even competitors' mobile offerings. In January 2018, Verizon announced a partnership with Samsung to bring 5G to Sacramento, California, late in the year; Samsung would make the equipment.

Part of forging a new identity for Verizon was deciding what not to be. After flirting with cloud computing, Verizon sold most of its cloud assets to IBM. It had begun to work on industry verticals when beefing up its enterprise group as part of an earlier wave of transformation in the 2000s, in

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progress when McAdam became CEO in 2011. One attractive industry vertical was transportation. Verizon had a telematics capacity, starting with the acquisition of Hughes Telematics in mid-2012, and saw its relationships with fleet owners and manufacturers as highly promising. In February 2014, McAdam spoke on a panel on transportation and infrastructure for the 21st century at Harvard Business School following Mary Barra, CEO of General Motors, who pointed out that the cellphone started consumer life as the “car phone,” and that connected vehicles were the wave of the future.

Verizon was not placing all its bets on wireless. With FiOS, it had pioneered fiber-optic connections into homes and offices. It competed with cable in bundling internet, television, and digital voice. The last five years had seen Google attempt to compete in the fiber business, only to recently move away from its Google Fiber investments in Kansas City and scale down its Fiber team. In late 2017, Verizon was in the midst of ramping up its use of next generation fiber technology in multiple areas, and building enough fiber infrastructure to do so. The future of fiber could involve working closely with Corning to utilize nearly as much glass fiber as Corning could make and then, on the user side, with cities to make them “smarter” through fiber-optic connections. McAdam had been in conversations with local leaders such as Boston Mayor Marty Walsh.

The game was clearly much bigger and more complex than football, or other professional sports partnerships ripe for exclusive mobile streaming and Yahoo Sports coverage. Daunting challenges remained, including constant surprises. The December 11, 2017, Verizon NFL announcement had been disrupted by a failed suicide bombing attack at the mid-town Manhattan bus station near Times Square. This swamped the football announcement and delayed McAdam’s travel from CNBC’s studio in Times Square out of the city.

Was that a metaphor for the way that messy human factors such as culture kept intruding on the best-laid strategic plans? While football seemed a pretty sure bet to attract consumers, even football could be overtaken by unexpected human events; and other content offerings depended on human creativity, not just technology. McAdam often proclaimed that his first and most important job was culture. Leading the transformation of Verizon so it could flourish as a digital platform in the era of digital disruption meant ensuring that the right culture was in place for accountability, collaboration, and innovation. That meant attention to the legacy core businesses, too, because Verizon was also a consumer products company and a retailer.

Background: Verizon’s Long-Term Evolution

Verizon had its origins in the U.S. Bell System, once known as American Telephone & Telegraph, formed in the year 1885. A regulated quasi-monopoly based on regional carriers and some central long-distance services, it was broken up in 1983, largely to fuel competition in long-distance communications, but proving important with the rise of the public internet a decade later, which started as dial-up services such as that provided by AOL (America On-Line). Verizon itself was the result of a merger of two “baby Bells,” Bell Atlantic and NYNEX, plus the acquisition of GT&E which had a growing wireless telecom business. Verizon Communications, named in 2000, had two major business units through the 2000s, traditional Wireline (landline) in its original geographies, and Wireless, owned with UK’s Vodafone, which was bought out in 2014.

At the end of 2016, 160,900 employees worked for Verizon, down from its end of 2015 total of 177,700. Wireline consisted of roughly 62,000 employees, with 34,000 of them unionized. Its numbers had declined as Verizon shifted personnel elsewhere and sold off old Wireline assets. Operating income for the business fluctuated between years of small profits or small losses. Wireline lost \$521

million in 2015; operating income in 2016 was \$40 million. Verizon operated roughly 1,700 retail stores in the U.S. that sold wireless.

Wireless continued to grow, but the pace of growth had slowed due to fierce competition from other wireless providers such as T-Mobile. At the end of 2015, Verizon Wireless counted 112 million subscribers. At the end of 2016, that number rose to 114 million subscribers. From late 2015 to late 2016, wireless consumption of Verizon's network increased by 45%. Consumers wanted more and more bandwidth. While Wireless customer numbers and needs grew, revenues plateaued, and in 2016 fell from the previous year's \$91.68 billion to \$89.186 billion. Wireless continued to bring in the bulk of the company's total revenues, which were \$131.6 billion in 2015 and \$126 billion in 2016, making the implications of a business decline significant to the company. [See **Exhibits 2** and **3** for select Verizon Financial Data from 2012–2016.]

Between 2007, when Apple's i-Phone was introduced, and the early years of the 2010s, when McAdam became CEO, Verizon leapt into and grew the smartphone business and its retail mobile offerings building on 4G LTE (4th generation long term evolution, the most advanced wireless technology); added fiber-optics to landline offerings to compete with cable; grew its enterprise sector to supply multiple services to large customers, and emphasized technology innovation through both large acquisitions and open innovation centers encouraging large and small external ventures to build applications "above the network" running on 4GLTE and showing the power of high-speed internet data connections. By 2014, Verizon had added a new products unit to capture those kinds of application innovations for Verizon itself, as the network, both wired and wireless, was rapidly commoditizing while the demand for data transmission, including video through mobile devices, was growing dramatically. By 2017, Verizon was betting on the next stage of network technology, 5G.

As McAdam considered making that bet, he met with several tech company executives to get their thoughts on 5G. Each warned against pursuing it, doubting that Verizon could pull it off and believing the company to be too far ahead of the curve. McAdam took their thoughts back to other top leaders at Verizon. In his gut, he believed it was the right path forward, and others inside Verizon agreed with him. New EVP and President of Network and Technology at Verizon, Hans Vestberg, who joined in April 2017 after being CEO of Ericsson, explained: "2G, 3G, and 4G were built for consumers . . . there were a lot of industries taking advantage of it which was fine. When we designed 5G . . . we designed it for industries and society, meaning that we could deliver wireless services that had predominantly always been fixed . . . and then you get the first real mobile strategy." Doing so meant significantly enhancing network features, including reducing wireless network latency from between 200 and 400 milliseconds to below 10 milliseconds, increasing what was on networks roughly 100-fold, and boosting battery life by ten times.

Verizon set to work proving the concept with field trials, announcing tests of 5G technology in several of its locations, including Basking Ridge, in February 2016.¹ The company formed partnerships with Korea Telecom, Nokia, and Ericsson to build out the specification; it worked with Intel, Samsung, and Ericsson to build the equipment. McAdam charged Vestberg with developing the various "slices" of a 5G network, segments that would allow Verizon to differentiate its network depending on the needs of users. Autonomous vehicles, which required higher speeds and lower latency, would run on a designated slice. Other 5G slices offered a range of possibilities. Verizon could compete with cable companies wirelessly, beaming content to homes without having to lay wire or rely on a technician to install service in-home. 5G connectivity, together with Virtual and Augmented Reality (VAR) technology, could provide a platform for surgeons hundreds of miles away to operate on patients in more remote hospital settings. Verizon could help make cities smarter, with sensors attached to city lights registering traffic and collecting data for analysis to improve

traffic flows. The company formed partnerships with cities to develop these capabilities. In April 2016, Verizon had announced a fiber-optic deal with the city of Boston; Verizon would invest \$300 million in fiber-optic installations, test traffic-related sensors and technology, and create a platform to test 5G wireless—its innovation center in nearby Waltham was working on that.² In June 2017, Verizon formed an infrastructure/smart city partnership with Sacramento to offer free wi-fi at the city's parks, and invest in 5G-related infrastructure in the city.³

Verizon was driven by what it called humanability; efforts to increase the social impact of its technology for the benefit of human beings. It picked important social impact areas such as medicine, transportation, and the food supply, and sought to create products and solutions on top of its 5G network in these areas. [See **Exhibit 4** for images of Verizon's Humanability efforts.]

