SLG Strategic Plan

Navigating Public Service for Dell Technologies
in State & Local Government

August 2025

Executive Summary

The State and Local Government (SLG) market is at a pivotal inflection point. The unprecedented fiscal stimulus of the post-pandemic era has receded, replaced by a new reality of budget constraints and heightened economic uncertainty. Simultaneously, citizen expectations for seamless, secure, and responsive digital services have never been higher. This dynamic—t*he demand for profound technological transformation in an environment of fiscal discipline*—defines the strategic landscape for 2025 and beyond.

This report presents a comprehensive strategic plan for Dell Technologies' State and Local Government division, designed to navigate this complex environment and solidify Dell's position as the indispensable technology partner for public sector modernization. Analysis of the market reveals a clear and consistent set of priorities among state and county Chief Information Officers (CIOs) and procurement officials. Cybersecurity remains the paramount concern, while the adoption of Artificial Intelligence (AI) has rapidly accelerated from a theoretical future to an immediate strategic imperative. These are followed closely by the ongoing challenges of modernizing legacy applications, enhancing the constituent experience, and managing a persistent IT talent gap.

The strategic opportunity for Dell Technologies is to move beyond its role as a premier hardware provider and become the foundational architect of the modern digital state. This requires a strategic pivot toward outcome-based solutions that address the core challenges of SLG leaders: reducing operational costs, harnessing data for actionable insights, securing critical infrastructure, and empowering a hybrid workforce.

This plan outlines five strategic imperatives for Dell:

1. **Own the AI-Ready Infrastructure Foundation:** Capitalize on the surge in AI demand by positioning Dell's server and storage portfolio as the secure, high-performance platform for on-premise and hybrid AI workloads.
2. **Champion the Hybrid Cloud with Dell APEX:** Address the market's hybrid reality by leading with flexible, as-a-service consumption models that provide cloud-like agility and financial predictability while allowing agencies to modernize in place.
3. **Drive Data-Centric Outcomes in Key Verticals:** Align Dell's data management solutions with high-impact government functions, particularly Public Safety and Smart Communities, where the convergence of data, AI, and IoT is creating new infrastructure demands.
4. **Integrate Security into the Core of Every Solution:** Weave Dell's intrinsic security and cyber resilience capabilities into every customer conversation, transforming security from an add-on to a core value proposition of the infrastructure itself.
5. **Simplify Procurement and Partnership:** Leverage cooperative purchasing vehicles and a robust partner ecosystem to make Dell the easiest and most efficient technology provider for government agencies to do business with.

By executing on these imperatives, Dell Technologies can transcend the traditional vendor-client relationship. It can become the essential partner that enables smarter, safer, and stronger communities, securing its market leadership for the next decade of public service innovation.

Section 1: The 2025 State & Local Government Landscape: An Era of Constrained Transformation

The operating environment for state and local governments in 2025 is defined by a fundamental tension: the non-negotiable demand for digital transformation is colliding with a period of significant fiscal tightening. The conclusion of federal stimulus programs has forced a return to traditional, more constrained budget cycles, compelling IT leaders to justify every investment through the lens of efficiency and cost control. This section analyzes the market's financial realities, synthesizes the top priorities of key government decision-makers, and maps the flow of remaining federal funds to identify downstream opportunities.

1.1 The New Fiscal Reality: Doing More with Less in a Post-ARPA World

The financial landscape for SLG IT spending is undergoing a significant correction. While the overall market remains substantial, the growth trajectory has moderated, necessitating a strategic shift in how technology vendors approach this sector.

Market Size and Growth Projections: The comprehensive State, Local, and Education (SLED) IT market is estimated to be $155 billion in 2025. The growth rate for the year is projected to be a modest 2%, a direct consequence of tighter budgets following the reduction of federal stimulus support and broader economic uncertainty. However, the market is expected to regain momentum, reaching a projected $178 billion by 2028, which represents an average annual growth rate of approximately 4.5% over the 2023-2028 forecast period.[1] Within this broader market, the global software segment for state and local governments shows resilient growth, forecasted to expand from $9.7 billion in 2024 to $12.9 billion by 2029, a compound annual growth rate (CAGR) of 5.7%.[2] This disparity suggests that while overall capital expenditures on IT may slow, investments in software, cloud services, and as-a-service models that drive efficiency will remain a priority.

The Post-Stimulus Cliff: A primary driver of this fiscal pressure is the conclusion of broad funding from the American Rescue Plan Act (ARPA). These funds, which provided a significant and flexible infusion of capital for IT projects, were required to be obligated by the end of 2024.[1] Consequently, new initiatives in 2025 and beyond

must be funded through traditional state and local budget cycles, which are subject to greater scrutiny and competing demands.[4] This transition from a period of relative abundance to one of constraint is forcing a fundamental re-evaluation of IT spending. The justification for technology investment is shifting away from innovation for its own sake toward innovation that delivers measurable operational efficiencies and cost savings.

The Rise of Cost Control as a Top Priority: This new fiscal reality is directly reflected in the stated priorities of government IT leaders. In the 2025 Digital Counties Survey, "Budget and Cost Control" surged from the eighth-highest priority in 2024 to the third-highest in 2025, a clear indicator of the mounting economic pressure.[5] This is corroborated by a separate survey of state and local technology decision-makers, which found that "reducing costs" was their top concern for the coming year.[6] This environment elevates the importance of solutions that can demonstrate a clear and compelling return on investment (ROI). Technologies that enable automation, reduce the maintenance burden of legacy systems, and enhance workforce productivity are no longer just desirable; they are essential for securing budget approval.

1.2 Synthesizing CIO Priorities: A Unified View of Customer Needs

Despite fiscal headwinds, the demand for technology-driven modernization continues unabated. Analysis of priorities from state and county CIOs reveals a consistent set of strategic imperatives that will guide IT investment in the coming years.

