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The View from Inside the Largest-Ever Tech Merger and the CIO Lessons Learned

The Dell and EMC merger is the biggest technology company acquisition of all time. Although the 2015 deal was characterized as “extraordinarily complex” and we faced naysayers, ours would prove the exception by avoiding failure. Here’s a recap of my experience bringing together the Dell and EMC portfolios—including VMware, RSA, and Pivotal—from a people, process, and technology operations perspective.

I was tapped very early on from VMware to lead the new organization’s information technology and systems. And precisely because of the deal’s size and complexity, this meant I was essentially running without a playbook. How did we achieve our goals and unlock the value that Michael Dell envisioned? With partnership and collaboration that extended from the top down and throughout the rest of the organization—across employees, customers, partners, and surrounding communities. As CIO, I wanted our new 74-billion dollar combined company with more than 140,000 team members and a massive partner/supplier ecosystem to not only make it, but continue to innovate and thrive.

The lessons I learned throughout the transition are important for any CIO going through a large integration, but particularly beneficial are the skills I acquired during the process—an important distinction for the 49 percent of global CIOs who expect to become CEOs by 2025¹

From the beginning

At the time, Dell and EMC were two different companies in two different stages of transformation. Dell was more operationally driven and expected tremendous cost synergies from the integration. EMC and its federated companies were mindful of cost but committed to innovation. As we brought two IT cultures under one umbrella, we had to simultaneously focus on saving money while increasing revenue, all while continually pushing technology boundaries. On top of that, there was the possibility that we could go public at some point in the future. We didn’t know if an IPO would happen, but we had to prepare for every possibility.

1. Forbes Insights. “The CIO of 2025: Driving Fundamental Enterprise Change.” Teresa Meek, 2019.

Taking the plunge

The day the merger was announced, I was leading the VMware IoT business. When Michael (Dell) reached out asking me to consider the CIO job, my first thought was why? I was happy in my current role. What ultimately sold me on taking the position was his insistence that my can-do attitude and innovation experience would help. On my first day as interim CIO, I was thrust into a meeting with Dell executives. I hadn't prepared anything for that first meeting and could only stay about an hour, but that was long enough to engage—and even help push along some decisions.

The team appreciated my candor and decisiveness. A month later, interim was dropped and I became CIO. In hindsight, it was important for my colleagues to see me in action right from the start. I was about speed and, from day one, real engagement. The Dell team appreciated and shared my sense of urgency.

Moving forward

Michael, together with the Value Creation Integration Office (VCIO), represented the business and laid out some integration guiding principles. These became our North Star. The most important: customers first.

This vision provided the foundation for our integration plan. No implementation could jeopardize customer experience, which led us to focus on something we called “Power of One”—an operating model focused on providing a seamless, unified customer experience across all touchpoints, from sales, to service, to communication. This meant a single-order processing system, a single sale system, a single call center system, and a single email system across the entire company. We communicated this as a three-year plan and got the expected questions quickly: Why three years? Why not three months?

We intentionally put together a three-year plan to make people comfortable. People don't like changes to be fast. However, our true goal was to do all of it so much faster, which required executive stakeholders and lines of business to make decisions faster so we could make changes faster. We explained the negative impacts that slow decision making would have on the company's digital transformation. Once leadership understood that they were the potential bottleneck—not the team or the technology—they were able to dive into deeper and faster conversations around implementation.

During this time, I followed a 30-, 60-, 90-day approach to starting a new job or critical initiative that's worked throughout my career:



30 DAYS

Learn the business goals. Build trust.



60 DAYS

Communicate the IT vision often and across the organization.



90 DAYS

Address immediate issues and earn small wins.

KEY TAKEAWAY

Engagement and decisiveness are how CIOs show teams we are the right person for the job, not just someone on the clock. That's how trust begins to build so that when we start engaging on bigger, more challenging issues, the company has the confidence that we will be successful.

KEY TAKEAWAY

For CIOs, establishing a three-to-five-year North Star vision forces the C-suite to ask more pointed questions about project timelines as well as recognize the executive decision-making role in speeding (or slowing) digital transformation progress.

Investing in the opportunity

Deciding whether I really wanted this new position was personally challenging. At a time when I was squarely focused on pushing VMware's digital innovation agenda, did I want to take on a large company integration with cost savings as a goal? It almost felt like taking two steps back and starting all over again. Until I got into it.