Because the technology was so new, Verizon wanted to help discover uses for it. Verizon employees worked with internal and external innovation centers. In late 2017, Verizon launched the Alley, a 5G-connected innovation center located in New York City's "Silicon Alley," for startups and entrepreneurs to test potential uses of 5G. The earliest participants included AR/VR, video compression, and location-based data technology startups.⁴ Verizon developers, together with the enterprise business under John Stratton, EVP and President, Global Operations, approached large enterprises and asked them what they could do with lower latency or increased throughput that 5G promised. McAdam said: "5G provides us the opportunity to be the one that monetizes the lion's share of our capital investment. . . . We have never had to do that in the past, so this is a whole new set of skills."

The first 24 months of 5G wireless services would be crucial in terms of shifting market share. After that, competitors historically caught up, consumers tended to view technology among carriers as more or less equal, and it became more difficult to shift market share. In 2017, Verizon tested equipment in 11 cities and had developed over 200 cell sites.

Transforming the Core: Even the Easy is Hard

Lowell McAdam's career had largely been in Wireless. When he succeeded Ivan Seidenberg as CEO in 2011 (and Chairman in 2012), he proceeded to take further action to replace the conformist bureaucratic culture of "Bell-shaped heads" with more entrepreneurial risk-takers, while maintaining values of service. His top executive team consisted of a large number of Verizon veterans who could make that transition, but new talent was also required, from new software engineering disciplines as well as applications content areas.

John Stratton was one of the veterans. Originally from Wireless, he had become an Executive Vice President under McAdam and was serving as President of the global enterprise and consumer businesses for Wireline in 2015, when McAdam consolidated both Wireless and Wireline operations under him. Stratton hit the road quickly to identify operational improvements and soon discovered the need for big transformation.

While visiting a retail store in Arizona in spring 2015, Stratton watched a sales rep talking to a middle-aged couple who had been long-time customers and just wanted to upgrade devices. At the time, Verizon had started to shift its sales model away from multi-year contracts and subsidized mobile devices toward month to month plans with full-price mobile device payments, but the company continued to use both models. Stratton called the conversation "crazy . . . our reps were compelled to create all of these flow charts and diagrams and spreadsheets...that were designed to prop up the . . . inscrutable nature of what should be a simple thing." Stratton realized that day that

the old model was making it impossible for reps to do their jobs and for customers to understand what they were buying. In August 2015, Verizon scrapped its old model in favor of four options ranging from \$30 per month for 1GB of data, to \$80 per month for 12GB of data. Devices would be sold apart from plans, with no discount or subsidy.⁵ In February 2017, Verizon released an unlimited data plan for \$80 per month, as competition in the wireless area increased, as did users' desire for more data.⁶ The conversation and network preparation for an unlimited plan had taken place for more than a year, but the decision to go was made less than one month earlier. Ronan Dunne, the head of Wireless since September 2016, hailed it as both an innovative move and, "a statement of intent for the organization that we were willing to change our playbook. The fact that when we had that conversation internally, within an incredibly short period of time, John said if that's the right thing to do from a market point of view, let's get on and do it."

The move away from the old contract-based model should have been easy. For roughly 20 years, Verizon and other carriers subsidized wireless devices in order to attract customers and tie them to multi-year contracts for service. As consumers became more tied to their carriers, and competitors changed their models, Verizon gradually shifted to a newer model. Verizon had a Lean Six Sigma process that McAdam instituted when he became CEO, enabling skills and developing expertise for process reengineering and value capture, and the core competencies to reengineer service delivery, alter ways it supported distribution channels, and cut the costs necessary to make the shift, and the market had already moved in that direction. But the tremendous success of Wireless over the last 15 years created significant inertia. Things had worked so well for so long, many did not understand the need for change. Stratton sought to "break the inertia of the business," as he put it.

For five months in 2015, Stratton engaged with leaders of the functional areas, including the heads of operations, marketing, sales, and customer service. At the time, the business was divided into four geographic areas, each a quarter of the P&L, and each containing five to six sub-regions. Over several meetings, Stratton's team formulated two potential models for change. The first model merged the four areas into two, a variation of the existing structure. The second model was more radical. It combined the four areas and 22 sub-regions into just six markets.

Stratton devoted a Sunday afternoon in the fall of 2015 to consider the choices. "Ultimately it was about enabling the next generation of leaders to come out from under the shadows of their predecessors," he said. "They could take charge of re-imagining how we go to market and to begin to assert themselves as we projected the business forward." He decided to go for the six markets, calling them "super-sized versions of the previous regions that stripped away a management layer and closed the gap between decision-makers and customers."

This was a big upheaval: replacing four area presidents, four area CFOs, four area customer service VPs, and 20 regional presidents with six area presidents. Many managers running P&Ls in the new structure were new to leadership positions within Verizon. Selective external hires were made in areas that required deep subject matter expertise to develop new businesses, including software, marketing, and analytics talent. At their first operation review in 2016, Stratton recognized the raw talent of these new leaders. It needed to be developed; new leaders needed to learn to take responsibility, plan, course correct when necessary, and articulate the status and strategies of their businesses. But by the end of 2017, Stratton called the development of these leaders "stunning," and "a source of great energy . . . the ability for these individuals to now realize their potential is remarkable."

Stratton used various change management tools. One was a business transformation office to "ensure that the different disciplines work collaboratively and in real time in an agile way to design, construct, and then execute programs," Stratton explained. It consisted of people with different skill sets; some professional project managers, others black belts in the Lean Six Sigma process.

Transformation teams were small and acted as “guides” for the work, coordinating among activities. Stratton added: “The practitioners are the people in the business. . . . They understand cause and effect of their actions and they have the responsibility of executing against the plans.”

McAdam and Stratton also wanted a bigger culture change: to break down old barriers between the Wireless and Wireline teams. They moved executives between the businesses. Tami Erwin, who had spent 25 years in Wireless and was asked to move to Wireline in 2013, later becoming EVP for Wireless operations, recalled believing at the time “that all the intelligent people were in the Wireless business, that all the money was made in the Wireless business, and that Wireline business was a dinosaur. And the truth couldn’t have been further from that.” When she started in Wireline, some on her new team were unhappy about an executive from Wireless being there, especially after Erwin decorated her office with photos and achievements from her time in Wireless. Sensing resentment, she went to a colleague’s office in the Wireline business and borrowed some of his old black and white photos. They depicted Wireline history, such as construction of an under ocean cable, a technician on a horse traveling to a copper line installation, and the first pay phone in San Francisco. Erwin remembered: “I picked 10 or 12 of those and I had them framed and put in my office. And I did it very intentionally with the purpose of saying I’m proud to be a part of this team...And it sounds silly, but it made a difference.”

