

CDW and Sirius: Building the Next Layer of Customer Solutions

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The integration question

In late February 2022, CDW's leadership had a newly combined business to organize. The company had completed its acquisition of Sirius Computer Solutions on 1 December 2021. The transaction brought thousands of technical specialists and a broad set of infrastructure, security, cloud, and managed-services capabilities into a company known for connecting customers with technology products and services.

The strategic promise was clear enough to describe: customers increasingly wanted integrated solutions, and CDW said the acquisition would add depth to its services offering. The operating model was less clear. How much should CDW integrate Sirius during the first post-close year? Which customer interfaces and systems should become common? Which specialist teams, leaders, and delivery routines should remain distinct while the companies learned how to work together?

The public information did not answer those questions. It did establish the stakes. CDW had identified the retention of key coworkers and customer and supplier relationships as acquisition risks. It had also projected growth and financial benefits from the combination. The leadership task was to turn those claims into a practical first-year plan without confusing purchased scale with new value created by integration.

For this case, assume the role of an executive advising CDW leadership on the first-year operating model. The alternatives below are analytical choices for discussion; they are not reported proposals from CDW management.

Two businesses with complementary capabilities

CDW was a multi-channel seller of technology products and services. Its account managers, technical teams, distribution and logistics capabilities, and vendor relationships supported a broad customer base. In its 2021 Form 10-K, CDW said customers were increasingly approaching technology purchases as solutions rather than as separate product and service categories. Management described demand for digital transformation, security, hybrid and cloud solutions, and remote-work enablement. More than half of U.S. net sales were generated by account managers with more than seven years of tenure. Those disclosures suggest both an opportunity in established customer relationships and a reason to handle continuity carefully. [C01]

Sirius brought a different mix. In announcing the deal, CDW described Sirius as serving approximately 3,900 large and midsize customers and employing about 2,600 coworkers. Its stated strengths included hybrid infrastructure, security, digital and data innovation, cloud, and managed services. CDW presented those capabilities as complementary to its existing business and said the deal would broaden and deepen its solutions offering. These are company descriptions of the target and its strategic fit. [C03]

The transaction announcement valued the cash purchase at \$2.5 billion, subject to customary adjustments. CDW projected that the combined services portfolio would expand by about 45%, from roughly \$0.9 billion in 2020 to \$1.3 billion. It also described expected margin, earnings, and leverage benefits. These were management forecasts, not established outcomes. [C03]

The first post-close signals

CDW's 2021 reporting included Sirius only from the 1 December closing date. The 31-day contribution was \$197 million of net sales and \$9 million of net income. CDW also said it had issued cash and equity retention awards to certain Sirius coworkers. The short reporting period cannot establish Sirius's normalized performance, integration synergies, or the retention of critical specialists. [C01]

The 9 February 2022 earnings release supplied a broader management context. CDW's CEO said the company welcomed more than 2,500 Sirius coworkers and reiterated an objective to grow 200-300 basis points faster than the U.S. IT market in 2022 on a consolidated, constant-currency basis. Its CFO said cash after dividends would be focused on reducing debt toward a 2.5x-3.0x target by year-end. Both statements describe management objectives; they do not isolate Sirius integration effects. [C02]

CDW's 10-K also disclosed acquisition risks: key-person retention, customer and supplier relationships, delays or failure to realize expected benefits, and unanticipated costs or liabilities. It did not report account-level customer overlap, cross-sell conversion, specialist attrition, project-level margins, delivery quality, or integration costs. The 2021 results therefore offered context, but little direct evidence about which structure would work best. [C01]

A choice about coordination and autonomy

CDW leadership can consider three first-year operating models. Each would require a clear owner, a way to coordinate customer-facing work, and evidence for deciding whether to expand, adjust, or stop particular integration steps.

1. Integrate quickly

Move Sirius rapidly into CDW's customer-account structure, operating systems, planning rhythms, and core processes. Give account leaders shared responsibility for identifying opportunities across the combined portfolio. This approach could make the combined offer easier to coordinate and could reduce friction where processes overlap. It would also require decisions about account ownership, incentives, technical escalation, and which Sirius routines should change immediately.

2. Preserve a specialist unit with coordination links

Retain Sirius as a distinct specialist organization, with its leadership and delivery routines intact in the near term. Connect the teams through referrals, joint account planning, and project-specific collaboration. This would protect a recognizable specialist platform while creating routes for customers to access CDW's broader capabilities. It would also leave questions about competing account priorities, handoff quality, duplicated processes, and whether coordination depends too much on individual relationships.

3. Phase integration against evidence

Establish common customer-facing interfaces and selected shared infrastructure, while initially preserving specialist delivery teams and routines. Run joint-account or solution-area pilots, then expand structural integration where evidence indicates repeatable customer and operating gains. This model could preserve options while the businesses learn. It would require reliable baselines, transparent attribution, explicit decision rights, and patience; pilots can be costly or inconclusive, and slow sequencing may delay benefits.

What would count as progress?

The choice is not simply about organization charts. It involves decisions about customer ownership, team incentives, specialist authority, delivery methods, systems, and the pace at which capabilities are combined. A useful first-year scorecard might include:

- retention of critical specialist talent and continuity of key customer relationships;
- joint qualified pipeline, conversion, repeat business, and contribution from combined offers;
- customer retention, project delivery quality, and time to staff specialist work;
- progress on shared systems and processes, including any documented one-time cost or service disruption;
- a distinction between revenue from acquired customers and incremental sales associated with joint coverage.

The company's public disclosures do not provide the internal cohort data, baselines, costs, or attribution rules needed to set defensible numerical thresholds. Any targets or pilot thresholds would be management assumptions to validate, not facts supplied by the public record.

The integration decision therefore asks leadership to balance two possibilities. CDW may need more coordination to make its broader customer proposition real. At the same time, Sirius's specialist knowledge and customer relationships may be the capabilities the acquisition was meant to add. The public evidence describes the intended fit and the risks, but not the internal conditions that determine the right pace or degree of integration.

Discussion questions

1. Which of the three operating models would you recommend for the first year, and why? What assumptions drive your choice?
2. Which customer, delivery, or infrastructure interfaces should be common immediately? Which capabilities or routines should retain specialist authority?
3. What first-year measures would help distinguish acquired scale from value created by coordination? Specify baselines, owners, and a decision rule for expanding or changing the model.
4. How should CDW respond if joint pipeline grows but specialist retention or delivery quality weakens? What if retention remains strong but cross-business referrals do not convert?

Source notes

- **C01:** CDW, 2021 Form 10-K, filed 28 February 2022: Business and strategy, pp. 6-9 and 28-29; Sirius acquisition risks, pp. 14-15; Note 3, pp. 55-57. [SEC filing](#).
- **C02:** CDW, “Reports Fourth Quarter and Full Year 2021 Earnings,” 9 February 2022. [Earnings release](#).
- **C03:** CDW, “To Acquire Sirius Computer Solutions for \$2.5 Billion,” 18 October 2021, including “Strategic and Financial Benefits.” [Company release](#); [SEC-filed exhibit](#).