

URL: <https://stvp.stanford.edu/blog/videos/the-reasons-behind-dell-inc-going-public>

Dell talks about some of the reasons behind Dell, Inc. going public. The transition was done primarily to raise more capital, attract more people, and acquire a measure of financial transparency. Tens of thousand of employees that the company would need to hire would be easier to find, as there was a lower risk and widespread recognition for joining a public company.



Transcript

But I think the reasons we did it then were, yes, liquidity, really, more capital for the company, but also the ability to attract people.. Because as a young, four or five-year-old company, if we're trying to attract somebody from a company that's been around since before I was born, that is in the computer industry, that's pretty hard.. The risk tolerance curve for the tens of thousands of people that we needed to hire, you just couldn't quite get them.. So going public, I think, helped us enormously in terms of attracting a broader set of people.. It was also important in terms of becoming more of a peer with our customers and having some measure of financial transparency where an Exxon Mobil, or General Electric, or Boeing, or Ford could look at the company and say, "Okay, we kind of know what this thing is.. We're not buying from some unknown entity that we can't really quantify"..