

Hp swot analysis (hewlett packard)

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HP strengths and weaknesses

Strength. The strength of Hewlett-Packard, Inc. rests on the values instilled in the organization by its founders, and this system of values is called the HP Way (Ceruzzi, 2003). It has flourished on the basis of such system of values, and the company has long been recognized for its strong culture. The company culture is actually often cited by management books as an important source of the firm's success. HP is ranked quite high in surveys of the best places to work, and enjoys turnover much smaller than the norm in the Silicon Valley (Malone, 2007). They are also considered by industry experts as one of the most innovative companies there is, with a large percentage of its annual revenue coming from products that it introduced in the past two years. They have likewise achieved a global reputation for building and utilizing human capital in the creation of new innovative products and processes.

Weaknesses. HP has in recent years had difficulty in maintaining its growth and in meeting Wall Street's earnings expectations. Many of its businesses, such as computers and printers, have become increasingly price competitive, and the firm has been under pressure to increase its margins. The result is that the firm is being torn between its values and beliefs and a set of short-term financial pressures, made real by a set of measurement practices that emphasize results in the present at the expense of being prepared for the future. This situation highly affects the decisions that HP has done lately. There is pervasive evidence that the firm's commitment to acting on the basis of what it knows has been sorely tested and that the

company's measurement practices have induced pressures inconsistent with its culture and with doing what it needs to do for long-term success.

Opportunities. There have been notable efforts recently on the part of the company to overhaul their current information technology operations, and the opportunity lies in being ahead in the industry when it comes to IT and the chance to showcase what the company is capable of with the aid of excellent IT operations. It can also increase the effectiveness of how they perform their primary and support activities, not to mention the fact that such move could potentially drive costs down so that revenue targets may be more reached more easily. Expansion to the BRIC (Brazil, Russia, India and China) countries which are expected to grow economically in the near future (Malone, 2007) is also seen as a very promising opportunity for HP. Mergers and acquisitions, as a common occurrence in the industry where HP belongs, also presents an opportunity for HP to grow its business even more. Also read HP strategy analysis

Threats. Since HP is operating in very competitive, high-technology industries with shrinking product life cycles, intellectual capital and talent are in constant danger of being outdated and rivals are always ready to pounce on every opportunity they can acquire to get ahead of the game. The current markets where they are operating, particularly U. S. and Europe, are predicted to experience a slowdown in economic growth. If this proves true, then HP is in the danger of experiencing decrease in sales revenues from said geographic regions. Any subtle change or development on the company's suppliers also presents a threat to the company, because they

are highly dependent on these suppliers to be able to manufacture HP products. Read about HP strategy analysis

Primary and Support Activities. Primary activities that HP is involved in are the design and manufacture of measurement and computation products and systems used in business, industry, engineering, science, healthcare and education industries. Specifically, they manufacture hardware and software and they provide solutions and services in relation to technology. HP produces many different types of products, from laser printers and computers to hand-held calculators and electronic instruments. The company is currently organized into Computer Products, Systems, Measurement Systems, and Test and Measurement organizations (Morgan, 2006). Support activities include using production postponement (delaying the differentiation of a product for an individual customer until the latest point possible in the value chain) to deal with market demands for mass customization, which the company has done successfully.

REFERENCES of SWOT Analysis

Ceruzzi, P. (2003). History of Modern Computing. Massachusetts: The MIT Press.

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Morgan, G. (2006). Images of Organization. Thousand Oaks, California: Sage Publications, Inc.