

NETEVENTS**GLOBAL PRESS & ANALYST SUMMIT**

*Day Two Opening Keynote:
Dell + EMC = Driving Digital Transformation
& the Third Platform*

Tom Burns

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Enterprise Infrastructure**

Interviewed on stage by:

Manek Dubash, Editorial Director, NetEvents

Good morning. I'm going to do it one more time. Good morning. It's great to be here, what a beautiful place to be. A little chilly this morning, but as someone who's based up in Northern California, I think you're in for a beautiful day. I think this is the last day. Unfortunately, tomorrow and Saturday, I think it turns to 80 and 90 degrees. So you're missing the cusp of warm California weather just a little bit.

It's a pleasure to be here to talk to you today. Again, my name is Tom Burns, I'm the Senior Vice President of Dell EMC Networking and Service Provider. That's what I want to talk to you about a little bit. I think certainly for me, it's my first opportunity to speak to press and analysts post the closing of Dell EMC. Maybe for many of you, it could be the first time that you have an opportunity to hear a Dell EMC executive talk about why we did this.

So we're going to talk a little bit about why did Michael do this crazy, \$60 billion-plus acquisition? What does it mean to me? What does it mean to our networking business? What does it mean to our customers and partners on a global basis? Really, they didn't take this picture of me just this morning, even though I'm wearing the exact same thing. But it's kind of interesting.

Okay, the slides, there we go. So let's talk a little bit about why did Michael do this? Why are we bringing two significantly-sized, well-provided IP companies together while maybe some other companies are beginning to split up and disburse some of their IP and their assets. Maybe first, let's talk about what I believe. I worked at Alcatel-

Lucent for close to 14 years. I was President of the enterprise business and during that course in time, what I learned from our customers, based upon the challenges that they were facing around the explosion of devices, around cloud, around the various transformations that were occurring, the demands that were coming to them from their users and their customers, that partners and customers were truly looking for a new partner.

They were passionate - these slides are very slow to react; can we turn the slide please? The customers needed a partner to help them through this transformation. I left Alcatel-Lucent for various reasons, but one of them was first I believed that the barriers between service provider and enterprise were really starting to collapse. The commonality around delivering services and capabilities was really merging and that was challenging for a company like Alcatel-Lucent whose history was really in the service provider and traditional telco space.

The second thing was, they didn't want to invest in the enterprise business much more. In fact, my last transaction was to spin off the Genesys contact centre business to Permira Partners. So I kind of felt like we were losing focus on what our enterprise customers needed and building that partnership. So when I got a call to join Dell, I kind of always knew Dell as the PC company, an incredible brand, incredible capability around scalability and delivery to its customers. But also noted that they had been making significant investments from about 2006 all the way to 2010, 2011 in becoming really an end-to-end provider of enterprise communication solutions. From datacentre to desktop.

So I was truly motivated when I was asked to join Dell to come work for a company that was completely focused on helping companies transform. They weren't just talking about it; they were walking the talk by making the investments. Shortly after I joined is when Michael announced that he was taking the company private. Then someone who's coming into a tech business with the understanding of potential stock options and so forth, was I tremendously excited about that at first? No, not really. But what I realised is that what Michael was doing is he was changing the focus to 100% on our customers. Not on the shareholders. With the privatisation, we could focus on the investments that we needed, the changes that we had to do, in order to focus on our partners and our customers. Now don't get me wrong, we look at our numbers and they are still very important. But at the same time, we don't make stupid decisions on a 90-day shot clock. We make them for the benefit of our customers.

I'll give one example. Last year, while there was a lot of, let's say, turmoil in the industry and you saw a lot of companies shrinking, we actually hired close to 2000 more sales people. Now if we were a public company, shareholders would have said, Michael needs to get his head examined. Revenues declined, margins were tightened, we invested more. Then what did he do? He announced the acquisition of EMC. By bringing together these technologies, we believe that we are building a partner to help IT transform during these very challenging times.

