

A balance scorecard analysis of compaq computer corparation

[Technology](#), [Computer](#)



Compaq which comes from two words COMPAtibility And Quality was founded in 1982 by Rod Canon, Jim Harris and Bill Murto with each of them investing \$ 1, 000 as starting capital for the organization.

They tapped two key marketing executive from IBM company (Jim D'Arezzo and Sparky Sparks) in the early eighties who really helped in the positioning of Compaq as a household brand name in its early years with the assistance of other executives such as Ross A. Cooley, Michael Swavely, Mr. Colley.

Over the years, it grew to become one of the most successful PC manufactures company with a commanding market share and knocking out some of its competitors along the way. However it later merged with its biggest competitor in 2001.

GROWTH OF COMPAQ

Having being founded in 1982, Compaq announced its first product (Compaq Portable) in November 1982 which was released to the market in 1983. this was a start with a success being able to sell out 53, 000 units in its first year at a price of \$2995. This was the start of the rolling of f of a number of its product which included the Compaq Deskpro in 1984, the Compaq Deskpro386 in 1986 and the Systempro (a server) in 1989. Compaq Deskpro 386 was an even bigger success and a mile stone as Compaq was able to set itself as a supplier of choice making IBM lose its image of technical leadership.

The early 90s was Compaq dominating the market for servers driving off quite a number of competitors off the market in a price war. The late 90s

was Compaq buying other technology companies becoming the second largest computer maker in the world.

Things changed in 2001 as Compaq went into a merger with Hewlett-Packard changing their symbols from CPQ and HWP respectively to HPQ. Just like every other corporate merger, the merger between Compaq and Hewlett-Packard was faced with difficulties but this was worse as the two were global giants in the technical industry with the biggest challenge being bringing them together 'without sacrificing the customer-centric approach that divided them'.

BALANCE SCORECARD

'A balance scorecard is a strategic planning and management system that is used extensively in business industry, government and non profit organizations worldwide to align business activities to the vision and strategy of the organization, improving internal and external communication and monitor organization.

This tends to transform the organization strategic plan from an attractive but passive document into one that the organization uses on a day basis in its decision making'. (Balance Scorecard Institute 2008)

Kaplan and Norton developed and linked it to firms' strategic objectives to performance measurement. They also recommended broadening the scope of the measures to include