When she returned to Wireless in 2016, she brought lessons learned from the Wireline business. In 2015, workers in Wireline threatened to strike. In preparation, leadership sent affected managers to a training facility in Leesburg, Virginia, an old Xerox building that Verizon converted to an adult education, experiential learning center. It included poles so that leaders could learn to climb, as well as mock inventory rooms and mock stores to host “escape the room” trainings. Erwin attended the emergency work assignment training. During the strike, Erwin, who visited the picket line every day, realized: “Gosh, we take all of our managers and we put them through this concentrated training of what we want people to do, but we never actually do that with our managers against the jobs that they’re really supposed to be doing.” When the strike ended, she helped develop a mandatory, week-long training for Wireline managers in Leesburg to expose managers to the challenges experienced by the workers under their supervision, and how to manage that. She noted: “It was such a game changer. They moved from being checkers to being thinkers and owners of the business.” Once back in Wireless, she pushed for the creation of a Wireless version of the training. Starting in February 2018, the Leadership Academy training would be mandatory for all Wireless managers.

Stratton continued to deal with employee relations issues and the threat of strikes. In April 2016, roughly 36,000 workers from Verizon’s Wireline business and a small number from Wireless went on strike when an agreement on a contract between workers and the company could not be reached. Verizon brought in temporary workers as a result, and in May 2016, an agreement was reached between the two sides that increased jobs (by approximately 1,400) and compensation (10%) over the term of the agreement, and reduced net operating expenses by over \$1 billion annually.⁷

In September 2016, after Wireless had been restructured, Stratton brought in Ronan Dunne, formerly CEO of Telefonica UK (O2), to run it. When Dunne arrived, he first wanted to move the conversation “back to a ruthless focus on the customer rather than the customer’s need being defined by a competitor X.” He believed this would align Verizon’s focus. This change revealed itself in advertising. Dunne noted: “Now we talk about moments of consequence for using the service as opposed to whether or not I have a bigger map and coverage than my competitors.” Dunne wanted to develop the conversation with consumers from what he termed “parent-to-child” to “adult-to-adult”: “I wanted to try and make sure that our frontline was engaged in this kind of compelling narrative of the possibilities with technology and not just we’re the best carrier, we’ve got the best voice quality, we’ve got the best coverage.”

New Products and Services: Promise and Perils

New products and services remained under Marni Walden through February 2018, who sought to leverage the entire Verizon organization in order to develop new products for all of Verizon's businesses. Walden, at Verizon for over two decades, started her career as a branch manager for AirTouch Cellular, one of the companies that combined to form Verizon Wireless in 2000. Later roles included regional president for Wireless in areas such as the Midwest, Desert Mountain, and southern California, VP and CMO for Wireless, and EVP and COO for Wireless. As part of her new products efforts, Walden's unit searched for "above the network" applications that would allow Verizon to further monetize its network.

In March 2017, Verizon launched Media Tech Venture Studio with digital ad agency R/GA, a 14-week accelerator for a total of 10 startups to get \$100,000 and workspace in a new location in New York City. Verizon sought startups in areas such as virtual and augmented reality, artificial intelligence, and interactive advertising.⁸ In August 2017, the first eight startups were announced, and included startups working in areas such as advertising monitoring software, virtual reality assessment, e-sports, and marketing video personalization.⁹

When Walden took over the new products organization, McAdam told her "to stand up a couple of businesses that have the potential of generating multi-billion-dollar revenue streams." Doing so required the integration of acquisitions into Verizon, collaboration that harnessed new and old capabilities, and new internal development. [See **Exhibit 5** for a list of recent Verizon acquisitions.] Two of the most promising businesses within Walden's group were Telematics, the result of the 2012 acquisition of Hughes Telematics, and media content, which if successful, could help generate significant advertising revenues.

Integrating Telematics

Verizon Telematics focused on three transportation product areas: 1) products developed with specific automobile companies, such as Mercedes-Benz, Volkswagen, General Motors, and Toyota to provide connectivity to information and assistance; 2) a B2C product "Hum"; 3) and, products that helped businesses manage their fleets and drivers.¹⁰ Hum, released in August 2015, linked to a mobile app and allowed users to perform diagnostics on their vehicles and hail roadside assistance if needed. It was compatible with 150 million vehicles and was priced at \$15 per month, hardware included.¹¹ Verizon Networkfleet/Expressfleet offered basic fleet management; Fleetmatics allowed small- and medium-sized businesses to manage fleet drivers and operations; Telogis was a fleet management product developed for enterprise-level businesses operations.¹² Verizon stores as well as Enterprise sales groups handled distribution for Telematics products and services. Originally part of the new products organization as a growth entity, Telematics was beginning to benefit from integration with Stratton's shop for sales and distribution.

In late 2017, Verizon Telematics was headquartered in Atlanta, Georgia, and led by President Andres Irlando, who was promoted to the position from a regional president position in Wireless at the start of 2015. At the time, Marni Walden believed that Telematics was not utilizing the larger Verizon company, and Irlando could help it do that. After taking over, Irlando and his team started doing roadshows, taking Telematics to Verizon's stores and sales teams. Walden brought Telematics teams in to talk at top leadership meetings to raise the business profile. Top sales and operational talent from core Verizon businesses were assigned to Telematics.

In the 3rd quarter of 2017, Telematics brought in \$220 million in revenues (roughly the same as Q2); Verizon claimed 13% organic IoT and telematics revenue growth year-over-year.¹³ According to

Walden, Telematics was a multi-billion dollar business that was able to “leverage the feet on the street and our retail stores. Hum is in the retail stores, and that’s accelerated [its] growth. So, the distribution and the relationships we have with consumers, medium business, small business, and enterprise customers has helped to . . . continue to see that grow.” As Verizon continued to develop 5G and prioritize humanability in transportation, Telematics had even greater potential.

Go90 Platform

The push into the content business was difficult. Walden observed that Verizon’s free, mobile-only service Go90, released in October 2015, had been a learning experience. Go90 provided original and traditional television and movie content, as well as live sports, to mobile devices, with ads, built on AOL’s advertising platform, generating revenue. Partnerships were formed with entities like the NBA for access on Go90 to live sports content. Go90 also included social networking capabilities, as users could “follow” favorite celebrities and edit and repost clips from videos on other social media sites. The Go90 brand was developed as a reference to users rotating their mobile devices 90 degrees in order to watch videos.¹⁴

From the start, users had difficulty browsing the tens of thousands of available videos, which had not been “tagged” adequately for search purposes. Verizon hired an outside team to do so, but the process lasted more than a year. \$200 million was spent on content for Go90, but one source revealed that Verizon overpaid in many of its content deals.¹⁵ In September 2016, Go90 was 80th among Apple’s App Store’s Entertainment apps and in the 800s out of all available free apps.¹⁶

In January 2017, 155 Go90 staff were let go as it restructured and incorporated its recently acquired online video startup company Vessel and its personnel.¹⁷ Some said Verizon failed to understand the market and viewers. Content focus had been honed over time, and some new talent helped give direction to service content. It was suggested that Go90 would not be “mobile-only” forever.¹⁸ In March 2017, employees from Vessel revamped Go90, attempting to fix many of the issues that plagued the service since its inception; Go90 looked different and its search functions had been redeveloped.¹⁹ Eight months later, some Go90 content crossed over to other brands, including Yahoo; 15% of largely original content went to AOL Video, with more planned to go to Yahoo’s brands over the next few months.²⁰ There was a growing recognition that consumers watched content on numerous devices, not just mobile.²¹

While admitting difficulties, Walden remained optimistic. Live sports and short-form originals were getting the most views. Verizon had done little marketing or distribution of the service, but still got over 100,000 people viewing entire soccer matches on their mobile devices. With Yahoo Sports acquired and under a new entity, Oath, Walden focused on continued growth.