The Unwavering Primacy of Cybersecurity: For the twelfth consecutive year, cybersecurity remains the undisputed top priority for county IT officials.[5] State CIOs echo this sentiment, ranking "Cybersecurity and Risk Management" as their number one priority for 2025.[7] This enduring focus is fueled by an increasingly complex and dangerous threat landscape, where adversaries are leveraging AI to launch more sophisticated attacks.[4] The urgency is further amplified by the availability of targeted federal funding, such as the State and Local Cybersecurity Grant Program (SLCGP), which provides resources specifically for bolstering cyber defenses.[7]

The AI/GenAI Explosion: The adoption of Artificial Intelligence and Generative AI has moved from the periphery to the core of government IT strategy, ranking as the second-highest priority for both state and county CIOs.[5] This is not a distant trend but an immediate area of focus and investment. A significant 45% of SLG officials expect

generative AI to be a top technology used in their organizations within the next five years.[6] The groundwork is already being laid, with 78% of states having established AI advisory committees or task forces to guide implementation.[11] The current focus is on practical, high-value applications that enhance efficiency and service delivery, such as AI-powered chatbots for constituent services, automated back-end workflows, fraud detection, and the summarization of complex documents like legislation.[7]

The "Consumerization of Government": A profound shift in citizen expectations is driving a focus on customer experience. "Constituent/Customer Engagement/Experience" is the fourth-highest priority for county governments.[5] The public now demands the same seamless, intuitive, and multi-channel digital interactions with government agencies that they receive from leading private-sector companies.[8] This trend is compelling agencies to invest heavily in modernizing their public-facing websites, simplifying online portals, and deploying sophisticated customer service and communication platforms to meet citizens on their preferred channels, whether online, via SMS, or through email.[13]

Application & Legacy Modernization: The challenge of updating outdated systems remains a central focus, ranking as the fifth-highest priority for counties.[5] A large number of government agencies continue to rely on legacy technologies that are not only expensive and difficult to maintain but also increasingly vulnerable to security threats.[4] However, a full "rip and replace" modernization is often viewed as prohibitively expensive, with seven in ten officials believing such comprehensive efforts are too costly.[6] This creates a strong market demand for phased modernization strategies, hybrid cloud solutions that can bridge old and new systems, and infrastructure platforms that allow for incremental upgrades without disrupting critical public services.

1.3 The Enduring Challenges: Workforce, Procurement, and Trust

Beyond specific technology priorities, SLG leaders grapple with persistent operational challenges that influence their ability to execute their modernization agendas. These challenges represent significant opportunities for partners who can provide solutions that alleviate these burdens.

The Talent Crisis: "Talent Management" is a top-ten priority for county CIOs and a major area of focus for state procurement offices, underscoring a critical workforce

shortage.[5] The public sector faces immense difficulty in recruiting and retaining skilled IT professionals, creating a significant skills gap in high-demand areas such as data analytics, cybersecurity, and emerging technologies like AI.[4] This talent deficit creates a compelling market for managed services, as-a-service models, and technology solutions that are designed for ease of deployment and management, reducing the reliance on scarce and expensive in-house expertise.[4]

Procurement Modernization: While state procurement officers are actively working to modernize their processes through digitization and eProcurement systems, the inherent complexity of government acquisition remains a significant barrier to rapid technology adoption.[4] This complexity creates friction in the vendor-client relationship. Approximately 60% of SLG officials report that working with private sector businesses is "too challenging to be worth the effort," citing barriers to collaboration.[6] This highlights a critical need for vendors to simplify the procurement experience through expertise in government contracting vehicles and transparent, straightforward engagement models.

The Trust Deficit: Public trust in government institutions remains a significant concern in the United States and other developed nations.[13] Technology is increasingly viewed as a primary tool for rebuilding this trust. By enabling greater transparency, providing easy and equitable access to information, and delivering reliable and efficient digital services, technology can help governments demonstrate their effectiveness and accountability to the public they serve.[13]

1.4 Mapping the Flow of Federal Funds: Downstream Opportunities for Dell

While broad ARPA stimulus has ended, several large-scale federal funding programs continue to shape SLG technology priorities. These programs create significant downstream opportunities for infrastructure and client solution providers.

Infrastructure Investment and Jobs Act (IIJA): This landmark $1.2 trillion law is channeling massive investment into transportation, energy, water, and public lands projects.[22] Crucially, these are not just traditional civil engineering projects; they are deeply integrated with digital technology. The modernization of airports, seaports, public transit, and the energy grid requires a robust digital backbone. This creates substantial opportunities for Dell's portfolio in edge computing (for real-time data processing from sensors), high-capacity data storage, and resilient networking to

support smart grids and intelligent transportation systems.[23] The law also contains specific provisions allowing funds to be used for protecting transportation facilities from cyber threats, creating a direct link to cybersecurity solutions.[23]

Broadband Equity, Access, and Deployment (BEAD) Program: The $42.45 billion BEAD program is dedicated to achieving universal high-speed internet access across the nation.[26] While the primary funding is for network infrastructure deployment, the program will create a massive secondary market. As millions of households and businesses gain high-speed internet access for the first time, there will be a corresponding surge in demand for client devices (PCs, laptops, tablets) and for the back-end data center infrastructure needed to power the newly accessible digital government services.

Digital Equity Act (DEA): Although the program's future funding has faced political uncertainty, its original intent highlights a persistent national priority.[29] The DEA's initial $2.75 billion allocation was designed to support digital skills training and device distribution programs for underserved communities.[29] Even if federal funding is altered, states are likely to continue pursuing these goals through other means. This signals an ongoing market for Dell's Client Solutions Group (CSG) to partner with states on large-scale device deployments for schools, libraries, and community centers.

Cybersecurity & Homeland Security Grants: A variety of federal grant programs provide direct funding to states and localities for technology and services to enhance their cybersecurity posture. The State and Local Cybersecurity Grant Program (SLCGP), with $279 million available in FY2024, and the broader Homeland Security Grant Program are key funding vehicles that SLG entities can use to purchase security-focused infrastructure, software, and services.[6] Aligning solutions with the objectives of these grants is a direct path to revenue.

Section 2: The SLG Technology Agenda: Five Pillars of Modernization

The strategic priorities and fiscal realities of the SLG market are converging to drive investment in five key technology pillars. These pillars represent the foundational elements of the modern digital state and constitute the primary market opportunities for technology providers. This section provides a detailed analysis of each pillar, identifying key use cases and the specific infrastructure requirements that create entry points for Dell Technologies.

2.1 Pillar 1: The AI Imperative - From Pilot to Production

The adoption of artificial intelligence in the public sector is rapidly maturing from exploration to practical implementation. This shift is creating an urgent need for underlying infrastructure capable of supporting demanding AI workloads.

Current State of Adoption: State and local governments are actively integrating AI into their operations. A recent survey indicates that 51% of SLG professionals now use AI on a daily basis.[15] This is not happening in a vacuum; it is a deliberate strategic push. State governments are establishing the necessary governance structures, with a focus on creating clear policies, identifying high-value use cases, and developing the workforce expertise required for responsible AI deployment.[7]

Key Use Cases: The applications of AI in government are broad, but they cluster around several key objectives:

- **Operational Efficiency:** Agencies are leveraging AI to automate routine tasks and free up valuable human resources. Common applications include AI-powered chatbots to handle constituent inquiries, automated back-end workflows for processes like permitting and licensing, using generative AI to summarize lengthy legislative documents, and drafting initial versions of job descriptions.[7]
- **Public Safety:** AI is becoming a critical tool for law enforcement and public safety agencies. Use cases include AI-driven fraud detection in benefits programs, predictive analytics to identify potential crime hotspots, real-time analysis of video surveillance feeds to detect threats, and identifying anomalous network traffic that could indicate a cyberattack.[8]