Then it became extremely exciting—precisely because the challenges and opportunities were so massive. I had to establish trust with leadership. I didn't get a pass because I came from the EMC family. In fact, almost the opposite. Everyone was proud of their work and trying to educate me about why their way was the best: their processes the most efficient; their culture the most cohesive; and their systems the most user friendly. At first, the cultural differences were unsettling. But I came to appreciate them, knowing they were stretching my thinking and helping us move beyond traditional comfort zones. I discovered high-risk challenges appeal to me. They force me to use other muscles in my body. Although if you ask my family and VMware colleagues, they might say I was unhappy working two jobs; I don't remember it that way.

“I won't deny we made mistakes, often because we were in a hurry to do things. There was no time to listen to history lessons about how teams had operated in the past. In the spirit of moving forward, we had to look at the bigger picture.”

Smashing together

I compare my first few days and weeks on the job to riding a bike at night in a large open space. No one else is around and all of your senses kick into high gear. There's some initial fear but your focus is more intense, and that keeps you on the path. That's why not having a playbook actually worked in our favor.

Along the journey, I built a team, established trust, and set the expectation that I was here to help, not just in an interim capacity, but for the long term. Showing up in person in both Austin and Boston was an important part of the journey.

Because we'd built tremendous momentum around pushing technology barriers at VMware, I looked to move forward in the technology arena first. From experience, I know fixing immediate issues helps people see you are working for, not against them. But it was challenging. Even as I was trying to hit some easy singles, my success rate was so low that my runners weren't crossing home plate. Employees were still trying to figure out who I was; what I was trying to do; whether I was going to stay in the job; and what philosophy I held. Plus, many were simply concerned about getting fired.

I recognized then that I needed to pay more attention to people. I assessed the team, including all of our very senior leaders, and discovered we needed more defined accountability. Everyone was responsible, but no one was accountable.

KEY TAKEAWAY

For a new CIO, the first 18 months are typically the most exciting. That's probably why we move so much—the average CIO tenure is just 4.3 years. Unknowns are energizing. There's so much to figure out and no formula. However, in the era of digital transformation and continuous change, we don't have to change companies to stay stimulated—we just need to figure out how to continue innovating in our current position.

KEY TAKEAWAY

In the rush to advance technology, CIOs can't leave people and process behind.

We had to make some hard calls—changing out a few individuals who were not the right fit for our new organization. We looked at our offshoring and outsourcing plans and paid attention to our technical talent, adding more program management. We had to move from an organization of generalists to one of technology specialists, since innovation was going to be so important to us in the years ahead. We had to transition the team into looking more like a research and development or engineering organization—not a service one—to succeed after we made the transition.

Trusting and depending on my team

As I was navigating the Dell and EMC integration, my staff at VMware had to work even more collaboratively. After all, my bandwidth was limited. My time was limited. Although my VMware team knew I was there, and that anyone could reach out to me at any time, my staff recognized this was an opportunity for everyone else to step up. Staff had to rely on each other, and VMware ended up with a stronger IT team.

What did it take?

My greatest insight from the Dell and EMC merger is that people, process, and technology are equally important during transformation:



People – CIOs must establish trust within the team and across the organization. It's important to remove layers and not exceed costs while making sure people are engaged so they don't leave.



Process – Establishing a North Star is critical. Then CIOs can establish the architecture. We coined the phrase “the Dell Digital Way” and I was proud that we stayed away from the technical jargon of Agile, etc. to focus on terms that helped others understand this was business transformation. This was how we at Dell were going to achieve digital transformation. We embraced quite a bit of Pivotal methodology and roadmapping. We drank our own champagne.



Technology – With the right people and processes in place, the technology is easier, but not uncomplicated. As CIOs, we might know the answer, but we can't dictate it. CIOs need buy-in for successful change management. Everyone needs to follow the roadmap to achieve the company's goals. Everyone should own those goals. Everyone should drive toward them.

How we achieved what many said would be impossible was through hard work and laser focus on putting customers first. And for me as CIO, spending time unlocking value in every digital transformation area—people, process, and technology—was critical to yielding the merger innovation and cost outcomes Michael (Dell) envisioned.

KEY TAKEAWAY

Management by empowering, not abdicating, unlocks potential. CIOs should get involved in people issues including decisions about who's in charge before addressing project questions.