Taking the Oath: A Media Future

If Verizon couldn’t build big content offerings fast enough, it would acquire them. In June 2015, Verizon bought AOL for \$4.4 billion, followed by the \$4.5 billion acquisition of Yahoo two years later. Suddenly, Verizon held a diverse array of online content providers, including the Huffington Post, TechCrunch, Engadget, tumblr, flickr, and more. Verizon placed the acquired companies in Walden’s group, giving her responsibility for their integration into the larger company.

In June 2017, Verizon brought these brands together as Oath, a new entity headquartered in Manhattan, and under the leadership of the former AOL CEO, Tim Armstrong. Armstrong, a media industry veteran who helped build Google’s advertising business, was now pushing to integrate

Oath's content and culture with Verizon to open up new revenue streams and transform the company. [See **Exhibit 6** for a sample of Oath's brands.] Armstrong considered Oath a B2B holding company for all of its content brands from the AOL and Yahoo acquisitions. One of its first projects was to develop a name, a process that involved Armstrong, AOL's CMO, and a few other leaders. They wanted a values-based name with deep and visible meaning, choosing Oath because, Armstrong noted: "It was a word, an oath you make, instead of being something that would compete against our brands."

Oath offered the brands greater flexibility and allowed the company to negotiate deals on the brands' behalf, rather than doing a deal between each brand and an advertising partner. The Oath entity also created necessary separation between the Oath brands and Verizon, something that other service providers, such as AT&T and T-Mobile, with whom Oath brands worked, needed to ensure that any data shared would not end up at Verizon. As a content provider, Verizon needed constructive relationships with other networks to maximize exposure for its brands. At the same time, if Verizon wanted deals with other media partners or internet companies, such as Google, Amazon, and Facebook, the Oath entity gave it greater freedom to do so. In December 2017, Oath was on its way to being a \$10 billion business as it forged connections with Verizon's core business.

When connecting newer businesses with Verizon's core, Hans Vestberg stressed the importance of governance in order to create "competence centers" to utilize Verizon's array of assets. Personnel from Yahoo, IT, and network teams needed to work together around artificial intelligence, for example, in order to help Verizon capitalize on data mining, machine learning, and analytics. Vestberg explained: "We are taking the AI from Yahoo to be used in all our commercials and in all our networks, and then we do a competence center of AI for Yahoo. . . . In order to get scale of skill and economics, you need to do that in a large corporation like us. Because if not the risk is that I have 14 different platforms for AI for each every business unit."

Walden praised the creativity flowing from some of the newer acquisitions. But she thought that creativity and risk-taking, if unchecked, could slow the transformation. Change required execution and decision making too. She explained: "You still have to have creativity coming in, but we can't have a hundred different decisions every single day . . . it needs to come back a little bit to executing the strategy. And everyone's clear on it. Is everybody doing it? Are we off track? Are we on track?"

Social Media Speed

In April 2017, Tim Armstrong was leading a weekly management team meeting when CMO Allie Kline interrupted and asked to speak with him outside. When Armstrong told her they were in a meeting and asked what she needed, Kline reported that a journalist had just emailed to inform them that the new brand, "Oath," would be leaked as part of a story in 15 minutes, 60 days ahead of the planned Oath reveal. Armstrong called AOL's social media experts, the Oshry sisters, into the meeting to quickly discuss options. Half of the management team wanted to ignore the leak, not confirm or deny it, and wait for the official release in 60 days. The Oshry sisters thought it was a gift, exactly the way to drive compelling content in the social media age. They pushed to launch it first. Armstrong had minutes to decide to launch.

According to Armstrong: "I wrote a tweet that I read and then I gave my phone to the social media experts and they added a couple of words and they handed it back. And now we had about 3 minutes left. And we pressed go . . . it got 3.5 billion impressions globally in 24 hours. . . . It got a \$100 million of media. The media covered it all over the world in 24 hours." [See **Exhibit 7** for Armstrong's Tweet announcing the Oath brand.]

The Oshry sisters had been at AOL since 2016, when Armstrong, who felt that AOL had missed the social media wave, told his team during a management meeting that he wanted to hire the 20 best social media people in New York City, those with the most followed accounts on various platforms. An executive at the meeting then told him that “girlwithnojob” sat about 40 feet away from him in the office. Girlwithnojob was Claudia Oshry, an intern from New York University who had one of the largest social media accounts in New York. Armstrong brought Oshry into the meeting, asked her who she was, and then asked her what they needed to do to hire her at AOL. Oshry responded that she had sisters, two of whom worked at AOL at the time, and another younger one. Armstrong told her that the Oshry Sisters were now a thing. He gave them a project to complete over the weekend to test social brands with AOL. The Oshry Sisters took the assignment and when they returned on Monday one of the brands had 100,000 followers. Armstrong said: “We are giving you guys your own program; you guys are going to basically build a team at the company that builds social brands.”

He put them under Bryn Mooser, a creative leader at AOL who ran Ryot Studios, an Oscar-nominated AR/VR company bought by AOL in April 2016, and tasked them with creating content for the future. The Oshry Sisters had flexibility to develop content such as *The Morning Breath*, a morning show that doubled in popularity week over week from mid-2017 to late-2017. Armstrong created a new title at AOL for the Oshry sisters, “talent,” and compensated them well for their efforts. In a matter of days, Girlwithnojob had a career working with her sisters at AOL.

At the end of February 2018, this relationship ended abruptly when a report broke disclosing a previously unknown fact that their mother held well-known anti-Muslim views, and also that Claudia Oshry had tweeted an unfortunate remark in 2012, when she was 16 years old, and another two years later. Citing a violation of its code, Verizon promptly cancelled *The Morning Breath* and undertook an investigation. Claudia Oshry issued a tearful apology on YouTube for her youthful indiscretions. At the beginning of March 2018, the investigation was still underway.

Leading the Cultural Revolution

Each week, McAdam and Verizon’s top leadership met on Basking Ridge’s executive floor. [See **Exhibit 8** to view McAdam’s calendar for one week in January 2018.] The floor had been completely remodeled. Walls with wooden panels were torn down, replaced with transparent glass. Executive offices no longer had doors. It contained an open kitchen area, complete with free water, coffee, and tea, a change for a company that three years earlier had fielded concerns from employees of a recently acquired company about whether they would continue to get free fruit in the office’s kitchen. Newer acquisitions helped usher in a more relaxed dress code.

Leadership councils met regularly and exchanged business news, information, and ideas. There was a product council, content council, capital council, and M&A council with its own chairs. Walden sat on every council and co-chaired the content council. Each council included all of McAdam’s direct reports, and depending on its area of concern, contained key members from various business units.

Brian Angiolet, SVP of Consumer Products and Business Development, brought the NFL deal to the content council, which he co-chaired. The council discussed the deal’s size, Verizon’s expectations around it, and its impact on individual businesses. Walden explained: “The primary benefactor of the NFL deal is Oath . . . and Wireless may not feel all that interested in it. Because now it’s across all mobile carriers with the Yahoo app. So, getting people to buy in at times, when we know we need to do it, but there’s a lot of discussion around it, and you do these councils. You’ve got four or five a month.” She added: “But we haven’t found a better way to get all of the interested parties to participate.”

Walden recognized that important discoveries could result when people met and interacted more casually and frequently. Her group included a product organization called Envrmnt that worked on developing an AR/VR platform. After AOL acquired Ryot, a creative 360-degree film, video, and AR/VR content production company, the leaders of Envrmnt and Ryot chatted with one another following one of Walden's mid-year leadership meetings, and they agreed to bring their teams together. Ryot started working with Envrmnt, producing content on the platform, with meetings at least twice a week to discuss new opportunities to work together. They planned to host an event in February 2018, and show a meeting in 360 of the Queen and the Pope. As 5G development progressed, they included the network team in the conversation.