What does the acquisition really bring together? It brings together an incredible base of intellectual property and technology. As we bring them across, it really allows the

building blocks for companies not to just run traditional IT but what we call modern IT or cloud-native applications. I'll talk more about this in a moment. But from the foundation of infrastructure between Dell and EMC, our compute, storage, networking capabilities provide the basis of a platform that enables companies to deliver the services, the applications, the capabilities that they need to move forward.

With our strategically-aligned partners such as VMware, number 1 in software virtualisation and orchestration and in building even further assets, with its NSX capability around security and network virtualisation. We then move into the capability to potentially help our customers post some of their most critical applications with private cloud capabilities coming from Virtustream and then actually provide a platform for dev ops and application development with our asset, Pivotal.

Obviously with these IT transformations, security continues to be at the backbone of concerns. As we enable more internet connections and as we enable more devices, as we look at more insights of these applications and these connected capabilities, we're concerned around the security and the access to that. So we have, with this acquisition, the security assets of RSA. We continue to invest in our SecureWorks cyber security company which is now partially public as well.

So in Dell Technologies, you have all of this IP. We will continue to move forwards with Dell, our traditional brand, primarily focused on our commercial business. Dell EMC, which will focus on our datacentre capabilities. Particularly in the large enterprise but also delivering those assets and capabilities to the commercial market. Combined also to the service provider, which we believe is a huge opportunity for us and a continued growing capability that we have, and we'll help these service providers enable their capabilities. We'll continue to show our investments in R&D. Dell EMC combined spends \$2.5 billion per year in research and development.

These are the things that we can now bring together as one company. We have VMware, we have Virtustream, Pivotal, RSA and SecureWorks as strategically-aligned companies. The term federated that EMC used is no longer being used by Michael. We are strategically aligned because jointly, while several of us will remain agnostic and somewhat independent, we believe we can build the technologies together to enable our customers to move towards the more modern IT.

In addition, with these assets, we bring together a few credible things associated with the EMC. When we think of EMC, we think of white glove treatment. We think of the focus on the Fortune 2000. Incredible capabilities in storage but also the spinout of the innovation around VMware and some of the assets that they've developed and invested in. We take that and we combine it with one of the most powerful supply chains in the world, with Dell. Combined innovations of technologies that we can bring together.

While other companies are shrinking and spinning out, we at Dell EMC believe size is important. Scalability is important. Dell has been known and started his company about the democratisation of IT. How do we lower the cost of technology to get it into the hands of our users, our companies, our customers and our partners to enable them to make a difference, to better their business, to better their environment? This is what we're focused on. So we believe that we can help, between the scalability, supply chain,

performance in innovation of the two companies, combined with the EMC assets around white glove and services, the two brands come together to allow our customers to enable a new IT at a lower cost. Something that has been embedded in Dell forever and now will be expanded to the new Dell technologies.

Now why, again, are we doing this? Well there's some IT imperatives that we have to think about. If we look at the last 15 years in the IT industry, you've got pretty much an IT team that has been IT centric. Systems of record, traditional applications, transaction reporting and the initial part of the internet, which happened several years ago. In one of the discussions yesterday with the press, he seemed to be a little frustrated that his IT department won't necessarily allow him to use his mobile clients in the way that he wants, to do storage backup in the way that he wants. We hear this challenge from IT departments frequently - he's laughing in the front row here.

The point is, is that with the consumerisation of IT, with the capabilities that's been provided to them in their mobile devices, the times have changed dramatically. Companies must become more business-centric. I remember some 20 years ago, they changed the title of the person running the IT department from the Vice President of Infrastructure or IT, to Chief Information Officer. Now of course you have Chief Security Officer and Chief Customer Officer, but the point was that the function of the IT was enable business applications to create competitive differentiation. IT is challenged based upon all the things that are occurring around cloud, around the explosion of devices, around the internet of everything.

Instead of looking at traditional transactional reporting, you have streams of data and analytics that are occurring every moment. We think about the explosion of connected devices, the internet of everything, the number of connected things on security applications, on transactional information, this data needs to be collected on a real-time basis, not put into a datacentre and stored and looked at on kind of a behind-the-scenes basis.

