

Hp swot matrix

[Finance](#), [Financial Analysis](#)



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Strengths of HP

1. Global presence.
2. Strong brand image with high quality of product and service.
3. Providing customers service with specific technical support.
4. Successful Strategic Acquisitions.

Hewlett-Packard has strong financial condition. Hewlett-Packard is a global company and became world's biggest computer hardware. The growth of 26% in the Americas; 28% world-wide percent in Europe, the Middle East, and Africa; and 16 percent in Asia Pacific and Japan with the broad-based global recovery (HP Annual Report, 2010).

Hewlett-Packard is maintaining the No. 1 position in worldwide market share, as well as healthy average selling prices. Hewlett-Packard is differentiating through remarkable product design and customer experience from the range of high-end gaming PCs to sleek, powerful notebooks to fashion-inspired netbooks and innovative smartphones (HP Annual Report, 2010). Hewlett-Packard has its own support organizations to provide customers service with specific technical support.

Hewlett-Packard can provide end-to-end IT solution, including infrastructure technology, business process outsourcing, technology support and maintenance, application development and support services and consulting and integration service. Hewlett-Packard continues on recognizing and capitalizing on strategic acquisitions. The company's major mergers and acquisitions in recent past include Compaq Computer Corporation in 2002. In April of 2010, Hewlett-Packard announced to buy Palm for 1.2 Billion. It increases its competitiveness therefore creates value for investors and customers of the company.

Weaknesses of HP

1. Weak Market Segment Integration
2. Over rely on three-party supplier
3. R&D department has significantly less investments
4. Not comprehensive product portfolio HP lack presence in some segments.

Comparing to its major competitors, such as Accenture, EMC and IBM, HP's portfolio offers less significant on software product or manage consulting services. Also, according to HP 2010 annual report, it has a great performance on enterprise customer market but weak at small-scale market. HP over rely on three party supplier.

HP's procurement expenditures for materials, manufacturing and assembly of HP's products all over the world. The suppliers includes contract manufacturers, electronic manufacturing services providers, original design manufacturers, and commodity suppliers. It is would be complicated and

difficult to remain the relationships with the suppliers. HP invest less on R&D, compare to historical spending. HP does not develop the new technology for new product. Although HP has its brand smart phone, however, this properly attributes to the acquiring Compaq. For the smart phone technology, HP is leaved behind its competitors.

Thus, they trend to acquire Palm. HP's competitiveness mainly focus on 14. 1 inch notebook, however, the 15. 4 inch notebook is the current second largest market need. HP product line lack of attention on 15. 4 inch notebook. And also HP hardly focus to 13. 3 inch product. However, those size of notebook is the market need. It seems HP has not comprehensive product portfolio.

Threats of HP

1. Hyper-competition in IT market
2. High bargaining power of Smartphone market
3. Slowdown in economic conditions in US
4. Foreign currency exchange rate Although Hewlett-Packard is maintaining the No. position in worldwide market share, some of the companies as a formidable competitor threatened in IT market such as Toshiba, Lenova Group and Aver.

They compete in terms of price, quality, brand, technology, reputation, distribution and also range of other products. Hewlett-Packard wants to redevelop their Smartphone market, but they lack of this experience and technology. Hence, compare with Apple, Google, it still has a lot of space to

improve and catch up. So this is the high bargaining power in Smartphone market when they want to expand this market.

The economic slowdown has negatively affected many market segments, including information technology. Hewlett Packard has experienced this decline not only in the U. S. but also in its global markets. Worldwide spending on IT was predicted to decline by 4% in 2009. Foreign currency exchange rate is one of the external factors that we cannot expect. It is the big threat when foreign currency exchanges rate changes, it might influence the cost of production or the selling price in different countries.

Opportunities of HP

1. High growth rate of Smartphone market
2. Change of lifestyle Change of consumer spending
3. Innovation of 3C(Computer, Communication, Consumer Electronic) products The Smartphone market is having the high growth rate of nowadays. According to the researcher ISuppli Corp. , the global Smartphone shipments may increase 36 percent to 247 million in 2010.

The high growth rate can reflect the demand of Smartphone is also high for customers. The lifestyle of people is change that they will more enjoy the online social with others. The online social is one part of daily life of many citizens. Internet is very important for citizen to keep connect with others online.

The relative products were useful for them to keep online, such as Net-book, Smartphone. The spending custom of customer is change to spending more.

They are more emphasized on the quality and function of the product more than price. The purpose of consumer is also change from useful to habit and symbolize of 3C products. The change of IT products is fastest of nowadays environment. The innovation of product and system improvement is very important for 3C products. The successful innovation product can be come a trendy of customer to buy and follow. Customers are easy to substitute the old product by new product in 3C product markets.