- **Citizen Services:** Governments are using AI to make services more accessible and responsive. The city of Amarillo, Texas, for example, deployed an AI assistant named "Emma" capable of communicating in multiple languages to improve residents' access to city information.[36] Virtual assistants are also being integrated into finance and procurement systems to help employees navigate complex processes.[13]

The Infrastructure Decision: The rise of AI is forcing a fundamental re-evaluation of data center strategy. Unlike traditional enterprise applications, AI training and inference workloads require specialized, high-performance hardware, including advanced CPUs, GPUs, and high-speed networking and storage. This demand is sparking a strategic shift away from the "lean IT" and "virtualize everything" models of the past decade.[37] This creates a significant opportunity for Dell's portfolio of PowerEdge servers and PowerScale storage. As agencies become more concerned with the security, sovereignty, and cost of processing sensitive public data in the public cloud, the demand for private, on-premise AI environments and "sandboxes" will grow, playing directly to Dell's strengths.[38]

2.2 Pillar 2: The Hybrid Cloud Reality - Modernizing in Place

While the allure of the public cloud is strong, the practical realities of government operations have made a hybrid cloud model the dominant and most sustainable strategy for the foreseeable future.

The Infeasibility of "Rip and Replace": For most state and local government agencies, a complete, wholesale migration to the public cloud is simply not feasible. They are constrained by tight budgets, deeply embedded legacy infrastructure that is critical for core operations, and a complex web of regulations that can stall innovation.[16] As noted, 70% of SLG officials view full-scale modernization efforts as too costly to undertake.[6]

The Strategic Value of Hybrid: The hybrid cloud model has emerged as the pragmatic solution, allowing agencies to adopt agile, cloud-native tools for new applications while simultaneously integrating with and modernizing their essential on-premise legacy systems.[16] This approach provides a crucial balance, enabling innovation and scalability while maintaining control over sensitive data and managing costs. To further align with this model, agencies are increasingly turning to

consumption-based, as-a-service offerings like Infrastructure-as-a-Service (IaaS) and Software-as-a-Service (SaaS) to avoid large, upfront capital expenditures and shift IT costs to a more predictable operational expense (OpEx) model.[4]

Dell's Opportunity: This market reality is perfectly aligned with Dell Technologies' core competencies and strategic direction. Dell is uniquely positioned to provide the high-performance, secure on-premise infrastructure that forms the foundation of the hybrid cloud. Furthermore, with solutions like Dell APEX, Dell can offer a unified management plane and a cloud-like consumption model for this on-premise infrastructure, allowing agencies to "modernize in place" without the cost and disruption of a full-scale migration.[37]

2.3 Pillar 3: Data as a Strategic Asset - Powering Analytics and Outcomes

State and local governments are increasingly recognizing that their vast data holdings are not just a byproduct of their operations, but a strategic asset that can be leveraged to improve decision-making, enhance service delivery, and create more efficient government.

The Drive for Data-Driven Government: There is a clear and growing mandate for data-driven decision-making across all levels of government.[17] The emergence of "Data Governance" as a top-ten priority for county IT officials for the first time in 2025 is a significant indicator of this trend. It signals a new maturity in the market, with a focus not just on collecting data, but on managing it ethically, ensuring its quality, and using it to promote transparency and accountability.[5]

Key Use Cases:

- **Public Health:** Health departments are using data analytics to analyze electronic health records and other data sources to predict disease outbreaks, identify at-risk populations, and target public health interventions more effectively.[41]
- **Urban Planning & Smart Cities:** Municipalities are deploying networks of Internet of Things (IoT) sensors to collect real-time data on everything from traffic flow and public transit usage to utility consumption and infrastructure status. This data is used to optimize city operations, reduce congestion, and enhance sustainability.[14] A prime example is Columbus, Ohio, which uses a unified data platform to analyze real-time data, resulting in reduced travel times and faster emergency response.[43]

- **Public Safety:** Real-Time Crime Centers (RTCCs) are becoming command hubs that ingest and analyze data from a multitude of sources—including Computer-Aided Dispatch (CAD), Records Management Systems (RMS), Automated License Plate Readers (LPRs), and public video feeds—to provide law enforcement with enhanced situational awareness and accelerate investigations.[35]

The Infrastructure Requirement: These data-intensive applications require a robust and highly scalable infrastructure foundation. Governments need high-performance compute to run analytics and AI models, and modern, scalable storage solutions to serve as data lakes for ingesting and managing vast quantities of both structured and unstructured data. This represents a core market opportunity for Dell's PowerScale and PowerEdge portfolios, which are designed to handle these demanding workloads.[36]

2.4 Pillar 4: Fortifying the Digital State - The Evolving Cybersecurity Mandate

As government services become increasingly digitized, the attack surface expands, making robust cybersecurity the non-negotiable foundation for all modernization efforts.

An Unrelenting Threat Landscape: The cybersecurity threats facing state and local governments are growing in both volume and sophistication. Attackers, including well-funded nation-state actors, are increasingly using AI to craft more effective attacks.[8] Ransomware and data breaches continue to pose a severe risk to critical infrastructure and the continuity of essential public services.[4]

Strategic Response: Zero Trust and Whole-of-State: In response, the strategic approach to cybersecurity is evolving. Agencies are moving away from traditional perimeter-based security and toward Zero Trust architectures, which assume no user or device is inherently trustworthy and require verification for every access request. Concurrently, there is a growing movement toward "whole-of-state" cybersecurity strategies, which promote collaboration, intelligence sharing, and the pooling of resources among different state and local agencies to present a more unified defense.[4]

Dell's Role: Dell is well-positioned to provide the secure and resilient infrastructure that underpins these modern security strategies. This opportunity extends across the

entire portfolio, including intrinsically secure infrastructure (servers and storage with features like Secured Component Verification), robust endpoint security solutions to protect a distributed and hybrid government workforce, and a comprehensive suite of cyber resilience solutions for data protection and rapid recovery.[36] The strategic conversation with SLG customers must evolve from simply preventing attacks to ensuring the rapid recovery of critical services in the event of a breach, thereby maintaining public trust.

2.5 Pillar 5: The Consumerization of Government - Architecting the Modern Experience

The final pillar is driven by the changing expectations of both citizens and the government workforce. The demand for consumer-grade digital experiences is reshaping how government services are delivered and how public sector employees work.