The other challenge is that budgets are not increasing. CIOs, IT departments are challenged because they want to face all those business needs and requirements but the CEOs and their boards are not necessarily giving them more money. It's an estimate that traditional spending in 2015 in the IT area - and this is just in infrastructure and applications, this excludes mobile devices, services, telco, this is traditional mostly datacentre spending in applications and infrastructure - was estimated to be about \$2.7 trillion. Now if we look at the traditional IT that we spoke to, something that IDC called platform 2, how do companies move forward to more of a cloud-native environment?

They need to optimise those assets; they need to work with a strategic partner that can provide them both the capability to run traditional IT but also future-ready IT. What I mean by that is that the products and services that Dell Technologies can provide has the capability to help customers optimise their current infrastructure and applications and with that saving, put forth the investments to be more cloud native. To be more customer-focused, more employee-focused. The capability to deliver information, analytics on a real-time basis.

Let's talk a little bit about this platform 2, platform 3, the IDC terminology; traditional versus cloud-native. When we think of a traditional datacentre, you think of compute, storage and networking. Three silos. The way storage operates, it's a separate system or box for storing, for backup, not really necessarily delivering information on a real-time basis. The same thing with compute. Networking, not really focusing on the latency and performance needed to provide real analytics and the security that's needed. Three building blocks that traditional Oracle or SAP or some of the standard applications will probably continue to run on for many years.

If we think of the transformation, for example, going back from the mainframe to the x86, while the x86 market has completed surpassed almost two times the mainframe market, the mainframe market today is still in excess of \$10 billion. Because truly there are certain applications, for various reasons, that need to continue to work on that. We believe, moving forward, over the next three, five and 10 years, that companies will continue to have to run certain applications on a traditional infrastructure. But looking forward, the paradigm begins to shift. This is the whole concept around software-defined.

How do we enable more capabilities, more changes, more configuration-management capabilities in a software fashion rather than a hardware fashion? So we've seen virtualisation of compute occurring over the last 15 years. We now are a parent company to the company that helped enable that with VMware. We've seen a change in the area also of storage. Where it's not just about external storage, it's also about internal storage. Those things that we may not have to store in the back for a long period of time, for whatever regulatory reasons or vertical reasons, but things that we need to have backup but then immediate access to, needs to get closer to our compute and to our networking.

We see that now the era of software-defined networking, the enablement of giving capabilities around not wanting or having - excuse me, having the need for CLI, for CCIEs that can physically manage a switch or configure a switch. We're taking the intelligence of the hardware or the infrastructure and we're moving it up to a software layer so that people can make the network changes on a real-time basis. So we believe that this is a co-existing IT. Platform 2 would be your traditional IT; servers, storage, networking. Probably administered by three, maybe two network, storage of compute administrators.

but the transformation is occurring that that siloed approach of server, storage and networking is now becoming a platform. A platform which enables more focus on applications, more focus on services. A platform which could be managed with a common set of tools. Where CLI or physical changes are required less.

Now as I am the GM of Networking, it wouldn't be good if I didn't talk a little bit about networking. So Dell actually announced its open networking initiative about two years ago. We were the first branded OEM to actually disaggregate the hardware and software. If we look at the traditional IT from the networking perspective, this has been a proprietary stack. If you look at software-defined, networking has been the laggard. There's many reasons for that, some of them business reasons of companies having very

significant gross margins and wanting to protect that. But some of it also technology reasons.

But what we saw is that the technology was commoditising, merchant silicon was becoming available. Actually third-party software was being developed. So as Dell has done in its histories with personal computers and with the transformation of mainframe to x86, we took the leap and said, why shouldn't we offer our customers great hardware with the choice of software. Giving them more agility, more capability and really the flexibility to make the choices that they need based upon the networking requirements they must have. Not necessarily all 1000 networking protocols that we're very familiar with, but we know, in my case as we visit customers, of those 1000 protocols probably less than 10% are actually being used.

So why not allow companies to just have the 10%? Or the 15%? Give them that choice in networking. So in Dell EMC networking, the thing that we can provide that no other networking company in the industry can provide is great infrastructure protection. Because when we made this change in open networking two years ago, we changed our developments strategy to enable all of our datacentre switching to allow this capability to run third-party software. With that capability, we can have customers trial software-defined, perhaps a pure Linux environment, a connected fabric environment, whatever they so choose, either with our operating software or one of our partners, some of which are indicated here.

