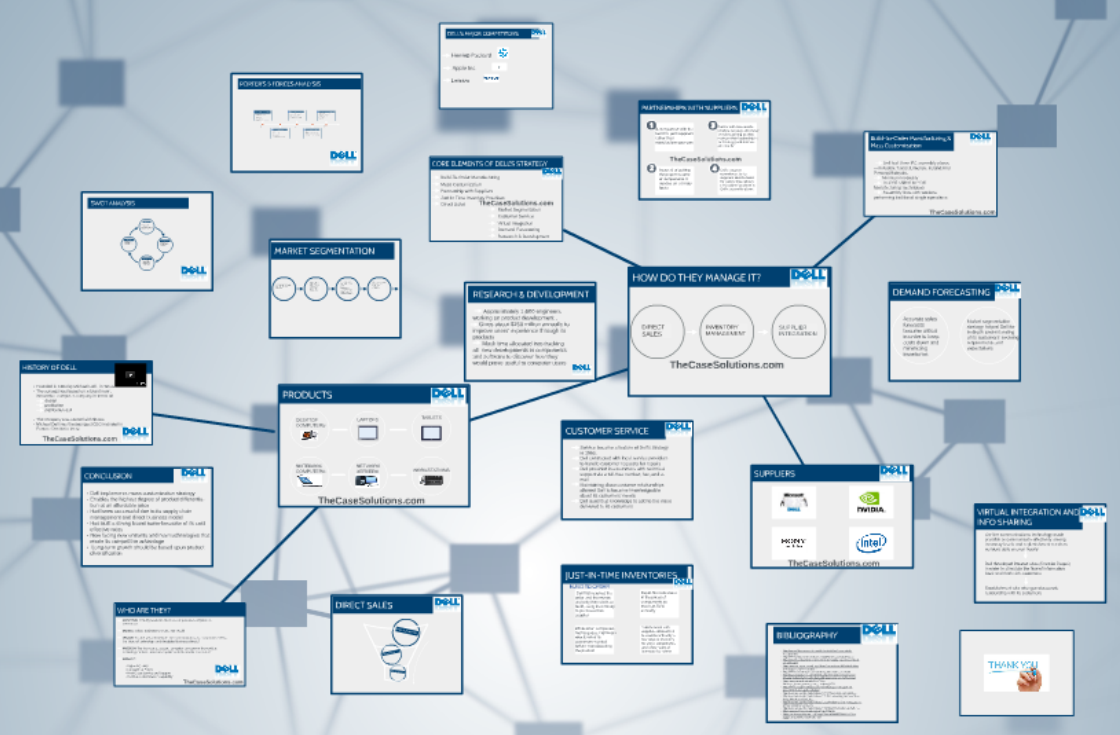


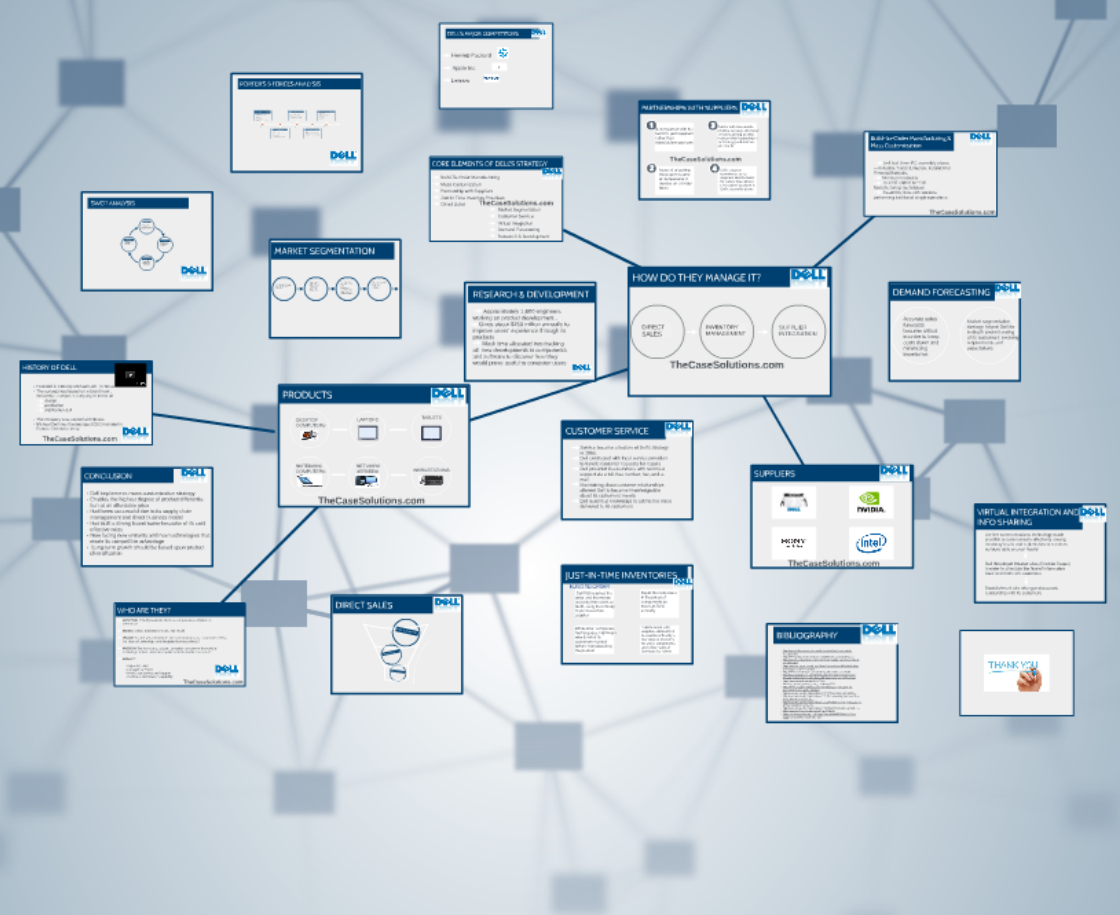
Valuing Virtual Integration at Dell Computer

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Valuing Virtual Integration at Dell Computer

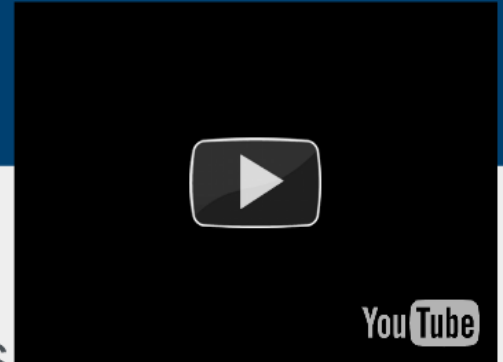
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HISTORY OF DELL

- Founded in 1984 by Michael Dell , in Texas
- The concept was based on a brand new , innovative computer company in terms of:
 - design
 - production
 - distribution/sell
- The company was started with \$1000
- Michael Dell was the youngest CEO included in Fortune 500 list in 1992.

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WHO ARE THEY?

- **POSITION:** Industry leader in direct sale of personal computers to consumers
- **MODEL:** Direct Business-to-Consumer Model
- **VISION:** “It’s the way we interpret the world around us, our customers needs, the future of technology, and the global business climate”
- **MISSION:** “Be the most successful computer company in the world at delivering the best customer experience in the markets we serve”
- **RESULT:**
 - Highest Quality
 - Competitive Pricing
 - First-Class Service and Support
 - Flexible Customization Capability



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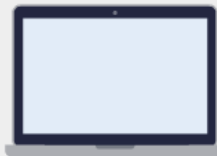
PRODUCTS



DESKTOP
COMPUTERS



LAPTOPS



TABLETS



NOTEBOOK
COMPUTERS



NETWORK
SERVERS



WORKSTATIONS



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SUPPLIERS



SONY
make.believe



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HOW DO THEY MANAGE IT?



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CORE ELEMENTS OF DELL'S STRATEGY



- Build-To-Order Manufacturing
- Mass Customization
- Partnership with Suppliers
- Just In Time Inventory Practices
- Direct Sales

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- Market Segmentation
- Customer Service
- Virtual Integration
- Demand Forecasting
- Research & Development

Build-to-Order Manufacturing & Mass Customization



- Dell had three PC assembly plants —in Austin, Texas; Limerick, Ireland; And Penang, Malaysia.
- Minimum Inventory
- In 1997 shifted to “Cell Manufacturing” techniques
- Assembly lines with workers performing traditional single operations