Assignment

[Name of the Writer]

[Name of the Institution]

**Culture**

**Introduction**

An American multinational software company recently owned by IBM in 2018 is Red Hat, Inc which was founded in 1993. Its corporate headquarters are in North Carolina, United States, Raleigh, and various other countries. It is one of the leading sources of the organization having open source solution and using different methods to provide high performing and reliable technologies of hybrid cloud, Linux, Kubernetes, Android, and Container. Red Hat helps its customers in developing applications of cloud-native, integrate existing and new applications, complex environment management, secure, automate and regulate the industry-leading operating system. Its services include consulting, training and support which makes Red Hat a reliable adviser and one of the best company in the industry. An organization can take the support of Red Hat to create value for the digital future as it is a strategic partner of integration of a system, cloud providers, customers, application vendors, and open source communities. In the fiscal year 2019 Red Hat revenue was $3.4 billion, Over the year it is up to 15 %.

International Business Mechanics corporation is a multinational American IT company, operating in more than 170 countries with having headquarters in Newyork and Armor. Its previous name in 1924 was Computing-Tabulating-Recording Company (CTR). In 1911, Endicott was the founder of the company. IBM produces and sells software, middleware, and hardware and it also provides consulting and hosting services in the area going from Mainframe computer towards nanotechnology. In 26 consecutive years (as on 2019), IBM has the record of generating most of the patent ofU.S. IBM inventions involves hard disk drive, floppy disk drive, the relational database, the magnetic stripe card, the UPC barcode, programming language SQL and dynamic random access memory (DRAM). Its revenue includes US$9.59 billion (2018).

In 2013 IBM revenue growth was 4% and according to 2019 survey, it is 25%. In IBM growth originates from the complete range of software, services, offerings and hardware that allow IBM to build, advice manage and move cloud solutions among private, public and in the customers' premises of environment. In the first quarter of this year since the last 12 months, IBM cloud revenue was raised over $19 billion.

# Discussion

Aquisationof Red Hat Inc. was announced on Oct 28, 2018, and the process was completed in July 2019. The worth of this acquisition was $34B with all common and outstanding shares of Red Hat having value $190 per share in cash.

* Acquisition position of IBM as a leading hybrid cloud provider generates a high-value business model which extend open source invention of Red Hat to a wider range of clients.
* IBM preserves the neutrality and independence of Red Hat, Red Hat after its acquisition give its customers more flexibility, choice, and freedom.
* It is the strong commitment of Red Hat to keep the open source unchanged.
* IBM and Red Hat together will create the next generation platform of hybrid multi-cloud. Cloud market for business will redefine by the acquisition.
* Hybrid cloud technologies are opened by Red Hat which is now matched with the industry expertise and innovation depth of IBM's, and almost 175 countries sales leadership.
* To manage the environment of hybrid multi-cloud they need a technology which is more flexible and open.
* According to CEO and president of Red Hat, Red Hat want to create a collaborative culture because they need a solution to build flexibility and deploy any app or workload.
* To manage this environment of hybrid multi-cloud, they need more flexible technology and trustworthy partners to secure and manage the systems.

Jim Whitehurst will continue to lead the Red Hat and its present management team. Red Hat headquarters will be maintained by IBM in North Calorina, Raleigh and also its facilities practices and brands will be managed by IBM. Red Hat will run its distinct operations inside IBM and will be accepted as a part of Cognitive Software segment and IBM's Cloud segment. Already both companies have fabricated leading enterprise cloud business, they have constant increasing revenue growth by serving customers and their changing needs. In the previous five years period, the acquisition of Red Hat expected to grow two points of IBM compound annual revenue growth.

Digital reinvention is a variation point, as these companies are going to enter in the new chapter of their cloud journey. Almost 20 percent of the enterprises are going through the evolution of Cloud. The business made great progress in boosting productivity, reducing cost and stimulating their innovation programs. Another mission of the company is to shifting of critical workload to clouds and enhancing everything from the supply chain in core banking systems.

The company should use consistent, simple and integrated ways to manage their on and off premises, entire infrastructure across different public and private clouds. Businesses are looking for a common environment and create a faster and agile working environment. IBM offerings have changed to reflect present needs of customers and greater growth. As a leader, IBM gets more strong after its acquisition of Red Hat in a hybrid cloud. The pace of innovation has increased to stay competitive, they are going to a distributed cloud environment and looking to open source to be reactive to the innovation's new wave which was not possible before the acquisition. In the next five years, a big and growing portion of the investment will be on multi-cloud environment and open hybrid that allow them to move data, apps, and workload among different environments. According to chief analyst and vice president IDC, "By Red Hat acquisition and commitment of IBM to Red Hat freedom, IBM is well positioned to assist enterprises and segregate themselves in their industry by open source capitalization in this multi could and the hybrid world". The combined effort of Red Hat and IBM to expose the hybrid cloud true value for businesses to move to the digital invention next chapter. According to the statement of Delta, CEO Ed Bastian, he said that Delta is consistently discovering emerging and current technology, from many years they have been working with both Red Hat and IBM to achieve that goal but together they build the IT company next generation which will be an important part of their digital transformation.

Red Hat and IBM have deep open source experience and values. If they worked together for more than 20 years, they will make default choice for new IT solutions by helping open source project, open governance, and continued contribution. IBM, by the acquisition of Red Hat, has acquired one of the most essential software company in the industry of IT. Red Hat invents business model which assist to bring open source includes technologies like Kubernetes, Linex, Java, Ansible, Ceph, and others into the enterprise mainstream. For development, Linux is the best-used platform. In 2019, Red Hat organization Linux is predicted to contribute more then$10 trillion revenues of global business and it is predicted that 640,000 people are expected to have Job related to Red Hat.

**Conclusion**

IBM has committed to accelerating and scaling hybrid cloud and open source for business among industries and preserving the neutrality and independence of Red Hat's open source legacy. The mission of Red Hat is to keep the open source commitment unchanged, and it will maintain the flexibility of hybrid and open source IT environment. Red Hat will continue to expand and build its partnership, along with essential cloud providers such as Microsoft Azure, Amazon Web services, Alibaba and Google Cloud.

**References**

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