If they choose they want to go back to traditional networking, they simply download a software license and move on with the 1000 protocols that they need, or 100, or 200. They do not rip and replace the switch. That being said, if they buy a Dell EMC switch today, from a traditional standpoint, between our operating software which fully interacts with almost all hypervisors, almost all controllers, and gives great REST APIs for scripting and programming, they can actually swap out to a third-party software when they're ready to move to software-defined, without ripping and replacing the switch. So we believe that Dell EMC networking is actually the only provider in the industry allowing customers to run both traditional and future-ready networking.

Let's talk a little bit about this traditional and cloud-native also from an on-premise and off-premise. We've actually seen a lot of companies that believe that public cloud was the answer. Put everything into public cloud. Particularly start-ups, particularly cloud start-ups, companies such as Uber. They're actually now coming back to the decision that the actual cost of running in the public cloud, as you scale out, scale up and increase the level of applications and the numbers of users, is not as cost-effective as you need. Actually, in certain cases, you've lost the ability to manage flexibility.

So we see many companies coming back and repatriating to a private cloud or on-premise certain applications and certain capabilities. With Dell Technologies, we have the ability to help customers enable the hybrid cloud. Let's be clear, our strategy and our belief, what we communicate to our customers and partners is that hybrid cloud is the appropriate for most cases. Whether it's on-premise, we have the Dell EMC infrastructure, we have VMware for orchestration, we have the relationships with Microsoft and Red Hat in the open stack environment. We're now also off-premise.

Partnerships with companies such as Amazon, our own assets such as Virtustream, VMware cloud, vCloud Air, we can help customers enable both on and off premise capabilities.

So why did we do it? We did it because we believe that companies are going through a huge digital transformation. They need to move from traditional IT and start to put some of their investment and focus towards modern applications, modern capabilities and connectivity. We believe that scalability and size is important because with the size of our supply chain, our purchasing power, our logistics capability, our worldwide presence with over thousands of partners around the world, we can drive the cost of technology down while enabling our customers to modernise their IT. We can do this both off-prem and on-prem. That's why we did it.

Thanks very much.

Onstage Interview

Manek Dubash

Tom, thanks very much for that. A lot of interesting stuff in there but there's a few pieces missing, aren't there? Five years ago, two years ago even, you spoke to any Dell exec and it was services, end-to-end, really important stuff. You've sold the Dell services arm. Services no longer important to you?

Tom Burns

Well that's not completely true. In fact, when we sold the Pro systems, this was a business very focused on a particular vertical, substantial, amount of their revenue was coming from the healthcare, which continues to remain very strong, very important. We'll continue to have a strong relationship with the new partner of NTT. But what people don't realise is that still within Dell Technologies, there's still 30,000 service employees. You have the white glove services capability, included managed services coming from EMC. You have the ProSupport Plus and ProSupport capabilities of traditional Dell.

This continues to be a substantial business from a revenue perspective, which we don't talk about too much because we're a private company. But it's still a substantial piece of our revenues and roughly a third of the number of employees. Maybe a little less than a third. We have today 140,000 employees worldwide, the services piece is around 30,000. So it continues to be very, very important.

Manek Dubash

Okay, so this merger, what would you say was the timescale for success? When you'd say, okay, this has worked, this hasn't worked.

Tom Burns

Well that's a tough question and I'm sure that...

Manek Dubash

That's my job.

Tom Burns

...Michael has a different answer than I may. I went through another merger, Alcatel-Lucent.

Manek Dubash

That was tough.

Tom Burns

That's a tough one. It should be in some MBA school as to how to do or not do a merger.

Manek Dubash

Not do.

Tom Burns

But anyway, that's all I'll say, to my former employer. I think that the work that was done as part of the close for the last year, has put us in a position that we're executing right away. We're already having joint customer meetings; we're also enabling the cross-selling of each other's products. We're going to continue to support where there's very little product overlap in the storage area.