Hybrid Work as the New Normal: Offering flexible and remote work options is no longer a perk but a critical strategy for attracting and retaining talent in the competitive public sector job market.[11] This operational shift requires a robust technology foundation that can support secure remote access, seamless collaboration through platforms like Microsoft 365 and Webex, and scalable Virtual Desktop Infrastructure (VDI).[49] This trend directly fuels demand for Dell's complete ecosystem, from the client devices (laptops, thin clients) used by employees to the powerful back-end server and storage infrastructure required to support these remote environments.[48]

Digital Equity and Accessibility: Federal initiatives like the BEAD Program and the Digital Equity Act have placed a national spotlight on ensuring that all citizens, regardless of location or socioeconomic status, can access digital government services.[29] This is driving investment in creating simplified, user-friendly online portals and ensuring that services are accessible across a variety of channels, including websites, mobile apps, and SMS.[13]

Smart City Initiatives: Cities are increasingly leveraging IoT technology and data analytics to become more sustainable, resilient, and livable. Portland, Oregon, uses a network of environmental sensors to proactively manage the effects of heat waves [43], while the Cincinnati/Northern Kentucky International Airport has deployed IoT

solutions to improve energy efficiency in its facilities.[44] These initiatives depend on a robust edge computing infrastructure capable of collecting and processing data in real-time from thousands of distributed sensors. This represents a key growth area for Dell's edge portfolio, which can provide the necessary compute power closer to where data is generated.[8]

Section 3: The Competitive Arena: Positioning Dell in a Crowded Field

The State and Local Government technology market is a fiercely competitive landscape populated by infrastructure titans, cloud hyperscalers, and specialized software vendors. To succeed, Dell Technologies must possess a clear-eyed understanding of its own strengths and weaknesses, as well as the strategic positioning of its key rivals. This section provides a SWOT analysis of Dell's position in the SLG market, maps the competitive terrain, and identifies the key battlegrounds where market share will be won or lost.

3.1 Dell Technologies SLG SWOT Analysis

A foundational assessment of Dell's current strategic position reveals a company with formidable strengths but also significant challenges and threats that must be navigated.

Strengths	Weaknesses
Strong Brand & Deep Relationships: Dell possesses a powerful brand reputation synonymous with reliability and a long history of serving the public sector. Its direct sales model has cultivated deep, long-standing customer relationships and trust.[47]	**Hardware-Centric Perception:** Dell is often perceived primarily as a hardware provider, which can be a disadvantage when competing against consulting-led firms like IBM or integrated software-cloud players like Microsoft that sell "business solutions".[55]
Comprehensive End-to-End Portfolio: Dell offers an unmatched portfolio spanning from client devices (desktops, laptops) to the core data center (servers, storage, networking), enabling it to provide integrated, single-vendor solutions.[53]	**Dependency on Hardware Sales:** A significant portion of revenue is tied to hardware sales, which are capital expenditures (CapEx). This can be a challenge in a market increasingly favoring operational expenditure (OpEx) and as-a-service models.[53]
Market Leadership in Core Infrastructure: Dell maintains a dominant market share in key hardware categories, particularly x86 servers and data storage, providing a strong incumbent advantage and a massive installed base.[58]	**Complexity in As-a-Service Offering:** While Dell APEX is a strong offering, communicating its value and navigating its complexity can be more challenging for customers than the straightforward consumption models of public cloud providers.
Superior Service & Support: The company's service and support capabilities are consistently rated highly by customers and analysts, a key differentiator in the public sector where reliability is paramount.[60]	**Limited Native Software Portfolio:** Unlike competitors such as Microsoft, Oracle, or IBM, Dell does not have a large portfolio of proprietary enterprise applications (ERP, CRM), limiting its ability to bundle software with infrastructure sales.

Opportunities	Threats
AI Infrastructure Boom: The massive SLG demand for AI-optimized servers to support on-premise and hybrid AI initiatives represents Dell's single largest growth opportunity.[59]	**Public Cloud Hyperscalers:** AWS and Microsoft Azure are formidable competitors, leveraging their vast service catalogs, integrated AI/ML platforms, and strong enterprise agreements to pull all workloads into their native cloud environments.[63]
Hybrid Cloud Management: As hybrid and multi-cloud environments become the standard, the need for management and orchestration platforms like Dell APEX will grow significantly, positioning Dell as a key enabler of this architecture.[65]	**Aggressive Infrastructure Rivals:** HPE competes directly across Dell's entire infrastructure portfolio and is aggressively pushing its GreenLake as-a-service platform as a direct alternative to Dell APEX.[57]
Federal Infrastructure Funding: Downstream spending from the IIJA creates new markets for Dell's edge computing, storage, and networking solutions to support smart city and critical infrastructure projects.[23]	**Specialized GovTech Vendor Influence:** Market-leading software vendors like Tyler Technologies are increasingly moving to SaaS models hosted on public clouds, which can disintermediate the infrastructure decision from the end customer.[2]
Cyber Resilience as a Differentiator: With cybersecurity as the #1 SLG priority, Dell can leverage its portfolio of data protection and cyber recovery solutions to provide a highly differentiated, resilient infrastructure foundation.[46]	**Budget Constraints & OpEx Preference:** Sustained fiscal pressure on SLG budgets may accelerate the shift to pure OpEx models, favoring cloud providers over traditional hardware procurement, even with subscription options.[1]

3.2 Mapping the Competitors: Infrastructure Titans vs. GovTech Specialists

The competitive landscape can be segmented into two primary tiers: direct infrastructure and cloud competitors who vie for the same IT budget, and influential GovTech software specialists who shape the underlying technology choices of their customers.

Tier 1: Infrastructure & Cloud Giants

- **Hewlett Packard Enterprise (HPE):** As Dell's most direct infrastructure competitor, HPE offers a nearly identical range of servers (ProLiant), storage (Alletra, Nimble), and networking (Aruba). HPE's primary strategic thrust is its GreenLake platform, an as-a-service offering for on-premise infrastructure that competes head-to-head with Dell APEX. HPE is known for competing aggressively on price and performance in public sector bids.[57]
- **IBM:** IBM competes with its Power systems for high-performance computing and its FlashSystem for storage. However, IBM's key competitive advantage is its ability to bundle hardware with its extensive software portfolio (Watsonx for AI, Red Hat OpenShift for containerization) and its global consulting services. This allows IBM to engage SLG customers at a strategic, solution-oriented level, often leading with a business problem rather than a hardware product.[56]
- **Microsoft (Azure):** Microsoft is both a critical partner and a formidable competitor. Many SLG agencies are "Microsoft shops," heavily invested in Windows Server, Microsoft 365, and Active Directory. This creates a powerful gravitational pull toward Microsoft Azure for cloud services. Microsoft's key strength is its deeply integrated stack, which extends from the desktop to the data center and into the cloud, complemented by a comprehensive security portfolio (Defender, Sentinel) that is increasingly bundled into enterprise agreements.[72]
- **Amazon Web Services (AWS):** The public cloud market leader, AWS competes by offering an unparalleled breadth and depth of services. Its AWS GovCloud offering is specifically designed to meet the stringent security and compliance requirements of U.S. government agencies. AWS's strategy is to provide immense scale, flexibility, and a vast marketplace of third-party software solutions, positioning itself as the default platform for cloud-native innovation.[63]
- **Oracle:** A dominant force in the government back office, Oracle leverages its

deep incumbency in database, ERP, and HCM applications to drive adoption of its Oracle Cloud Infrastructure (OCI). For the many SLG agencies that run on Oracle databases and applications, migrating these workloads to OCI is often presented as the path of least resistance. Oracle competes on performance for its core database workloads and by offering integrated application and infrastructure solutions.[81]

