

URL: <https://stvp.stanford.edu/blog/videos/setting-up-the-initial-board-of-directors-for-dell-inc>

Dell talks about how he setup a board of directors to raise capital for Dell, Inc. After initial talks with investors at Goldman Sachs, he was told Dell, Inc. was not ready to go public yet because it was a young company without a board of directors. As a result, he formed a small board that turned out to be very helpful in bringing in capital.



## Transcript

You know, the only reason we set up a board was that we were going to raise capital.. So I hired a president, and we started to talk to investment bankers.. And they'd show up, and each one kind of looked better than the next one.. And it's kind of fun.. They're sucking up to you.. Yeah.. And then we kind of figured out that what we really wanted was Goldman Sachs, because they were a little different than all the others, and they actually had a great track record in our industry.. And they gave us an answer which was very different than all the other bankers.. They said, "You know, you're not ready to go public yet because this is a young company." The first thing they said was, "You have no board of directors," because I was the board.. I was the whole board..

"You can put the president on the board, you've got to go get at least two other board members and then we, as investors will bring one board member." So that was the initial board.. It really formed only at the point when we started to bring in capital.. And it turned out to be very very helpful..