The overlap between the companies, between IP and customers, is actually very little. Quite the contrary with Alcatel and Lucent, where you had a lot of product overlap and customer overlap. That's not the case here. So I think we're going to see significant success, I would say, in 12 to 18 months.

Manek Dubash

Okay, we'll look for that and we'll look for some numbers too.

I'm glad you mentioned Alcatel-Lucent because I couldn't help thinking they got you because one of the things you didn't mention much up there was - you mentioned customers but just customers. Now Dell sells laptops to people at home and it sells switches to enterprise in datacentres. But who are those customers? Do you have a carrier strategy for example, is that why they wanted you?

Tom Burns

Well it's not my original reasoning of coming to Dell. In fact, when I was asked to run networking, I actually started laughing. I said, really, networking? But then I saw the compute, the storage capabilities, some of the other software capabilities and the

tradition of Dell to be disruptive and I got pretty excited. After being there for a period of time, we saw the opportunity in the service provider space originally around network function virtualisation. Originally around the replacement of proprietary equipment with more x86 capabilities. That's when Marius and a few others said, well we've got this guy from Alcatel-Lucent, why don't we let him do that?

Over the course of the initial 12 months of working mostly in the NFE area with telco, we recognised that what we had been doing in the web-scale accounts for many years is exactly what service providers were either trying to do, some of them were doing already if you look at the smaller managed service providers and so forth. So we've decided to double down in this space. So we will be creating a solutions group, focused on service provider. I will head that, I hope. It's currently in my title anyways.

We'll build solutions for this particular market and we'll have a very focused go-to-market approach. Because selling to these types of customers is also quite different. I think I did get tapped because of my telco experience. But at the same time, we see a tremendous opportunity. The other customers is the incredible reach that Dell has always had. Everything from consumer; selling PCs to the home, to small and medium enterprise, and to some Fortune 1000. But now with the EMC customer base, really a global company that addresses everything from consumer all the way up to the very largest enterprises and very largest service providers.

Manek Dubash

Not that's a very big organisation, 140,000 people. At the top is just one person. That's a hard thing to manage.

Tom Burns

You know, it probably is. I'm not sure I'd want that job.

Manek Dubash

He's not going to offer it to you, it's okay.

Tom Burns

Yes, he's not offering it either. That would be kind of exciting. But anyways, when the acquisition was announced, they immediately started doing studies and employee surveys around culture and what's important to each company. They surveyed around 50,000-plus employees and they asked them to identify the top-five priorities to EMC or to Dell. When they brought it together, the five were exactly the same between the two companies. So one thing is that Michael doesn't believe we've got this big culture thing that we've got to adjust right away, or he's got his culture and Joe Tucci had his culture. Customer focused, innovation, a focus on performance obviously - versus the market and our competition - but very common.

The second thing, and we chatted about this a little bit, I have never seen a CEO in my career - which is moving on 30-something years now - that is more passionate, more dedicated and more focused on his customers, our customers, and the company. He

works incredibly hard and what's amazing is he's having fun. So I just believe that this passion that he started some 32 years ago in his dorm room by building a few PCs is continuing all the way today in managing and driving a \$70 billion-plus revenue company with 140,000 employees that are very focused on our customers.

Manek Dubash

Okay, well I've got a couple more questions but anyone from the floor want to ask some questions? No one?

Audience Q&A

Sibahle Malinga, ITWeb

Good morning. Thank you for a wonderful discussion.

My name is Sibahle Malinga, I'm from IT Web in South Africa. So from what I remember, last year Dell actually split their EMEA region, their business region, and they made it its own territory. They had the Middle East, Turkey and Africa on its own. So I just wanted to find out, how did the EMC merger affect that? What is your EMEA strategy going forward?

Tom Burns

There's not a lot of changes on the focus of each of the regions of Asia Pacific, EMEA, the Americas - both North America and LatAm. What we're doing is what we call the route to market and the customer focus will be split between what we're calling enterprise, which is the Fortune 3000 and then the commercial, which is tens of thousands of customers, ranging from medium and large enterprise all the way down to SMB.