- **Cisco:** While not a direct competitor in servers and storage, Cisco is a dominant and essential player in the data center. Its networking equipment is the backbone of most government data centers, and its security (Firepower, Duo) and collaboration (Webex) solutions are widely adopted. Cisco is a critical ecosystem partner whose technology strategy influences the overall data center architecture.[85]

Tier 2: Specialized GovTech Vendors

- **Tyler Technologies:** As the market share leader in SLG-focused software, Tyler Technologies exerts significant influence over the technology landscape.[2] The company provides mission-critical applications for ERP, public safety, courts, and tax assessment. While not a hardware vendor, Tyler's strategic shift to offering its products as SaaS solutions, often built on platforms like Microsoft Azure, means it increasingly dictates the underlying cloud infrastructure for its customers. This can disintermediate the infrastructure provider, as the government agency's primary decision becomes which software vendor to choose, not which hardware to run it on.[68]

3.3 Battleground Analysis: Where Dell Wins and Where It Must Improve

A granular analysis of key market segments reveals distinct areas of Dell's competitive strength and areas requiring strategic focus.

Where Dell Wins:

- **AI-Optimized Servers:** Dell has established a clear leadership position in the race to provide the infrastructure for AI. The company is experiencing unprecedented demand for its AI-optimized PowerEdge servers, boasting a

multi-billion dollar order backlog. This positions Dell as a primary beneficiary of the public sector's urgent push into AI.[59]

- **Client Devices:** Dell's strong market share in PCs, laptops, and thin clients makes it the default choice for large-scale device deployments. This is a significant advantage in addressing SLG initiatives around hybrid work enablement and digital equity programs that require outfitting thousands of employees and citizens.[53]
- **Direct Sales Model & Support:** In the relationship-driven public sector market, Dell's direct sales model and highly-rated support services are a key competitive advantage. Government customers value a single point of contact and accountability, and Gartner reviews consistently highlight Dell's superiority in service and support compared to many rivals.[47]

Where Dell Must Improve:

- **The "As-a-Service" Narrative:** While Dell APEX is a technologically robust platform that directly answers the market's need for hybrid, consumption-based IT, its market perception and adoption lag behind more established offerings like HPE GreenLake and the native public cloud. Dell must simplify and amplify its messaging around APEX, focusing on its ability to deliver cloud-like economic and operational benefits while retaining the security and performance advantages of on-premise infrastructure.[65]
- **Solution Selling vs. Product Selling:** To compete effectively with consulting-led and software-led competitors, Dell must elevate its sales motion. The conversation needs to shift from technical specifications ("speeds and feeds") to business outcomes. This requires investing in deeper vertical expertise within the sales organization and building integrated solutions that address specific government challenges, such as "improving emergency response times" or "streamlining permit processing."
- **Navigating "Co-opetition":** The strategic relationship with public cloud giants like Microsoft and AWS is complex. Dell must refine its strategy to both compete and partner effectively. This means clearly articulating the value proposition of running hybrid cloud platforms like Azure Stack HCI and AWS Outposts on Dell infrastructure, positioning Dell as the best-of-breed hardware foundation that enhances the performance, reliability, and security of these hybrid cloud extensions.

The central dynamic of the modern IT market is this "co-opetition," where a company's greatest competitive threats are also its most critical partners. SLG customers are standardizing on platforms like Microsoft 365 and are increasingly

adopting Azure or AWS for cloud-native applications.[2] While these providers actively seek to migrate all workloads to their clouds, the dominance of the hybrid model in the public sector means they require on-premise infrastructure partners. Dell's strategy must therefore be two-pronged: first, compete vigorously by demonstrating the superior economics, security, and performance of keeping key workloads on-premise on Dell hardware; second, partner deeply by positioning Dell as the most reliable and best-supported platform for running Azure and AWS hybrid cloud extensions.

Competitive Matrix - Infrastructure & Cloud Solutions for SLG

SLG Solution	Dell	HPE	IBM	Microsoft Azure	AWS
AI-Ready Servers	**PowerEdge (NVIDIA/AMD GPUs):** Market leader with massive order backlog. Strong performance for on-prem training/inference.	**ProLiant GenAI Servers:** Direct competitor, strong in HPC. Lacks Dell's broad market momentum in enterprise AI.	**Power Systems:** Strong for specific AI/ML workloads (Watsonx), but less mainstream x86 market penetration.	**Azure AI Platform (on Azure infrastructure):** Integrated PaaS/SaaS AI services. Competes by offering a complete software-to-silicon stack.	**AWS AI/ML Services (Trainium/Inferentia) :** Broadest portfolio of AI services. Competes by abstracting infrastructure and focusing on developer tools.
Hyperconverged Infrastructure (HCI)	**VxRail:** Tightly integrated with VMware. Market leader. Strong for VDI and data center modernization.	**SimpliVity / Alletra dHCI:** Strong competitor, particularly with its data efficiency and resilience features.	**Spectrum Fusion:** Focuses on Red Hat OpenShift integration for containerized workloads. More niche.	**Azure Stack HCI:** A primary competitor. Leverages deep Windows Server integration and unified management with Azure Arc.	**AWS Outposts:** Provides a fully managed AWS experience on-prem. Less flexible but offers seamless integration with AWS cloud.
Hybrid Cloud Platform	**Dell APEX:** Comprehensive portfolio for as-a-service on-prem infrastructure and multi-cloud management.	**HPE GreenLake:** Most direct competitor to APEX. Strong market messaging and broad adoption.	**Red Hat OpenShift & IBM Cloud Satellite:** Strong for application modernization and container management across clouds.	**Azure Arc:** A key competitive offering for unified management of on-prem and multi-cloud resources from the Azure portal.	**AWS Arc (via partners) / Outposts:** Focuses on extending AWS services to the edge and on-prem rather than a broad multi-cloud management plane.

Competitive Matrix - Infrastructure & Cloud Solutions for SLG (cont.)