Walden stressed: "What I know from my 27 years of doing this is that the best way to find out if you're aligned around strategy is to go out and talk to the people at the front end of the business." She traveled frequently. In fall 2017, she held roundtables of roughly 20 people in Ireland and London, asking questions to Oath brand personnel about what the strategy was and how frequently they heard from leaders. She inquired about what performance discussions they'd had, along with what people felt was working and not working in the company. When she returned and met with Armstrong, the conversation was informed with real world examples of how people across the Atlantic understood Oath's message and strategy.

Stratton changed how members of his team interacted. Managers and front line call center staff interacted differently with one another. They sat down each month, one-on-one, and reviewed survey results from customers who called in. Stratton explained: "Rather than have the manager or the supervisor be the arbiter of quality, we wanted the customer to be . . . instead of the manager being rated on their own independent performance, there would be a consolidation of the team that they lead. They're all in it together and the sole arbiter of quality is the voice of the customer."

Accountability, collaboration, and initiative were stressed. Within Stratton's team, Erwin felt that the Leadership Academy helped encourage managers to say "I own my business versus I preside over my business." This echoed Stratton's inertia-breaking restructuring that resulted in the promotion of new leaders now accountable for their businesses. Ronan Dunne felt he inherited a Wireless business of "very strong individual identified leaders in the business," acting as a team. He stressed "earning the right to ask for forgiveness and not permission."

McAdam led by example. Prior to Verizon's acquisition of AOL, Armstrong held an all-staff meeting of AOL employees to discuss the move and what it could mean for them. Unbeknownst to Armstrong, McAdam sat on the floor with AOL employees, at the back of the room, during the meeting. He took in the comments and questions, and only approached Armstrong after it concluded. According to Armstrong: "I think he was trying to get a read himself on—forget about what we were saying—what are the true values at the street level at the company." Armstrong added: "He is very good at getting the maximum amount of brainpower out of everybody around him, because he starts with questions not answers." In early 2015, a group at AOL's headquarters stood around tennis legend Billie Jean King in the open office space, who was there to do some work with AOL. She paused to talk with some employees, Tim Armstrong, and a man Armstrong introduced as his friend. After King left, Armstrong's friend remained, going around to each employee and speaking with them. It wasn't the last time employees would see Armstrong's friend. Armstrong described their reaction when they later realized that his friend had been Verizon CEO Lowell McAdam: "After they realized who Lowell was they said, 'Oh my god that guy who used to come in was the CEO of Verizon . . . he was so humble.'"

Later, McAdam also encouraged people to ask tough questions of him. He hosted Verizon-wide quarterly webcasts, and was open to new ideas to encourage feedback and participation. Yahoo,

under Marissa Mayer, had met each week, and questions would be submitted and voted on by staff, with Mayer addressing the most voted-on questions during the meeting. After Verizon acquired Yahoo, McAdam adopted a similar approach during his quarterly webcasts, fielding questions that had been submitted and voted on by employees. [See **Exhibit 9** for a sample of questions to McAdam per Verizon employee vote, January 2018.]

McAdam held an initial Q&A session with AOL employees after the acquisition. It came soon after a news story alleged that Verizon, in 2014, had forbidden a company-owned tech blog, SugarString, from releasing any content related to net neutrality and government surveillance.²² At the Q&A session, a Huffington Post journalist stood up and asked him the first question about editorial independence. According to Armstrong: “It was an employee challenging a Fortune 20 CEO, you know 12 hours after he just spent \$4 billion on our company. And Lowell handled the question, no problem, no defensiveness...I got more notes after that town hall [saying] we did the right deal.”

Each quarter, one employee received a Credo Award in front of the entire company. The trophy, a check mark with Verizon’s credo engraved on it, was given to an employee for demonstrating behaviors aspired to in the company credo to achieve results in their jobs. The credo itself had been drafted in 2004 by Denny Strigl, the president of Verizon Wireless at the time, and presented at a leadership meeting as a list of best practices that were propelling Verizon forward. A few years later, it became Verizon’s formal credo. In recent quarters, the Credo Award recipients were employees involved in transformational efforts, including a Senior Director of Product Management, Data, Measurement and Insight from Oath in the 4th quarter of 2017. [See **Exhibit 10** to read Verizon’s Credo as of 2017.]

McAdam also wanted to push people to challenge one another. He said: “We had a famous incident back in the Wireless days where one of my direct reports broke a table, he got so mad during the discussion. And I thought that was the greatest thing in the world because it showed passion on both sides of the issue, and we all sat down, and we worked it through [and] ended up in a better place. I want to make sure we continue to break tables around here.”

Net Neutrality and the Future

In 2017, the values of Verizon and the other Internet Service Providers (ISPs) came under public scrutiny as the debate around net neutrality heated up and the FCC, led by Chairman Ajit Pai, considered revoking Obama administration rules that aimed to prevent internet service providers from speeding up or slowing down data traffic based on its use or origination, and from charging content distributors more for faster content delivery speeds. The ISPs felt that social media companies had hijacked the net neutrality debate and that these same companies slowed traffic when it suited their needs. Verizon desired a level playing field and believed that carriers were being unfairly singled out.

At the same time, Verizon was pressing forward with 5G. McAdam believed that 5G could open up all kinds of possibilities, from autonomous vehicles to more effective mobility and traffic solutions. McAdam wanted “to push the envelope to get high-speed broadband in markets that are underserved today. And I think that if we could serve them we would have a much healthier economy and people would be better educated.”

Verizon’s executives were excited by the future. Ronan Dunne envisioned Wireless: “Turning connectivity into possibilities for everyone and everything. And the real idea behind that is that it’s not just about the connectivity itself. It’s that layer of opportunity and possibility that’s built on top of it.” He saw the potential to offer consumers more complete products and services in a 5G world where Wireless, content providers, and Verizon’s other assets worked together. For example, the network would know

when a customer traveling to the airport—with the flight time on his calendar, with that airline app, with a connected car, and with maps and location enabled—was going to miss the flight due to traffic conditions, and could, with permissions, notify the airline, place the traveler on the waitlist for the next flight just in case, and update the airline if traffic conditions suggest others might be late.

Building on the Platform for Transformation: What Next?

Innovation possibilities could seem unlimited, but established companies always faced limits and the need for choices, especially as competition was ferocious, technology was ever-changing, financial resources were finite, and human resources were captives of culture. McAdam was well aware that the pressure was still on. When the 2018 Super Bowl was played on February 4 with Verizon's new NFL streaming deal in operation, McAdam knew that even a favored team could lose to a hungry competitor, and a deep bench was essential.

