

Transcript:

Ken Kaplan: It is a very strange economy. You know, there's all these different indicators and mis-indicators, but in general, because you've been following this for a while, there's a bit of, I don't know if you want to call it a pendulum or these things come around where IT folks have to make it through these times that are tough, and then there are times when it's go and grow. Can you just describe where we are today? What's your take on the economy in these cycles?

Steve McDowell: Yeah, so the macro economy is impacting IT decisions, right? I don't think there's a problem with the industry delivering solutions that IT wants to consume.

The challenge is there's so much uncertainty, whether it's, you know, what's happening in Europe or, or, or the continuing saga with China. the, and, and, you know, the interest rates. CIOs are deferring decisions.

Well, CFOs are asking CIOs to defer decisions, and that trickles down. And what that really means practically is the IT guys have to do more with less oftentimes.

And it comes back to, you know, we talk about sustainability and getting the most bang for my buck outta my resources. You know, if I'm not allowed to buy new resources, I really have to do that, sustainability aside. So anything that helps an IT practitioner, you know, better utilize his servers, his storage, his networking, his cloud usage. Man, that's goodness.

And that's all because of the economy because, you know, we're deferring purchasing decisions. And you look at the earnings of HPE or Dell, of all the tier one enterprise OEMs, they're all talking about this. They're all saying at some point, second half, maybe, we'll, we'll start to see some recovery.

But there's pent-up demand, but sales cycles are much elongated. And, and, you know, we're not delivering servers as fast as IT guys want them or that we can do that, and it's because of the economy.