

[« Back to Article View](#)[Databases selected:](#) ProQuest Newspapers**THE WALL STREET JOURNAL.****Dell's Founder to Step Down as CEO; President Rollins to Take That Post, While Mr. Dell Will Remain as Chairman**Gary McWilliams. **Wall Street Journal.** (Eastern edition). New York, N.Y.: Mar 5, 2004. pg. A.10

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Mr. [Kevin B. Rollins], president and chief operating officer, will succeed Mr. [Michael S. Dell] effective July 16. Mr. Rollins, 51, the Round Rock, Texas, company's cerebral strategist, has been the driving force in operations and the heir apparent for several years. As a Bain & Co. consultant, he helped pull the company out of a downturn in the early 1990s, and joined Dell in 1996 as head of U.S. operations.

Mr. Rollins devised the market-segmentation strategy that led to the company's rapid growth in the late 1990s. As the PC industry began to decline, he reversed course, collapsing its organization to slash costs. Rivals Compaq Computer Corp. and Gateway Inc. were slow to respond to Dell's cost and price cuts and were forced into combinations with other companies.

Even so, Mr. Rollins has long worked in Mr. Dell's shadow. Outside the U.S., "where Kevin Rollins is not as well known as Michael, it will enhance his stature" in dealings with big customers, said Thomas W. Luce III, a Dell director. Mr. Luce also called the move an acknowledgement of the company's recent financial success.

Full Text (546 words)

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DELL INC. FOUNDER Michael S. Dell, the last of the major computer- company founders to continuously run his business, will relinquish his chief executive officer title this summer to Kevin B. Rollins, the personal-computer maker's No. 2 executive.

Mr. Dell, 39 years old, started the company from his University of Texas dorm room 20 years ago and has been CEO ever since. A billionaire many times over, Mr. Dell will remain chairman while continuing to devote time to his family's charitable foundation and personal investments.

Mr. Rollins, president and chief operating officer, will succeed Mr. Dell effective July 16. Mr. Rollins, 51, the Round Rock, Texas, company's cerebral strategist, has been the driving force in operations and the heir apparent for several years. As a Bain & Co. consultant, he helped pull the company out of a downturn in the early 1990s, and joined Dell in 1996 as head of U.S. operations.

In an interview, Mr. Dell said the formal change reflects "pretty much the way we've been operating now for a while." Mr. Dell said he will continue to be active with customers and guide product decisions. Top managers have long reported to Mr. Rollins.

"Kevin was the one clearly responsible for day-to-day operations and business reviews," said Andrew J. Neff, a computer analyst at Bear, Stearns & Co. "It's still the two of them at the top of the company."

Mr. Rollins devised the market-segmentation strategy that led to the company's rapid growth in the late 1990s. As the PC industry began to decline, he reversed course, collapsing its organization to slash costs. Rivals Compaq Computer Corp. and Gateway Inc. were slow to respond to Dell's cost and price cuts and were forced into combinations with other companies.

At the same time, the cost-cutting program included Dell's first- ever job cuts and ended a succession of Internet ventures that Mr. Rollins had championed. The cutbacks left Mr. Rollins with a reputation as an aloof manager. He later started a work-family effort to address employee concerns.

Even so, Mr. Rollins has long worked in Mr. Dell's shadow. Outside the U.S., "where Kevin Rollins is not as well known as Michael, it will enhance his stature" in dealings with big customers, said Thomas W. Luce III, a Dell director. Mr. Luce also called the move an acknowledgement of the company's recent financial success.

Dell clearly is on solid footing. A recent focus on corporate servers and storage helped net income climb 25% last year, to \$2.6 billion, on \$41.4 billion in sales. Dell shares also have retraced a good part of their decline, rising 27% last year. The shares were unchanged at \$33.13 in 4 p.m. Nasdaq Stock Market trading yesterday.

As Mr. Rollins has taken on more duties, Mr. Dell has pursued more outside activities. In 1998, he set up an investment fund to manage his holdings in public and private companies. His MSD Capital LLP has taken significant stakes in the International House of Pancakes restaurant chain and the maker of artificial sweetener Equal. He and his wife, Susan, also last year, expanded the family's charitable foundation with new projects on children's education and health.

Journal Link: WSJ.com subscribers can see bios of Michael Dell, Ted Waitt and other PC-company founders, at WSJ.com/Technology.

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