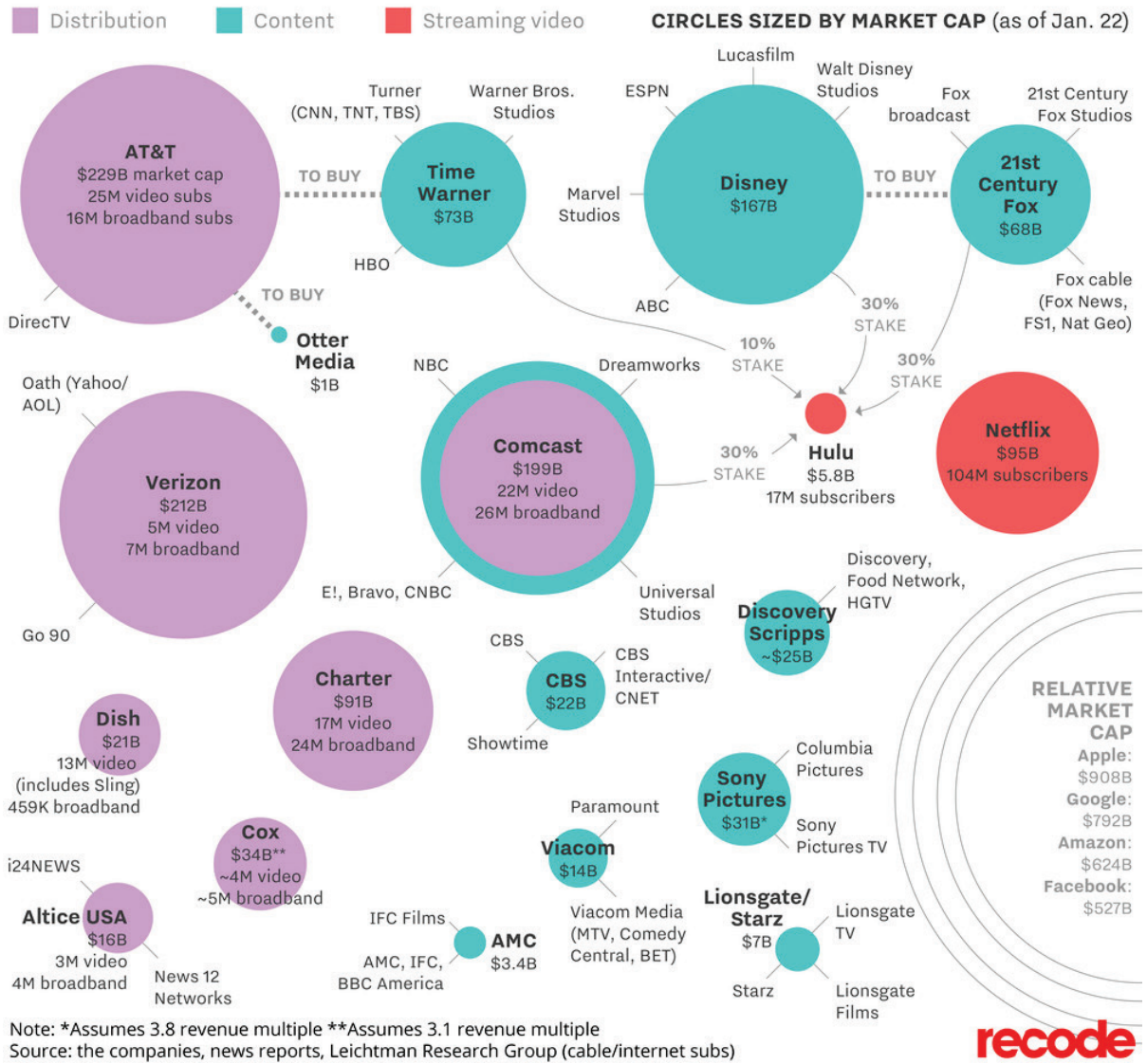
Throughout his time as CEO, McAdam had been reshaping the top management team. In February 2018, the top business team consisted of John Stratton, whose sphere of influence had grown, Hans Vestberg, and Tim Armstrong, along with chief communications, legal, financial, strategy, administration, and marketing officers. In October 2017, Marni Walden had announced that she would be leaving Verizon in February to pursue other opportunities, indicating that it had become apparent to her that she was not in line to succeed McAdam.²³ Walden stayed in her role as head of Media and Telematics through December 2017, remaining briefly as an advisor, while Media leadership was taken on by Armstrong, and Telematics went to Stratton's organization. [See **Exhibit 11** for a 2017 organizational chart, with 2018 changes.]

Now the team had to deliver results, playing both offense and defense. Was the direction appropriate, the focus coherent, and a talent pipeline in place? Was there an appropriate mix of in-house development and partnerships? McAdam had taken the helm just after Verizon began its open innovation and partnership thrusts. Now, in early 2018, he wondered about next steps. Should Verizon develop 5G themselves, partner with one other big software company to develop applications, or become an open network and let others develop all the applications? He mused about dumb pipes versus open systems. He also thought about whether to do more content deals like the one with the NFL where Verizon is a distributor not just to current Verizon customers.

And what else would need to be done to gain and maintain momentum? Was the power of distribution enough? After all, being a giant in telecommunication networks was not necessarily an advantage and could be a disadvantage in fields such as media where Verizon was a small player, or in new consumer digital products where Verizon's competitors could be limber startups. Could creativity on speedy social media time co-exist with disciplined execution to deploy technology? McAdam knew that getting the culture right had to encompass many subcultures. Manhattan and Basking Ridge were a short driving distance apart but could be a long cultural distance.

Exhibit 1 Media Market in January 2018

Media landscape



Source: Rani Molla and Peter Kafka, "Here's the Chart that Explains Why CBS and Viacom Want to Merge," *Recode*, Jan. 18, 2018, <https://www.recode.net/2018/1/18/16906042/cbs-viacom-merger-media-market-landscape-streaming>.
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Exhibit 2 Verizon Select Financial Data: 2012–2016

(dollars in millions, except per share amounts)

	2016	2015	2014	2013	2012
Results of Operations					
Operating revenues	\$ 125,980	\$ 131,620	\$ 127,079	\$ 120,550	\$ 115,846
Operating income	27,059	33,060	19,599	31,968	13,160
Net income attributable to Verizon	13,127	17,879	9,625	11,497	875
Per common share — basic	3.22	4.38	2.42	4.01	.31
Per common share — diluted	3.21	4.37	2.42	4.00	.31
Cash dividends declared per common share	2.285	2.230	2.160	2.090	2.030
Net income attributable to noncontrolling interests	481	496	2,331	12,050	9,682
Financial Position					
Total assets	\$ 244,180	\$ 244,175	\$ 232,109	\$ 273,184	\$ 222,720
Debt maturing within one year	2,645	6,489	2,735	3,933	4,369
Long-term debt	105,433	103,240	110,029	89,188	47,428
Employee benefit obligations	26,166	29,957	33,280	27,682	34,346
Noncontrolling interests	1,508	1,414	1,378	56,580	52,376
Equity attributable to Verizon	22,524	16,428	12,298	38,836	33,157
<ul style="list-style-type: none"> • Significant events affecting our historical earnings trends in 2014 through 2016 are described in "Other Items" in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section. • 2013 data includes severance, pension and benefit charges, gain on spectrum license transactions and wireless transaction costs. 2012 data includes severance, pension and benefit charges, early debt redemption costs and litigation settlement charges. 					

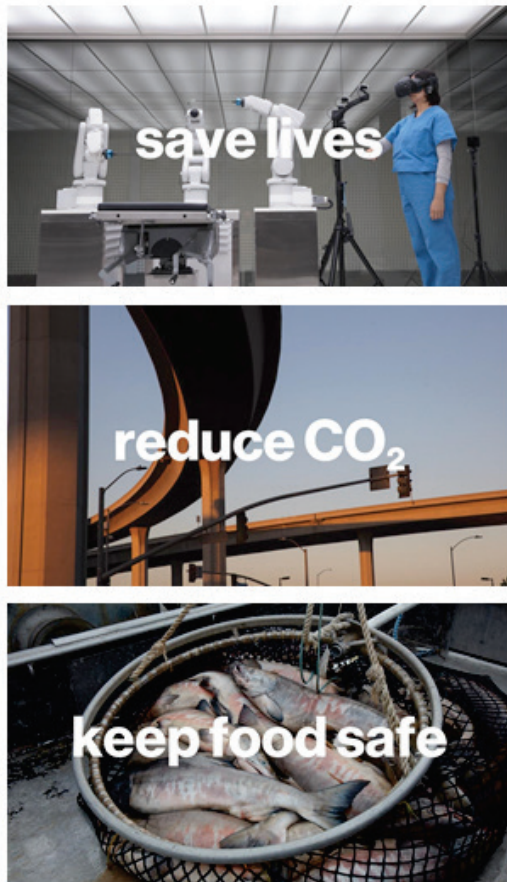
Source: Verizon 2016 Annual Report.