SLG Solution	Dell	HPE	IBM	Microsoft Azure	AWS
Data Storage for Analytics	**PowerScale / ECS:** Leading solutions for unstructured data and building on-prem data lakes. High performance and scalability.	**Alletra / Apollo:** Strong portfolio for high-performance and scale-out storage for analytics and AI workloads.	**FlashSystem / Spectrum Scale:** High-performance storage, often positioned for specific IBM software environments.	**Azure Blob Storage / Synapse Analytics:** Integrated cloud-native storage and analytics platform. Competes on ease of use and integration.	**Amazon S3 / Redshift:** The de facto standard for cloud object storage and data warehousing. Unmatched scale and ecosystem.
Endpoint Devices for Hybrid Work	**Latitude / OptiPlex / Wyse:** Dominant market share. Broad portfolio from laptops to thin clients for VDI. Strong security features.	**HP Inc. (separate company):** The primary competitor in the PC/laptop space with a strong public sector presence.	**(N/A - Not a primary focus)**	**Surface Devices / Windows 365:** Integrated hardware/software experience. Windows 365 Cloud PC is a competitive DaaS offering.	**(N/A - Not a primary focus)**
Cybersecurity & Resilience	**PowerProtect / Cyber Recovery:** Strong portfolio for data protection and isolated recovery vaults. Intrinsic hardware security.	**Zerto / Data Protector:** Strong offerings, particularly Zerto for disaster recovery and workload mobility.	**QRadar / Guardium:** Software-focused security portfolio (SIEM, data security) integrated with consulting services.	**Defender / Sentinel / Purview:** Comprehensive, integrated security stack from endpoint to cloud. A major competitive advantage.	**AWS Security Services:** Broad set of cloud-native security tools, but requires more integration and expertise than Microsoft's stack.

Section 4: Strategic Imperatives for Dell Technologies in SLG

To capitalize on the market opportunities and navigate the competitive landscape detailed in the preceding sections, Dell Technologies must execute against five core strategic imperatives. These imperatives are designed to align Dell's portfolio, go-to-market strategy, and brand perception with the most pressing needs of state and local government customers. They represent a deliberate shift from selling products to delivering foundational, outcome-oriented solutions for the modern digital state.

4.1 Imperative I: Own the AI-Ready Infrastructure Foundation

Rationale: The rapid ascent of Artificial Intelligence to the #2 priority for SLG CIOs represents the most significant new infrastructure opportunity in a decade.[5] Dell's own market performance, with unprecedented demand and a multi-billion dollar backlog for its AI-optimized servers, confirms this trend.[59] Government agencies, unlike many commercial enterprises, have heightened concerns regarding data sovereignty, the security of sensitive citizen data (e.g., public safety, healthcare, tax information), and the potentially prohibitive costs of data egress from public cloud platforms. This creates a substantial and durable market for on-premise and hybrid AI infrastructure where Dell has a distinct competitive advantage.

Strategic Actions:

- **Targeted Marketing and Solution Development:** Aggressively market the PowerEdge server portfolio as the premier, secure platform for both AI training and inference workloads. Develop pre-validated, "AI-in-a-box" reference architectures that combine Dell servers, high-performance storage (PowerScale), and networking with key software partners like NVIDIA. These solutions should be tailored to specific, high-impact SLG use cases, such as video analytics for law enforcement, fraud detection for finance departments, or traffic pattern analysis for transportation agencies.
- **Establish Thought Leadership:** Position Dell as a strategic advisor for agencies embarking on their AI journey. This involves leveraging Dell Professional Services to offer infrastructure design, deployment, and optimization services specifically for AI.[36] The goal is to engage with customers early in their AI planning phase,

shaping their infrastructure strategy before they default to a public cloud-only approach.
- **Emphasize Security and Control:** The core message should center on enabling agencies to build their own private AI environments. This narrative directly addresses concerns about data privacy and security, allowing agencies to innovate with AI while maintaining full control over their most sensitive data assets.

4.2 Imperative II: Champion the Hybrid Cloud with Dell APEX

Rationale: The SLG market is, and will remain for the foreseeable future, overwhelmingly hybrid. Budget constraints, the complexity of deeply embedded legacy systems, and regulatory hurdles make full public cloud migration an untenable option for most agencies.[4] These customers are actively seeking solutions that provide the benefits of the cloud—such as operational agility and an OpEx financial model—without the cost and risk of a complete platform overhaul. This is the precise problem that Dell APEX is designed to solve.

Strategic Actions:

- **Lead with an As-a-Service Message:** Position Dell APEX as the definitive solution for managing hybrid and multi-cloud complexity. The core value proposition is enabling agencies to "modernize in place" by delivering a cloud-like experience on-premise. The message should be simple and powerful: "Control your data, choose your cloud, manage it all from one place."
- **Tailor Offerings for SLG Use Cases:** Develop and market specific APEX offerings that align with top SLG priorities. Examples include "APEX for VDI" to support hybrid work initiatives, "APEX for Cyber Resilience" for secure, subscription-based backup and recovery, and "APEX for Data Analytics" to provide a scalable, on-premise data lake foundation.
- **Counter the CapEx vs. OpEx Debate:** Proactively use the Dell Technology Rotation subscription model as a financial tool to directly address the budget constraints of SLG customers. This model offers predictable payments, eliminates large upfront capital outlays, and includes regular technology refreshes, providing a compelling alternative to both traditional procurement and public cloud lock-in.[66]

4.3 Imperative III: Drive Data-Centric Outcomes in Key Verticals

Rationale: State and local government agencies do not buy technology for its own sake; they acquire solutions to fulfill their public service missions. To move up the value chain, Dell must align its powerful data storage and management portfolio (PowerScale, PowerStore, ECS) with the high-growth, data-intensive government functions where technology can have the most significant impact on outcomes.

Strategic Actions:

- **Dominate Public Safety Infrastructure:** Develop a comprehensive, repeatable solution stack for the modernization of Public Safety Answering Points (PSAPs) with Next Generation 9-1-1 (NG911) and the build-out of Real-Time Crime Centers (RTCCs). This solution should combine Dell's edge computing for sensor data, high-performance PowerScale storage for video evidence, and VDI solutions for analyst workstations, creating an end-to-end infrastructure platform for modern public safety.
- **Build Smart and Resilient Communities:** Create a portfolio of reference architectures that directly map Dell's edge, core, and cloud offerings to technology-eligible projects under the Infrastructure Investment and Jobs Act (IIJA). Focus on high-impact areas like intelligent traffic management, smart utility grids, and modernized airport/port operations, showcasing how Dell's infrastructure can ingest, process, and store massive IoT data streams to improve efficiency and resilience.
- **Enable Data Analytics and Governance:** With data governance now a top-ten priority for counties, position Dell's storage solutions as the ideal foundation for secure, on-premise government data lakes.[5] Emphasize the performance, scalability, and robust security features that allow agencies to unlock insights from their data while meeting stringent compliance and data stewardship requirements.

4.4 Imperative IV: Integrate Security into the Core of Every Solution

Rationale: With cybersecurity as the perennial #1 priority for SLG customers, security cannot be an afterthought or a separate product line.[5] It must be woven into the fabric of every infrastructure conversation. Dell's ability to provide a secure foundation from

the silicon up is a powerful differentiator that must be central to its value proposition.

