

Dell Buys EMC in Record Tech Deal



Dell Inc. and EMC Corporation signed a definitive agreement today under which Dell will acquire EMC Corporation. This acquisition will result in a merger of two of the greatest technology franchises in the world.

Dell will buy EMC Corp for \$67 billion and is all set to create a record in the technology industry. With this acquisition, Dell aims to transform itself into a giant in the cloud computing market.

This is the third largest acquisition in all sectors this year and is another example of how companies are taking advantage of low interest rates by acquiring competitive organisations to attain growth. With this merger, Dell will be able to diversify from the consumer PC market into the faster-growing market of cloud-based data services. This segment is also currently one of the most profitable segments in the IT industry.

The PC market has been showing stagnant growth especially with the rise of mobile devices. Hewlett-Packard Co. has also started to focus on corporate data business and so has IBM. Dell aims to penetrate this segment and it plans to do so by combining its server businesses with EMC's storage and visualisation assets. The merged company will now offer a broader range of products and should be in better position to compete with Cisco Systems Inc, IBM and HP in the areas of cloud computing, mobility and cyber security.

By combing their strengths, the two companies will be able to address the rapidly changing IT needs of both large and small customers. The IT world is characterised by rapid change and there is a need to match the pace in the transition from traditional on-premise to hybrid public/private cloud infrastructure. There is also a need to balance agility, mobile workforces and persistent security threats.

Dell and EMC can together offer customers a broader portfolio and can provide more effective and advanced solutions for their computing, networking and storage needs.

Source: [Dell](#), [Reuters](#)

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