So in each of the regions, you'll have this route to market and you'll have a leader in each of the regions under that route to market. So in EMEA, you have a leader for commercial and a leader for enterprise. The country split and so forth, as far as I know, is unchanged. I think our focus in EMEA continues to be to drive innovation, to build our channel ecosystem for continued execution and value-added capabilities from our business partners. Personally, from an infrastructure solutions group, to continue to capture share from HP in the server market.

Guy Hervier, Informatique News

Guy Hervier, InformatiqueNews in Paris, France. You went from public to private, you made some acquisition, you sold companies and business units. Do you think you're all set now for the next maybe five years and you'll stabilise? Or you still need some more companies or more technology to do what you just said in your presentation?

Tom Burns

We believe we have an incredible set of technology and intellectual property services capability, business partners and so forth. But I cannot speak on behalf of future acquisitions. But I'm sure that Michael as the sole - not the sole owner but the primary owner, will again invest as he sees fit for our customers. Obviously with the close of the Dell EMC, our focus now is on executing this integration, putting focus to our customers and partners. As we see areas of potential investment, I'm sure the right decisions will be made and we'll do what we need to.

We by far don't say we're perfect, but we believe we have an incredible set of capabilities to help our customers. We also have an incredible set of partners. Whether you think of Red Hat or Microsoft, if you think of even some of the solution partners we have in my enterprise infrastructure business, companies such as F5 and Riverbed and Nutanix, we can complement our products and technologies with technical partners. That we can bring into our portfolio, we can build referenced architectures, we can support for our customers, possibly, through level 1 support. We can help them finance it through Dell Financial Services and we can really enable these changes.

So we'll see what happens over the next 12, 24, 36 months as far as further investments. But I think right now, we're focused on Dell Technologies executing and delivering what we need to our customers and partners.

Manek Dubash

So sort of adjacent to that question, in a way that I can follow that up, then you don't see that the combination of Dell and EMC, which according to one article in the Register not that long ago puts you basically the biggest or close to being the biggest company in the enterprise provider space, you don't see yourself doing a Cisco and buying up loads of different companies? Not just to acquire the technologies but also to effectively take out the competition?

Tom Burns

I don't believe that that's been our traditional strategy. To just go after a company to take out competition. It's been more an address of acquiring to complement our solutions for customers. If I think about the networking acquisition of Force10, I'd say it was both an offensive but also a defensive move. It was a defence because they saw actually one of our technology partners, Cisco, moving into the compute space. So it was a way to protect having both the compute and networking capability. But it was also an offensive way because it was a technology that had been traditionally proprietary and we can move that forward to be much more open.

I think that type of an approach will continue. Obviously - well, not obviously - we do have within what was Dell Ventures Group, in fact the person who used to run it, that was here yesterday, Jim, and we had EMC Ventures. So we do look at early start-ups and small companies to potential invest in. Because we believe in their technology and capabilities.

By the way, sometimes our acquisitions could come through those types of investments, or other partners that may buy them. So I don't see, moving forward, to acquire to knock out competition. But again, bigger minds than I may have different ideas.

Manek Dubash

Sure.

Solange Belkhaty-Fuchs, CNIS Magazine

Solange Belkhaty-Fuchs, CNIS Magazine, France. So I wanted to know the danger to be so big is the less dynamic inside management of a so-big company to have particularly [receipt] to stay more flexible and dynamic?

Tom Burns

So how does a company so big remain flexible and agile, versus managing 140,000 employees. I think the secret to this is being private. When Michael took Dell private, and in fact still in our offices here in Santa Clara that calls us the world's largest start-up. We don't make decisions for shareholders, we make decisions for our customers. I would say, even in my own experience, the speed of making decisions has accelerated tenfold since the privatisation of the company. There's not a lot of board reviews and shareholder approvals and doing the right thing. There's one shareholder approval in most cases.

So we actually believe that we've become more flexible, more agile, to focus on our customers, not worry about our shareholders. So this premise that getting bigger is going to make us less capable to make a decision or deliver to our customers, it's a farce. In fact, even some of the EMC executives, Jeremy Burton, our CMO, was recently interviewed in the press and he said, he's already amazingly surprised on how quickly we make decisions. I think that will continue despite the size of the new Dell Technologies.

