

EMC Absorbs VCE

Written by Marco Attard
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VCE, the converged systems joint-venture formed by VMware, Cisco and EMC becomes part of the EMC stable as the storage vendor buys the Cisco stake in the company for an undisclosed sum.



Following the deal EMC owns 80% of VCE, while Cisco retains a 10% equity stake. VCE leadership remains the same, with Praveen Akkiraju as CEO and Frank Hauck as president, while EMC will absorb 2000 VCE employees.

Why did Cisco quit the VCE venture? Reports suggest EMC and Cisco's stepping on each other's toes in segments such as software-defined networking and all-flash array storage might have led to a fraying partnership. However a canned media quote by Cisco CEO John Chambers simply states "We have been thrilled with the execution, results and customer demand the VCE team has delivered. I look forward to the next chapter of VCE's evolution and Cisco's continued commitment in VCE as a crucial route to market for Cisco's next-generation technologies for the data centre and cloud."

With VCE, the EMC federation now consists of 5 units-- EMC II, Pivotal, RSA, VMware and, as of now, VCE.

Founded in 2009, VCE sells Vblock, a converged infrastructure combining VMware virtualisation, Cisco servers and networking, and EMC storage. It claims a yearly demand run rate (meaning "an annualized calculation of orders received in the applicable period by VCE, VMware, EMC and Cisco for the sale of VCE Vblock and Vblock-related products and related services") of \$2 billion, as well as Q3 2014 revenues reaching over \$500 million with 50% Y-o-Y growth.

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It also insists it will continue offering Vblock systems featuring "best-of-breed compute and networking exclusively from Cisco."

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