



Broadcom: Planning for the Future with VMware

Since its proposed acquisition of VMware was announced, Hock Tan, president and CEO of Broadcom, has been asked about its future plans. Here's what he's saying.

Hock Tan, President and CEO, Broadcom

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Since [Broadcom announced its agreement to acquire VMware](#) in late May, I have heard that question frequently from the many customers and partners with whom I've spoken.

While it seems like a simple question, it is an important one. And so, as president and CEO of Broadcom, I want to share more broadly what I've been telling them.

Our M&A History

Since I became CEO of Avago, the predecessor company to Broadcom, we have maintained a single, overriding vision: to create. Over the last 15+ years, we have built a leading infrastructure technology company through a number of strategic acquisitions that, among other things, helped to establish and advance a global communications connectivity solution for everything on the internet. More recently, we have applied that same model to our software portfolio.

Now, with our pending acquisition of VMware, we are taking our biggest step in software to date.

IDC's Stephen Elliot described this deal as [transformational](#) and I agree. It is also important to understand how this combination differs from our prior software acquisitions of [CA Technologies](#) and the [Symantec](#) Enterprise Business.

At the time of those transactions, CA Technologies and Symantec Enterprise had each been facing a number of business challenges, with products that lagged behind best-in-class offerings from their competitors. Both companies under invested in their businesses, resulting in execution issues and declining service quality to existing customers. We saw opportunities for significant improvement at both companies by investing in areas where they could create sustainable, long-term value for customers.

For CA, customers told us they still valued the mainframe, but they wanted to see Broadcom invest in hardware and software upgrades. So, we added resources and modernized several products within the CA portfolio. As a result, today, CA's products are all cloud-native and cloud-based.

For Symantec Enterprise, we spent a considerable amount of time assessing and reimagining the business around network security. We re-architected many Symantec products on the [Google Cloud Platform](#), which has made it easier to scale and update products more regularly.

By making these necessary changes for their long-term viability, the CA and Symantec Enterprise businesses, as part of Broadcom, have been able to reinvest in their offerings and support customers with innovative products that continue to serve their needs.

So, What's the Plan for VMware?

To answer that question, I want to first level-set. VMware is a pioneer in enterprise software with a lot of large enterprise customers that use their technologies and the scale needed to support other customers in the channel. In combining VMware with Broadcom Software Group, we are adding a high-quality company with best-in-class technology and talent, as well as a promising roadmap.

While we will look for opportunities post-closing to further unlock VMware's potential, we intend to continue building on all of the great work and partnerships that define VMware today. That is why we intend to rebrand and operate Broadcom Software Group as VMware, which reflects our respect and admiration for what the VMware team has built.

While we are still early in this process, following the close of this combination, we intend to apply our operating know-how and our proven commitment to ensuring the necessary level of investment, product quality and customer support to advance our mutual focus on innovation and continue to develop technologies that enable customers to work seamlessly in private and public cloud environments. We want to provide customers with ultimate choice and maximum flexibility.

At the same time, there is a meaningful opportunity for us to lean on VMware's partners for support in serving [other] customers [of all sizes]. Indeed, it is only in our best interest to embrace all of VMware's existing relationships, whether with hyperscalers, system integrators or channel partners.

The reality is that Broadcom didn't grow to generating more than \$25 billion in annual revenue without strong relationships and a track record of value creation among all of our key stakeholders. Our customers and partners work with Broadcom because of our consistent execution, operational focus and innovative solutions in helping them connect, scale and protect their IT. That has been our north star in growing Broadcom and will continue to be in the future.



Hock Tan has served as President, CEO and Director of Broadcom and its predecessor company since March 2006. From 2005 to 2008, he served as executive chairman of Integrated Device Technology, and from 1999 to 2005 was President and CEO of Integrated Circuit Systems. Tan also served as VP of Finance with Commodore International (1992-1994), co-founder and managing director of Pacven Investment in Singapore (1988-1992), managing director and CEO for Hume Industries in Malaysia (1983-1988), and earlier held senior management positions with PepsiCo and General Motors.

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