



## Stanford eCorner

### The Culture and Dynamics of Dell, Inc. During the Early Years

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Dell explains the culture and dynamics of Dell, Inc. during its early years. The company was run by hardworking, versatile people who were action-orientated and willing to listen. Many of those early employees went on to fill important positions at the company later on. Some employees, however, had a hard time as the company grew, even though they had performed well when the company was smaller. At a fast-growing company, Dell notes, the job grows faster than the person. A certain kind of job will vary enormously during different stages of the growth of the company.



#### Transcript

What we had was just a group of very hardworking, versatile people who could do all sorts of different jobs. And they were infused with this culture of listening and action, and whatever-it-takes sort of attitude that was sort of the roots of the company. Some of the folks that we hired very early on have gone on to great, important positions. One of the guys we hired a couple of years after starting is still on my executive team. Actually, he wasn't on my executive team when we hired him. He was doing a fairly basic job, but then grew throughout the company, and now he's a senior vice president, and is responsible for a very large part of the company. But there's another form of the Peter Principle, which is that the job grows faster than the person. And that's something you often experience in a company like ours. So let's say you're the vice president of whatever. Well, at \$3 billion, that's a certain kind of a job.

At \$30 billion, that's a completely different job. At \$60 billion, it's yet again a completely different job. There's an interesting story. We have a guy who's retired now. But he joined our company in 1987 as the chief financial officer. And he was a great chief financial officer. By 1991, 1992, the company had grown ten times or something like that. And he was really having a hard time being chief financial officer. This was actually a really smart guy because he was selfless and could objectively assess what he was really capable of doing at that moment in time. And he became our treasurer, and he did a fantastic job as our treasurer.

And another five, or seven, or eight years went by, and the treasurer job became even too big of a job, and he became in charge of investor relations. And he was fantastic. I tell the story because this particular gentleman made enormous sums of money because he stayed with the company through a great period of growth, whereas if he had taken that first challenge and said, "If I can't be CFO, I'm out of here," he would have made the worst mistake of his life, in terms of financially, if that was important to you. He could have been CFO at lots of other companies, but he stayed with the company, and the company stayed with him. It worked out. I've seen many people not react that way, and probably regret it.