

Navigating the Storm: How Dell Is Able to Grow Share in a Supply Constrained Environment

An Interview with Sam Burd, President, Dell Client Solutions Group

By Andrew Glinka | December 16, 2021

Sam, thank you for making the time to speak with us today.
My pleasure!

In the immortal words of Jerry Garcia, “what a long, strange trip it’s been!” How are you and your team holding up?

Indeed! The last few months have been extremely challenging, but I’m doing well overall. It’s been amazing to see how much the world has changed. The pandemic put a lot of things into perspective both personally and professionally. Personally, I’m grateful for my health and professionally I’m grateful to the teams who’ve worked diligently during the past two years to serve our customers amidst all the turmoil. I’m proud of their resiliency and focus. By the way, I also would like to extend my thanks to our extended team of partners and suppliers who also faced tremendous adversity. Their partnership and support are critical to our success.

Let’s expand on that if we can. Everywhere you look these days, there seem to be more headlines talking about ongoing issues with the supply chain impacting just about everything. How is Dell managing through these challenges?

We’re facing unprecedented demand that is way ahead of supply right now. However, despite industry component shortages, we shipped a record number of PCs and displays in Q3. We accomplished this by leveraging our strengths including our scale, multi-decade operational excellence, product design flexibility and our direct model with its high-quality demand signal and ability to shape demand. We’ve been building PCs since Michael founded the company in 1984 and have established long-term relationships with key suppliers that span decades. We’ve used our global footprint and partnerships to fulfill orders as quickly as possible, exploring all sourcing, production and logistics strategies to meet our customers’ needs. Additionally, we have digitized our supply chain over the years and are now able to do more accurate scenario planning and simulations. That allows us to make quicker decisions, improve execution and successfully navigate through the operational challenges.

Wow, congrats on the strong results! Are you still seeing momentum continue as you close out the year and into first half?

We’re in a great position and I’m really excited about the future.

Other PC OEMs have traditionally leveraged an outsource model where most of their production is managed by ODMs. How are Dell’s supplier relationships different?

We have longstanding direct relationships with our component suppliers and those relationships have proven to be invaluable during the past couple of years. Our large direct business gives us visibility into our customers’ needs and we work closely with our suppliers to plan how we will meet both short- and long-term demand. We have found that maintaining consistency in those partnerships over long periods of time and the agreements that we have in place help us navigate these types of situations. It’s important to point out that we still have a lot more work to do to reduce our lead times to where they were before the pandemic, but we’re committed to get products into our customers’ hands as fast as possible given the current industry dynamics.

Can you give some examples of how scale works to your advantage?

Sure. We have a design methodology that leverages interchangeability and reuse wherever possible. That gives us tremendous flexibility with components that are common across similar product lines.

Speaking of products, how have they evolved to accommodate the new ways people are working these days?

It's fascinating to see the different ways people are working. It's a new, hybrid world and I'm excited about the speed of innovation taking place that's helping people stay productive and connected no matter where they are. Dell was a leader in championing remote work well before the pandemic, so our culture has already embraced a flexible work environment. Our motto has always been, "work is an outcome, not a location." For example, there are days when I want to work from my home office due to bad weather, heavy traffic or a personal commitment happening near my home. When our sites reopen early next year, there will be days when I'll be more productive at our facilities, maybe reviewing the next products our design team is developing or meeting in person with my staff to discuss strategy. Many of our customers tell us they want their employees to have that same level of flexibility, so we've been enhancing our PCs to accommodate those needs through updated features such as thin and light notebooks that offer long battery life, higher resolution cameras and displays, and built-in microphones and speakers that provide a better audio experience while on Zoom and Teams calls.

Can you give any hints as to what's coming next?

In addition to some amazing [work](#) and [sustainable concepts](#) we unveiled, be sure to tune in during CES in January to see some exciting new products that will continue to enhance the ways people work and play.

That's a good cliffhanger, so we'll wrap it up there. Thanks for your time and happy holidays!

Thank you and I hope everyone has a happy, healthy and prosperous new year.