Strategic Actions:

- **Lead with Intrinsic Security:** Begin every server, storage, and client discussion by highlighting Dell's built-in security features, such as Secured Component Verification and Dell ThinOS. Shift the narrative from "buying secure products" to "building on a secure foundation."
- **Bundle Cyber Resilience:** Proactively bundle Dell's data protection and cyber recovery solutions (PowerProtect, Dell APEX Backup Services) with server and storage sales. This creates a holistic "Protect and Recover" solution that addresses not only threat prevention but also the critical need for rapid recovery to ensure the continuity of government services.
- **Align with Grant Funding:** Actively market Dell's security and resilience solutions as enabling technologies for agencies seeking to meet federal and state cybersecurity mandates. Create materials that explicitly show how these solutions help agencies qualify for and effectively utilize grant funding from programs like the SLCGP.

4.5 Imperative V: Simplify Procurement and Partnership

Rationale: The complexity of public sector procurement is a significant source of friction and a major barrier to sales.[4] Government officials are actively seeking to modernize their procurement processes and value partners who can help them navigate this complexity. The vendor that makes itself the easiest to do business with will gain a substantial and sustainable competitive advantage.

Strategic Actions:

- **Master Cooperative Purchasing:** Double down on efforts to make Dell's entire relevant portfolio easily accessible through major cooperative purchasing vehicles, including NASPO ValuePoint, OMNIA Partners, and GSA Schedules. This is the preferred procurement path for many SLG entities as it saves them time and resources.[93]
- **Develop Procurement Expertise:** Train the entire SLG sales team to be experts in these contract vehicles. They should be able to confidently guide customers through the procurement process, advising them on the most efficient path to acquire the technology they need. This transforms the sales team from product

specialists to trusted procurement advisors.

- **Build a Specialized Channel:** Invest heavily in building a dedicated SLG partner ecosystem through value-added resellers and distributors like Carahsoft, which specialize in the intricacies of public sector procurement. Empower these partners with the training and resources to sell Dell's outcome-based solutions effectively.[100]

Section 5: Activating the Strategy: Go-to-Market and Solution-Specific Recommendations

Translating the strategic imperatives into market success requires a deliberate and focused execution plan. This section provides concrete, tactical recommendations for optimizing Dell's go-to-market engine, developing solution-specific playbooks for high-impact verticals, and building a winning partner ecosystem. It concludes with a proposed roadmap to guide the implementation of this strategy over a three-year horizon.

5.1 Optimizing the Go-to-Market Engine

To effectively engage the SLG market, Dell's sales and marketing motions must be precisely aligned with the unique priorities and processes of public sector customers.

Aligning with Procurement Realities: The priorities of state Chief Procurement Officers (CPOs) offer a clear roadmap for engagement. CPOs are focused on modernizing the procurement process, expanding eProcurement, leveraging data analytics for better decisions, and even exploring the use of AI in their own operations.[18] Dell's sales proposals should be structured to address these goals directly. For example, proposals should emphasize how Dell's e-commerce capabilities streamline purchasing and how its infrastructure solutions can power the state's own procurement analytics platforms. This demonstrates an understanding of the CPO's world and positions Dell as a partner in their modernization efforts.

Expanding the Target Audience: While the CIO remains a critical stakeholder, the "consumerization of government" means that line-of-business leaders are increasingly influential in technology decisions. Public Safety Chiefs, Transportation Directors, and Health & Human Services Commissioners are focused on mission outcomes, not IT architecture. Dell must develop specific messaging, value propositions, and engagement strategies for these personas. This involves creating content and sales plays that clearly articulate how Dell's underlying infrastructure enables the applications and services that are critical to their departmental success.

Leveraging Cooperative Contracts: Cooperative purchasing is the path of least

resistance for many SLG entities. Dell should establish an internal "Center of Excellence" dedicated to these vehicles. This team's mandate would be to maintain a comprehensive and up-to-date repository of all available contracts (NASPO, OMNIA, GSA, etc.), provide ongoing training to the sales force, and create a library of marketing materials and proposal templates that make it simple for customers to procure Dell solutions through these pre-competed contracts.[93] This proactive approach removes a major point of friction from the sales cycle and can significantly accelerate deal closure.

5.2 Solution-Specific Roadmaps for High-Impact Verticals

To move from selling products to selling solutions, Dell must package its technology into repeatable, outcome-focused offerings for key government verticals.

Public Safety Modernization:

- **RTCC & NG911 Playbook:** Launch a targeted go-to-market campaign for "Public Safety Infrastructure Modernization." This initiative should feature pre-configured and validated bundles of Dell technology specifically designed for these demanding environments. A typical bundle would include PowerEdge servers for video analytics and AI workloads, high-performance PowerScale storage for managing vast amounts of video evidence, and Wyse thin clients or ruggedized laptops for dispatch and analyst workstations. Success requires deep partnerships with leading public safety software vendors like Tyler Technologies, CentralSquare, and Motorola Solutions to ensure seamless integration and joint selling motions.[104]

Smart and Resilient Communities:

- **IIJA-Aligned Solutions:** Develop a portfolio of solution briefs and reference architectures that explicitly map Dell's edge, core, and cloud offerings to technology-eligible projects funded by the Infrastructure Investment and Jobs Act. These should focus on high-priority areas such as intelligent transportation systems, smart grid modernization, and digital infrastructure for ports and airports.[22] The messaging should clearly state how Dell technology helps agencies meet the grant requirements and achieve the program's objectives.
- **Sustainability and Resilience:** Position Dell's portfolio as the essential foundation for smart city sustainability and resilience initiatives. This involves

highlighting the energy efficiency of modern Dell data center solutions and showcasing how Dell's edge and core infrastructure can power environmental monitoring, resource management, and climate adaptation platforms.[105]

The Future of Work and Digital Equity:

- **Hybrid Workforce Enablement:** Create a "Government Hybrid Work" solution package. This offering should combine Dell's industry-leading laptops and desktops with robust back-end VDI solutions (powered by PowerEdge servers and VxRail HCI) and comprehensive endpoint security. This provides a single, secure, and manageable solution for agencies looking to empower their remote and hybrid workforce.
- **Digital Equity Bundles:** Proactively engage with state broadband and digital equity offices to support their BEAD and DEA-related plans. Dell can offer tailored bundles of affordable client devices, services, and support for large-scale deployment in underserved communities, libraries, schools, and community anchor institutions, positioning itself as a key partner in closing the digital divide.[27]

5.3 Building a Winning Partner Ecosystem

Success in the SLG market is not a solo endeavor. A robust and strategically aligned partner ecosystem is critical for extending reach, enhancing capabilities, and navigating the complexities of the market.

Deepen Strategic Alliances: The "co-opetition" with Microsoft and AWS is a central strategic reality. Dell must invest in strengthening these alliances through dedicated co-selling and co-engineering initiatives. The primary goal is to establish Dell's infrastructure as the undisputed best-in-class platform for running their hybrid offerings, such as Azure Stack HCI and AWS Outposts. This involves joint marketing, sales enablement, and the development of validated designs that showcase superior performance, reliability, and manageability on Dell hardware.