Exhibit 3 Verizon Wireless and Verizon Wireline Select Financial Data: 2012–2016

	2012	2013	2014	2015	2016
Wireless Revenues	75,868	81,023	87,646	91,680	89,186
Wireless Operating Expenses	54,100	55,026	60,886	61,707	59,333
Wireless Operating Income	21,786	25,997	26,760	29,973	29,853
Wireline Revenues	38,945	38,624	32,793	32,094	31,345
Wireline Operating Expenses	38,941	38,294	33,624	32,615	31,305
Wireline Operating Income	4	330	(831)	(521)	40

(in millions US dollars)

Source: Company annual reports.

Exhibit 4 Verizon's Humanability: Website Images of Humanability Efforts

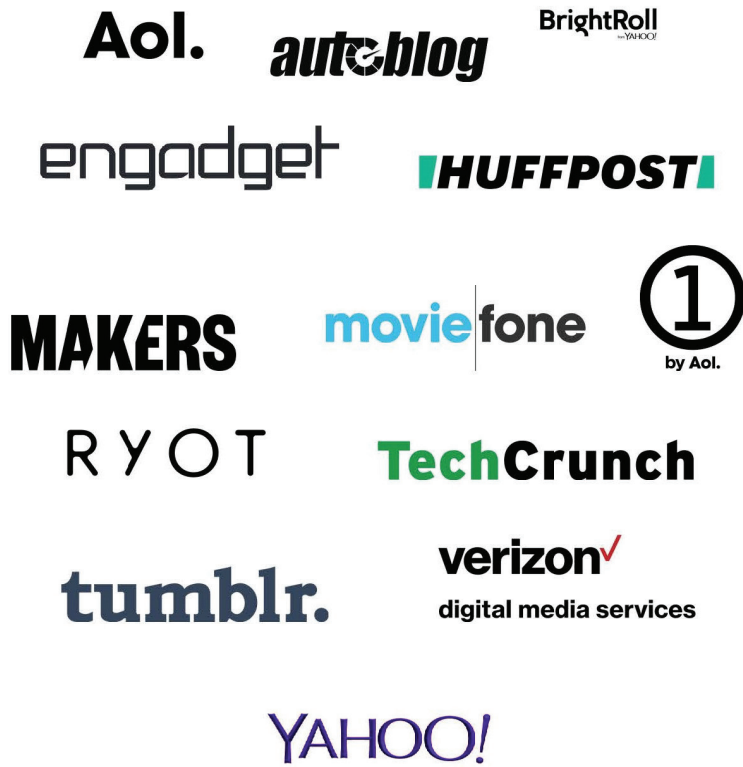
Source: Company website.

Exhibit 5 Verizon Acquisitions Since 2015

Company	Date	Cost	Description
AOL	June 2015	\$4.4 billion	Internet company
AwesomenessTV	April 2016	\$159 million (24.5%)	Digital media company
Telogis	July 2016	\$0.9 billion	Fleet management company
Sensity	September 2016	Undisclosed	Smart city LED lighting company
Vessel	October 2016	Undisclosed	Video startup
Fleetmatics	November 2016	\$2.4 billion	Fleet management company
LQD WiFi	November 2016	Undisclosed	Outdoor interactive kiosk company
XO Communications	February 2017	\$1.8 billion	Fiber optic company
Skyward	February 2017	Undisclosed	Drone company
Straight Path	May 2017	\$3.1 billion	Wireless spectrum company
Yahoo	June 2017	\$4.5 billion	Internet company
WideOpenWest	August 2017	\$225 million	Fiber-optic network assets in Chicago
Niddel	January 2018	Undisclosed	Autonomous threat detection company

Source: Casewriters.

Exhibit 6 Sample of Oath Brands



Source: Company documents.

Exhibit 7 Tweet from Tim Armstrong Announcing Oath Brand



Source: @tim_armstrong, "Billion+ Consumers, 20+ Brands, Unstoppable Team. #TakeTheOath. Summer 2017," *Twitter*, 3 Apr. 2017, 1:25 p.m., https://twitter.com/tim_armstrong/status/848994977715826690?lang=en

Exhibit 8 Lowell McAdam's Calendar, One Week in January 2018

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
8 am	Personal Appointment 8-8:30 am	Prep – Earnings 8 – 8:30 am	Hans – 1:1 8 – 8:30 am	John – 1: 1 8 – 8:30 am	Diego – 1:1 8 – 8:30 am
8:30 am	VLC – 8:30 – 10:30 am	Verizon 4Q17 Earnings Call – 8:30 – 9:30 am	Call with VZ Board Member 8:30 – 9 am	Strategy Discussion w/Rima 8:30 – 10 am	Matt – Catch – Up 8:30 – 9 am
9 am			Visit to Building 5		NFL Update – Call 9 – 10 am
9:30 am		Matt – De Brief 9:30 – 10 am	Oath Update 9:30 – 10:30 am	Gerace – Catch – Up 9:30 – 10 am	
10 am		Prep – Webcast 10 – 10:30 am		Humanability Update 10 – 11 am	Wireless Update 10 – 11 am
10:30 am	Tim – 1:1 10:30 – 11 am	Up to Speed – Most Liked Questions 10:30 – 11 am	Return Phone Calls 10:30 – 11 am		
11 am	Q & A Prep – Earnings 11 – 11:30 am	4Q Results Webcast with Employees 11 am – 12pm	Workout - 11am - 12 pm	Annual Report Update 11 – 12 pm	VZ Board Prep 11 am – 12 pm
11:30 am	Matt – Financials 11:30 – 12 pm	Prep for CNBC 11:30 – 12 pm			
12 pm	Workout – 12-1 pm	CNBC Interview 12 – 1 pm	Rima – 1:1 12 – 12:30 pm	Workout - 12-1 pm	Workout – 12-1 pm
12:30 pm			Personal Call		
1 pm	Content Council 1-4 pm	Workout – 1-2 pm	5G Governance Meeting 1-4 pm	Foundation Update 1 – 2 pm	Calendar Review w/Susan – 1-2 pm
1:30 pm					
2 pm		Webcast – De Brief w/ Gerace – 2 – 2:30 pm		Marketing Update 2 – 4 pm	Travel
2:30 pm		Monthly Auditing Meeting – 2:30 -4 pm			
3 pm					
3:30 pm					
4 pm	HR Update 4 – 5 pm	Marni – Catch – Up 4 – 4:30 pm	Sponsorship Update 4 – 5 pm	Cornell Tech – Call 4 – 5pm	
4:30 pm		Craig – 1:1 4:30 – 5pm			
5 pm					

Source: Company documents.

