

The hewlett packard economic analysis business essay



**ASSIGN
BUSTER**

Hewlett-Packard is the universe's largest engineering company. Based in Palo Alto, California, HP maintains sections that cross sectors such as calculating hardware (printers, personal computing machines, servers, and storage), software, cloud calculating services, IT substructure, and connectivity merchandises. HP offers its merchandises to over 1 billion clients in over 170 states. HP has approximately 332,000 employees worldwide. The company ranked No. 10 in the Fortune 500 rankings, and its gross for 2012 was about \$ 120.4 billion (Hewlett-Packard Development Company, L. P. , 2011) . A

Hewlett-Packard was one of the first engineering based concerns in Silicon Valley. HP was founded by Stanford graduates David Packard and William Hewlett. They began the company, in 1939, in a garage following to Packard 's place in Palo Alto, Calif. As the company grew, the firm based the organisational construction on an informal, non-hierarchical civilization (Hewlett-Packard Development Company, L. P. , 2011) . In order to further and environment of invention, they allowed applied scientists to entree tools and parts after hours.

Hewlett-Packard Company (HP) is a provides legion merchandises, engineerings, software, solutions and services to private consumers, concerns of all sizes, including the Government, wellness and instruction sectors. Its operations are organized into seven divisions including the Personal Systems Group, Services, the Imaging and Printing Group, Enterprise Servers, Storage and Networking, HP Software, HP Financial Services and Corporate Investments. HP 's offers merchandises for personal computer science, client services, substructure engineering, concern

<https://assignbuster.com/the-hewlett-packard-economic-analysis-business-essay/>

procedure outsourcing, application development and support services, and imaging and printing merchandises.

Since HP extends across legion IT markets, it has legion rivals in each Market. For case, in the personal computer science market Apple and IBM offer really similar merchandises and would be considered direct rivals. In the printing sector, direct rivals are Epson, Cannon, and Lexmark. In the waiter sector, once more IBM is direct competition along with Dell.

Overall, HP had a 3.3 % market portion in the IT market. That figure is based on industry broad gross figures for 2012. HP 's 2012 gross was \$ 123 billion out of approximately \$ 3.79 trillion spent within the industry worldwide (Hewlett-Packard Development Company, L. P. , 2011). In comparing, the No. 1 seller was Apple Inc. with grosss of \$ 149 billion and a 3.9 % market portion.

(Hewlett-Packard Development Company, L. P. , 2011)

(Hernandez, 2012)

(Hingley, 2012)

Harmonizing to the class text, `` the construct of A snap involves the per centum alteration in one variable associated with a given per centum alteration in another variable " (Hirschey, 2009, p. 170). Elasticity relates to the rules of supply and demand. When something alterations in a market, snap conveys how much other elements will alter. For case, monetary value snap conveys the sum of impact a alteration in monetary value will hold on consumer willingness to purchase that point. If monetary values rise, the <https://assignbuster.com/the-hewlett-packard-economic-analysis-business-essay/>

jurisprudence of demand dictates that the measure demanded will diminish. Price snap of demand points out how much the measure demanded lessens. Elastic demand means that the consumers of that good or service are extremely sensitive to alterations in monetary value (Tuck, 2013). Typically, a good or service which is non a necessity or has multiple replacements has elastic demand. Inelastic demand has the converse significance and indicates that consumers are non extremely sensitive to monetary value alterations.

Price snap of a merchandise is calculated as the per centum alteration in the measure demanded of a good divided by the per centum alteration in the monetary value for that good (Tuck, 2013). A consequence greater than one means that the merchandise is elastic and that demand is extremely sensitive to alterations in monetary value. Elasticity less than one means that a merchandise is inelastic and monetary value alteration will hold a minimum impact on the measure demanded.

HP is a engineering and hardware company. Any consumer that has been to an electronics shop knows that there are a enormous sum of hardware and package options available. There are legion rivals that offer similar pressmans, computing machines, waiters, and package bundles. In add-on, the engineering market is quickly germinating and new merchandises are being systematically released onto the market. This drives short life rhythms for merchandises and rapid obsolescence. Though, engineerings have become a necessity worldwide, consumers are highly monetary value sensitive due to the high figure of alternate merchandises available. These

factors drive a high degree of snap in the engineering sector, which impacts many of HP 's merchandises.

Arrested development analysis is `` statistical technique that describes the manner in which variables are related to one another '' (Hirschey, 2009, p. 85) . This type of analysis is normally used to place demand, cost, and net income dealings. For the intents of this assignment, the arrested development analysis can be used to show the relationship between entire gross revenues, employment rates, and personal income degrees.

A

Gross saless Levels (Revenues Fiscal Year 2012)

Unemployment Rate

Personal Income (Monthly)

Oct-11

\$ 32, 122, 000. 00

8. 5

\$ 3, 044. 00

Jul-12

\$ 29, 669, 000. 00

8. 2

\$ 3, 088. 00

Oct-12

\$ 29, 959, 000. 00

7. 9

\$ 3, 088. 00

(Bureau of Labor and Statistics, U. S. Department Of Labor, 2010)

In order to carry through this, the equation:

Gross saless Levels (Y) = a + b1*Personal Income + b2*Unemployment
Rate + vitamin E

$$Y = 230100 + -966. 67x1 + -62. 341x2$$

Based on the analysis that has been done to this point, it appears as though package gross grew 14 % twelvemonth over twelvemonth with a 27. 2 % runing border. Software gross was driven by 9 % licence growing, 9 % support growing, and 48 % growing in services. HP Financial Services gross grew 1 % twelvemonth over the twelvemonth. However, there was a diminution in other facets of the concern as the personal systems, printing, and enterprise waiter and storage, as grosss declined in each of these countries.

The engineering market and these statistics indicate that HP should go on to develop its package and fiscal services divisions. These facets of the HP

organisation have demonstrated growing and the company should go on to travel toward spread outing in these sectors. Despite worsening gross, HP is still a leader in the hardware market every bit good. The company may desire to leverage the package division and work toward incorporating more of the accredited package into the hardware merchandises. For illustration, the HP waiter and storage division could integrate HP package packages, used to drive the engineering, at a decreased monetary value. This would do the hardware more moneymaking to endeavors and personal consumers. Alternatively of buying package and services from a rival, a more cost effectual, all-in-one solution could be bundled by HP.

Apple Inc. has become a dominant rival in the engineering market. They have accomplished this with an accent on design, non hardware. HP should besides do an attempt to retroflex the Apple theoretical account to a certain extent. They need to put resources into the design and invention of new merchandises. The engineering market demonstrates a high degree of monetary value snap. So, HP needs to force towards good designed merchandises that provide alone and cutting border tools for users. Any border that the company can derive without increasing monetary values will finally better their bottom line.