Cultivate GovTech ISV Partnerships: The influence of major SLG software vendors is immense. Dell must establish a formal ISV partner program specifically for the GovTech sector. The program should focus on recruiting and nurturing relationships with key players like Tyler Technologies, Oracle, SAP, and Accela.[2] The objective is twofold: first, to work with these ISVs to certify and optimize their applications on Dell

infrastructure; second, to create joint go-to-market plans that include co-marketing, lead sharing, and collaborative selling into shared accounts.

Empower the Channel: A significant portion of SLG business flows through channel partners and distributors who possess deep local relationships and specialized procurement expertise. Dell must invest in a comprehensive channel enablement program focused on partners like Carahsoft, Insight, and GovConnection. This program should go beyond basic product training to provide certifications and resources that equip partners to sell Dell's outcome-based solutions, navigate cooperative contracts, and effectively communicate the value proposition of the entire Dell portfolio to SLG customers.[100]

5.4 A Proposed Roadmap for Execution

The following roadmap outlines a phased, three-year approach to implementing the strategic recommendations outlined in this plan.

Strategic Initiative Roadmap

Strategic Imperative	Initiative & Action	Dell Solution	Target Outcome/KPI	Timeline
I. Own the AI-Ready Infrastructure Foundation	Launch "AI for Public Service" Marketing Campaign	PowerEdge, PowerScale, Professional Services	Generate 50% Y/Y growth in AI server pipeline for SLG.	**Phase 1 (Y1)**
	Develop 3 vertical-specific AI reference architectures (e.g., Public Safety Video Analytics)	PowerEdge, PowerScale, ISV Partner Software	Secure 10 flagship reference customers for AI solutions.	**Phase 2 (Y2)**
II. Champion the Hybrid Cloud with Dell APEX	Launch targeted Dell APEX offerings for SLG (e.g., VDI, Cyber Resilience)	Dell APEX, VxRail, PowerProtect	Increase APEX/Subscription revenue in SLG by 100% Y/Y.	**Phase 1 (Y1)**
	Train 100% of SLG sales force on selling APEX and Technology Rotation models	Dell APEX	Achieve 75% of new infrastructure deals including an APEX or subscription component.	**Phase 2 (Y2)**
III. Drive Data-Centric Outcomes	Launch "Public Safety Infrastructure Modernization" Playbook for RTCC/NG911	PowerEdge, PowerScale, Wyse	Become the #1 infrastructure provider for new RTCC deployments nationwide.	**Phase 1 (Y1)**
	Develop IIJA-aligned solution briefs for Smart Transportation and Smart Utilities	Dell Edge Portfolio, PowerScale	Win 25+ major IIJA-funded infrastructure projects.	**Phase 2 (Y2)**

IV. Integrate Security into the Core	Integrate cyber resilience messaging into all server/storage sales training and collateral	PowerProtect, Cyber Recovery	Increase attachment rate of data protection solutions to server/storage deals by 20%.	**Phase 1 (Y1)**
	Create SLCGP-aligned solution bundles for cybersecurity grants	Dell Security Portfolio	Achieve $50M in revenue directly attributed to SLCGP-funded projects.	**Phase 3 (Y3)**
V. Simplify Procurement & Partnership	Establish internal "Center of Excellence" for cooperative purchasing contracts	All Dell Products & Services	Reduce average sales cycle time for deals using cooperative contracts by 15%.	**Phase 1 (Y1)**
	Formalize and launch Tier-1 GovTech ISV partnership program (Tyler, Oracle, etc.)	All Dell Infrastructure	Secure "Dell Preferred Infrastructure" status with at least 3 top GovTech ISVs.	**Phase 2 (Y2)**
	Deepen co-sell motions with Microsoft (Azure Stack HCI) and AWS (Outposts)	PowerEdge, VxRail	Double the revenue of Dell hardware sold as part of Azure/AWS hybrid solutions.	**Phase 3 (Y3)**

Conclusions and Recommendations

The State and Local Government market is at a critical juncture, presenting both significant challenges and profound opportunities for Dell Technologies. The analysis contained within this report leads to a clear, overarching conclusion: success in the 2025-2028 timeframe will be defined not by selling hardware, but by providing the foundational infrastructure for an efficient, data-driven, and resilient digital government. The convergence of tightening budgets and rising citizen expectations has created an urgent demand for technology solutions that deliver tangible outcomes and a clear return on investment.

Dell's strategy must be built upon its core strengths—its trusted brand, comprehensive portfolio, and market-leading position in core infrastructure—while aggressively pivoting to address the market's new imperatives. The explosive growth of AI, the pragmatic dominance of the hybrid cloud, and the relentless focus on cybersecurity are not disparate trends; they are interconnected forces shaping a new architectural demand for a secure, high-performance, edge-to-core-to-cloud continuum. This is Dell's strategic sweet spot and its most significant competitive advantage over both pure-play cloud providers and less comprehensive infrastructure rivals.

To activate this strategy, the following recommendations are paramount:

1. **Lead with an AI-First Infrastructure Message:** Dell must seize the current window of opportunity to become the default choice for on-premise and hybrid AI infrastructure. This requires a concerted effort to market AI-optimized servers and storage, develop repeatable vertical solutions, and position Dell as a strategic advisor during the critical planning phase of government AI initiatives.
2. **Embrace and Simplify As-a-Service:** The shift to OpEx is undeniable. Dell must accelerate the market adoption of Dell APEX and Technology Rotation models, simplifying the offerings and tailoring the messaging to directly address the budget and operational realities of SLG customers. The goal is to make the choice between Dell's subscription offerings and the public cloud a straightforward financial and operational decision.
3. **Sell Outcomes, Not Products:** The go-to-market motion must evolve. This means investing in vertical expertise, developing solution playbooks for high-impact areas like public safety and smart communities, and training the sales force to engage with line-of-business leaders in the language of their mission-critical outcomes.

4. **Weaponize Procurement Simplicity:** In a market where complexity is a major pain point, making Dell the easiest vendor to do business with is a powerful competitive weapon. Mastering cooperative purchasing vehicles, empowering the channel with public sector expertise, and guiding customers through the acquisition process will reduce sales friction and accelerate growth.
5. **Forge Strategic Ecosystem Alliances:** Dell cannot win alone. Deepening the "co-opetition" relationship with Microsoft and AWS to become the best platform for their hybrid solutions is essential. Simultaneously, building a robust partnership program with dominant GovTech software vendors is critical to ensuring Dell's infrastructure remains relevant as the application layer increasingly dictates the technology stack.

By embracing these recommendations and executing the strategic imperatives outlined in this plan, Dell Technologies will not only navigate the challenges of the current market but will solidify its role as the essential, long-term technology partner for state and local governments across the nation.

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