Exhibit 9 Sample of Questions to McAdam per Verizon Employee Vote, January 2018

With the New Tax Plan and large corporations getting the almost 17% increase in income from the lowering corporate tax many companies are sharing some of that with their employees. Does Verizon have any plans of sharing this windfall with its employees?

In regards to the “Save 10 Billion Dollars” goal, when that goal was initially put on the table, the corporate tax rate was high. Now that 10+ percent has been shaved off of that, will the goal be met just in tax savings? Will that goal be taken off the table now?

Direct TV Now, Sling TV, Play Station Vue, and YouTube TV are all catering to the cord cutting population and people looking to get rid of the big bad cable company. When will VZ enter this market with an online product to compete? Is there any concern about lagging behind with rolling out a product where there are already a few well established competitors? What would be the consumer's incentive to switch from them to us if/when we roll out a product?

Hans insisted Verizon will be first to 5G at CES 2018, but earlier this month Reuters and other news outlets reported on AT&T's plan to be the first U.S. company to introduce mobile 5G service later this year (12 or so cities). What is Verizon's anticipated launch date for mobile 5G service? Are you pleased with the progress VZ is making as a whole in 5G technology?

Source: Company documents.

Exhibit 10 Verizon Credo as of 2017

We are Verizon.

We have work because our customers value our high-quality communications services.

We deliver superior customer experiences through our products and our actions. Everything we do we build on a strong network, systems and process foundation. The quality and reliability of the products we deliver are paramount. Customers pay us to provide them with services that they can rely on.

We focus outward on the customer, not inward.

We make it easy for customers to do business with us, by listening, anticipating and responding to their needs. We know our products and can explain them to customers. We focus on fundamental execution. We are accountable and we follow through with a sense of urgency. We know that having the highest ethical standards is a competitive advantage.

We know teamwork enables us to serve our customers better and faster.

We embrace diversity and personal development not only because it's the right thing to do, but also because it's smart business. We are driven not by ego but by accomplishments. We keep our commitments to each other and our customers. Our word is our contract. We respect and trust one another, communicating openly, candidly and directly since any other way is unfair and a waste of time. We voice our opinion and exercise constructive dissent, and then rally around the agreed-upon action with our full support. Any one of us can deliver a view or idea to anyone else, and listen to and value another's view regardless of title or level. Ideas live and die on their merits rather than where they were invented.

We believe integrity is at the core of who we are.

It establishes the trust that is critical to the relationships we have. We are committed to do the right thing and follow sound business practices in dealing with our customers, suppliers, owners and competitors. Our competitors are not enemies; they are challengers who drive us to improve. We are good corporate citizens and share our success with the community to make the world in which we work better than it was yesterday.

We know that bigness is not our strength, best is our strength.

Bureaucracy is an enemy. We fight every day to stay "small" and keep bureaucracy out. We are more agile than companies a fraction of our size, because we act fast and take risks every day. We see crisis and change as opportunities, not threats. We run to a crisis, not away. Change energizes us. We work hard, take action and take personal accountability for getting things done. Our actions produce measurable results.

Everything we do is built on the strong foundation of our corporate values.

We work 24x7 because our customers depend on us 24x7. We know our best was good for today. Tomorrow we'll do better.

A great customer experience.

Speak human. Keep our word. Deliver digital first. Better matters for our customers.

Growth & profitability.

It's not one or the other. It's both. Win customers. Build value. Better matters for business results.

Building our V Team culture.

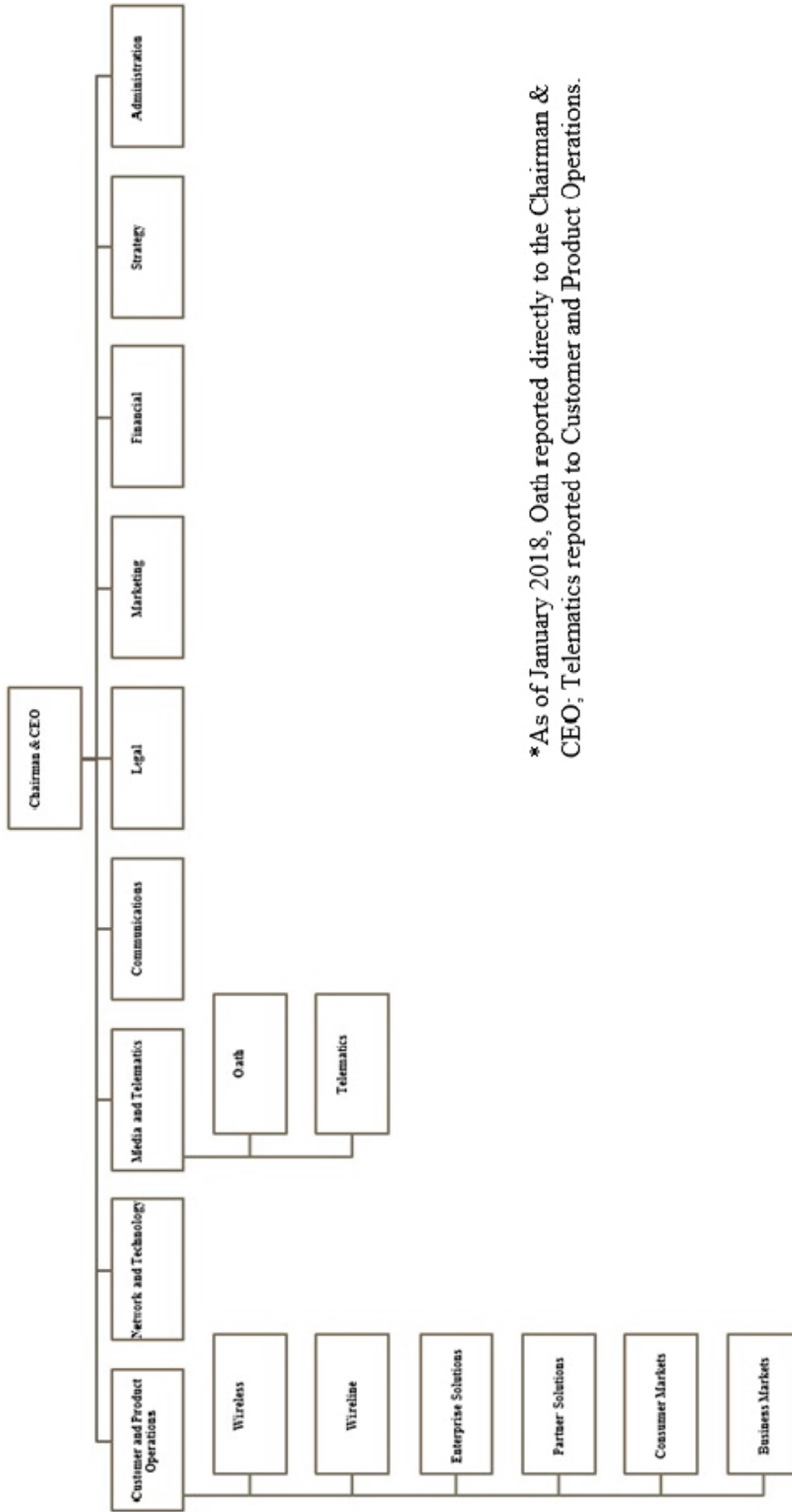
Teach it. Live it. Be it. Better matters for us.



Integrity. Respect. Performance Excellence. Accountability.

Source: Company website.

Exhibit 11 Verizon Organizational Structure as of December 2017*



*As of January 2018, Oath reported directly to the Chairman & CEO; Telematics reported to Customer and Product Operations.

Source: Casewriters.

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