Hector Pizarro, DiarioTi

My name is Hector Pizarro from DiarioTi. We cover Spain and Latin America. Some interpretations of the merger between Dell and EMC have been response from both companies to declining markets and revenue. But also, technology moving towards mobility. What is your strategy, the new Dell, for that segment, for mobility for businesses?

Tom Burns

Okay, so the strategy around mobility. Obviously we have one of the largest mobile end-user client businesses in the world today, with our end-user client business. Whether it be PCs and tablets. Michael has said publicly; we're not going to get into the mobile phone business. Dell was in that many years ago and made a decision to get out. That being said, we're also starting to build these, basically, IoT gateways which will connect or allow connection to many mobile devices or mobile assets or ID devices that are exploding across the world. So we will play a very important role on the

underlying infrastructure and software. But we won't necessarily enter into every piece of the puzzle from the mobility standpoint.

I don't see us getting into personal mobile devices. Even some - other than the client, even some of the home market. But what we want is, how does that connect back? Either to a gateway, an aggregation area, the datacentre and then get back to the appropriate users and people that need that information and so forth. Now very specifically to networking, if the question is around wireless networking and the connectivity there, we had very strong partnerships with Aerohive, we continue to support our W series. We actually believe that much of the wired and wireless will be managed in the future, particularly for medium and small enterprises. That's why we're putting a very strong focus in the service provider and telco space, to help them enable that. Either through our own underlying infrastructure or with partner technologies.

Manek Dubash

Any more questions? Okay.

Anthony Caruana, CSO Magazine

Thanks, Tom. Anthony Caruana from CSO Magazine, Australia. I'm curious with part of the acquisition, brought VMware into the family for Dell, for Dell EMC now. You've obviously always been a very strong partner with Microsoft, for the last 25 years as an OEM partner and a software partner with your services business as well. Now with bringing VMware into the family and with Hyper-V being such a strong product in the market, and in some markets overtaking VMware now; how are you going to balance that relationship as an example of many similar relationships you have that you now bring inside? You've got RSA that's come inside but you've obviously had your own security business in the past. VMware versus Hyper-V. Will that change the way you offer services into your customers?

Tom Burns

No, I don't believe so. I think that since the start of Dell, we've always provided choice to our customers. That choice is based upon what they are trying to enable. Our job as their partner is to help provide them avenues that enable this modern IT. In certain cases, that might be VMware, in other cases, it might be Microsoft or it might be OpenStack. We support all three today either through now directly owning, while VMware remains very independent, or through strong partnerships such as Microsoft or Red Hat. We've built the cloud platform solution, the CPS platform with Microsoft, that continues to be a strong focus. We're trying to determine how could we bring in more of the EMC assets to create more differentiation with Microsoft.

We'll continue to invest in this choice. EMC had a very strong relationship with Cisco. We recognise that customers may want to continue with Cisco and we're not going to do anything to hinder that collaboration if it's effective. But from a Dell EMC networking perspective, if those customers choose - again, based upon traditional or future-ready IT or based upon the fact that they want a second source or an alternative source, we'll be ready and prepared to give them that through Dell EMC Networking.

So I think there's a bit of cooperation and competition but I don't see a lot of change in how we offer this choice to our customers under Dell EMC or Dell Technologies. I think it's very important to Michael as well that the VMware shareholders recognise that we're not going to do anything to disrupt their capability to be, in essence, agnostic. He's publicly stated that he's not going to insist that they don't virtualise HP Servers as an example, if the customer's choice is there. So I think you'll see this continue to be invested in.

Mane Dubash

Just on that point, surely the sales people will be incentivised to sell Dell products rather than Cisco or Microsoft products?

Tom Burns

Well the Dell people, depending upon the Dell EMC people, you may have different quotas or sales commissions based upon commercial versus enterprise. Certainly, there may be a focus because of possibly the solution or the margin synergy that could occur. But they won't be not compensated if it's the right solution. So today, our salespeople are compensated on selling the solution. I don't see that changing 1 February or next year. They'll sell the right solution and we'll set up the quotas associated with building those partnerships moving forward.

