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This is newsletter #28, published on 12 September 2016.



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Goodbye EMC - Hello Dell Technologies

This week the Dell acquisition of EMC closed in what is billed as the biggest IT acquisition in the industry's history. The new holding company becomes Dell Technologies, with EMC rebranded as Dell-EMC and apparently keeping their base in Hopkinton. We've seen lots of pictures of the replacement of EMC's logo with Dell's on various buildings around the world.

EMC Legacy

Despite any personal comments on EMC's marketing strategy, there's no doubting that the company remains the most successful storage infrastructure vendor we've ever seen, with a reach across all parts of the market. The

company was successful for many reasons, not least of which were aggressive marketing tactics and being ahead of the game in buying into the next big market - Isilon, Data Domain and of course VMware to name but a few.

I do, however, think the idea of the Federation wasn't the best strategy for integrating EMC acquired assets, although it was an extension of the portfolio management technique applied to the storage products. I'd have expected more co-operation between business units, but this wasn't the model Joe Tucci wanted. Witness the fact that EMC products were far behind in supporting vVOLS on vSphere; also the competition between VMware and EMC that has developed through the introduction of Virtual SAN, operating in competition to EMC's hardware platforms and ScaleIO.

The flip side of course is that keeping VMware isolated has turned it into a mega-corporation, with EMC reaping all (or at least 80%) of the benefits. It doesn't seem that RSA, Pivotal or Virtustream have managed to live up to the same expectations.

Forward with Dell

As EMC battled with activist investors, the issues with moving from hardware/appliance sales to software and the rise of open source, Joe Tucci had to make a decision on the future of the company. My feeling is that he didn't want to break up his baby and accept the Federation hadn't worked.

Better to sell to someone keen to buy and (initially at least) keep the illusion that the entire portfolio will be kept intact.

For Michael Dell, the coup of acquiring EMC is obvious. He's created one of the world's largest infrastructure companies, gets VMware and the other portfolio companies and enters the history books with the largest IT acquisition ever.

The question now is, what happens over the coming months and years? Debt has to be paid down; the transition to software still exists to be resolved (hardware sales decline) and a lot of rationalisation is needed across the portfolio.

Expect to see fights over which storage product lines remain (or become zombie products, with little or no R&D), confusion over how accounts are managed and fun with the channel. Remember Dell is a high volume, lower margin business, whereas EMC expects high margins on their products.

With HPE selling off assets, the IT infrastructure market is once again in a state of flux. Change keeps things interesting. It will be fun to put a stake in the

ground and see how this acquisition has moved on in 12 months time.

What do you think?

Chris Evans

New Architecting IT Blog Posts...

- [HPE Sells Off "non-core" Software Assets](#) (8 September 2016)
 - [Object Storage Leading the Advancement of Software Defined Storage](#) (7 September 2016)
 - [Nutanix Acquires PernixData and calm.io](#) (1 September 2016)
 - [News: Rackspace goes Private With Apollo Global Management](#) (31 August 2016)
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News Worth Reading...

Click on the links to read the full story.

[Reuters: Dell to cut 2,000-3,000 jobs as EMC deal closes: Bloomberg](#)

Dell Technologies, which completed the acquisition of data storage company EMC Corp on Wednesday, will cut 2,000-3,000 jobs, Bloomberg reported. Most of the job cuts will be in the United States, Bloomberg reported on Thursday, citing people familiar with the matter....

[Recode: Google's enterprise boss explains why it spent \\$625 million to help non-tech companies make apps](#)

Google's first business exploded because Google was indispensable: Advertisers had to spend on search. Google wants its next big business, enterprise services, to be just as all-encompassing and unavoidable. That's the primary motivation behind its move, [announced this morning, to acquire Apigee](#), a company that went public last year, for \$625 million.

[VentureBeat: AMD takes biggest job at Intel in years with Zen processor](#)

Advanced Micro Devices is touting its Zen next-generation microprocessor core as something that will allow the company to compete with larger rival Intel in the area of enthusiast and gamer PCs, as well as servers...

[Data Center Knowledge: Rackspace Going Private in \\$4.3B Buyout](#)

Rackspace, the company that started as a managed hosting provider and in recent years pivoted to being a “managed cloud” provider, is going private. Investment management company Apollo Global Management has agreed to buy out Rackspace stock at \$32 per share...

[VentureBeat: Intel debuts silicon photonics module for lightning-fast connectivity in data centers](#)

Intel is launching a new silicon photonics product that will make it a lot easier to hurl data around data centers at tremendous speeds. The Intel PSM4 silicon photonics module can deliver 100 gigabits per second across two kilometres, making it easier to share data at high speeds across the “spine” of a data center....

[The Register: Hewlett Packard Enterprise in talks to offload software, asking for '\\$8bn to \\$10bn'](#)

The breakup of Hewlett Packard Enterprise is set to continue with execs locked in talks to offload the software division to private equity biz Thomas Bravo. The asking price is said to be \$8bn to \$10bn...

[The New Stack: A Docker Fork: Talk of a Split Is Now on the Table](#)

Discussions about a split from Docker are now underway among several Docker ecosystem vendors and end users. Expressing frustration of Docker’s management of Docker Engine, the technologists with the companies are exploring ways to address various issues around supporting enterprise Docker deployments.

[Venturebeat: Cisco’s buy-up of ContainerX reveals a larger game plan](#)

Cisco announced Tuesday that it is [buying ContainerX](#), a two-year old orchestration and management platform used in the emerging market of distributed containerized microservices (e.g., Docker). Although the terms weren’t disclosed, ContainerX has a relatively small number of customers, so the cost to Cisco was likely not very high. But why would Cisco acquire a company that is mostly directed at enabling the next generation of cloud-based virtualized services?

Startup Spotlight...

Despite being classed as a start-up, OSNEXUS has been around since 2010 and plays in the Software Defined Storage market. The company sells a platform called QuantaStor, which offers scale-out block, file and object storage in a single platform.

QuantaStor offers a huge range of features ([link](#)) and can be used in conjunction with traditional storage products to create a multi-tenant storage environment. A 30-day trial edition is available online ([link](#)). For more details, see the company's website:

- www.osnexus.com



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