

Shareholder War is Over: Dell Goes Private

Written by Marco Attard
19 September 2013

After months of struggle culminating in the advance-- and eventual retreat-- of [hardnosed mega-sholder Carl Icahn](#), Michael Dell manages achieve his ambition of taking Dell private, winning stockholder approval of the proposal.



"We are going back to our roots, to the entrepreneurial spirit that made Dell one of the fastest growing, most successful companies in history," the Dell head honcho writes in an open letter. "We're unleashing the creativity and confidence that have always been the hallmarks of our culture. We plan to serve you, our customers, with a single-minded purpose and drive the innovations that will help power your dreams."

The Dell privatisation (technically a partnership with investment firm Silver Lake Partners) will be finalised on November 2013, and involves the company paying \$13.88 per share for an approximate total of \$24.9 billion-- the supposedly all-too-low price that kicked off Carl Icahn and company's war of attrition in the first place.

Those hoping for a radical overhaul in the company might be a bit disappointed, though. The newly-privatised Dell will most probably be like its former self, with a focus split between being a services vendor and a PC maker. The open letter is telling, with statements such as "[C]loud, big data, mobile and security are changing people's relationship with technology... Now it's time to do what Dell does best— make these innovations simpler, more affordable and more accessible, putting more power into the hands of more people than ever before."

Meanwhile during the announcement conference call CFO Brian Gladden says "we will continue to make large investments in R&D in enterprise solutions and services... By no means is that a statement of our lack of commitment to the PC business."

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Analysts suggest Dell will put more importance in software in the future, probably in segments such as virtual computing, vertical health care applications and converged ERP/CRM systems running on SAP and Oracle software.

Either way, we will learn if the leveraged buyout was a good idea or not for Dell in a year or two.

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