Joscelyn Flores, PCeXpert

Hello, I'm Joscelyn Flores from PCeXpert Paris, France. Thank you, Tom, for the insight this morning. I was wondering if your strong partnership with Aerohive was a sign of more things to come? Partnering with other industry companies instead of investing more in R&D for assets you don't have at the moment or in the coming years?

Tom Burns

So our strong relationship with Aerohive is that, it's a strong partnership. We'll continue to work with Aerohive to build combined solutions which help our companies, customers enable all of the mobile-connected devices and the various security aspects around that and simplify the management. Again, we continue to have our W series, which is a strong relationship with Aruba, now an HP company. I like the fact that Dominic convinced Meg to say Aruba, an HP Company. We continue to have strong relationships there.

We may look at other partners in the future, but to be quite frank, I think the wireless market and where the technology is today, we're now spending more R&D on how we partner and deliver an end-to-end solution - that means desktop all the way back to the datacentre - versus spending my networking R&D building an IP wireless product from scratch.

Solange Belkhat-Fuchs

Hi, yes, a last question from me. You mentioned, Tom, during your presentation that last year, Dell hired more than 2000 people just before the announcement of the acquisition. But then I think it was just about a month ago when Dell decided to cut up to 3000 jobs. Can you just elaborate on the thinking behind that and the strategy and maybe the reason?

Tom Burns

Well I think whenever you bring two large companies together, unfortunately there's going to be redundancy in certain positions. Particularly I would say in certain support functions and I'm not sure that Dell publicly confirmed the number of people. But certainly because of the redundancy in certain positions when you combine these two companies, yes, there was a reduction in force. The hiring and investment - which by the way is continuing today - was primarily in the sales and sales support area, to expand our reach and capability to sell our solutions to our customers. By the way, I'm hiring. If anyone wants to work in research and development in networking.

So I think we'll continue to look for ways to optimise the business. I think what you saw in the press was some of the reaction to that optimisation as we looked at redundancy in certain positions.

From the floor

So Dell is still hiring?

Tom Burns

Dell is hiring in different areas. As stated, I currently have several open requisitions in the service provider area in research and development. I'm sure my other product groups are looking for key talent in certain areas. But we continue to look at sales as well. That's something you - we're in an extremely dynamic market and we continue to react to that market. But we don't have to do it with a rear-view mirror of what our shareholders believe.

Manek Dubash

Okay, if there are no more questions - we have one more final question, final company. Quick, quick, quick.

Hans Steeman, Freelance Journalist

Hans Steeman, freelance. To what extent is the lack of Windows mobile devices blocking your expansion in getting the whole chain of office applications running on every platform? So now you need to manage Android and iOS that are in fact competitive platforms.

Tom Burns

Our capability to manage competitive platforms?

Hans Steeman

Well you should expect - if you see what Apple is doing, they have a chain of tablets, PCs, desktop PCs, mobile phones and it's all working seamless together.

Tom Burns

Right.

Hans Steeman

In a Microsoft ecosystem, in fact the mobile phones are missing. Okay, they are selling a couple of them but it's not a serious market. So to what extent is that blocking you? Do you not consider to bring mobile Windows devices, like HP does, to the market?

Tom Burns

I'm not sure I quite understand the question but let me - so we continue to deliver Windows application to our end-user client business. Again, we're not going to get into the mobile phone business unless something's happened that I'm not aware of, in the last several months or years. Or the real endpoint consumer side. Today, through our Chromebook portfolio, we do provide other operating capabilities. It's not a path we like but it is a market demand, particularly in particular verticals, so we support that. Then as it relates to managing these products with the acquisition, we now have AirWatch, which is a multi-vendor management capability that VMware has through its AirWatch. You will see us promoting that much, much more.

In the future, as a managed service for example, for telcos, could you enable a service that manages endpoints for an SMB or medium enterprise as a per-device charge or per-user charge, something that I think is an incredible opportunity.

Hans Steeman

Great.

Manek Dubash

Tom, thank you very much indeed.

Tom Burns

Thank you, appreciate it.

Manek Dubash

Thanks for your time, thank you.

[end]