

Background of hewlett-packard company



HP – Report

Introduction

Hewlett-Packard Company commonly referred to as HP, is an information technology corporation headquartered in Palo Alto, California, USA. As one of the world's largest information technology companies, it operates almost in every country. Its speciality lies in developing and manufacturing computers, data storage, networking hardware, designing software and delivering services. The Major products include personal computer devices, enterprise servers, storage devices, and a diverse range of printers and imaging products. Hp markets its products to households, small to medium size businesses and enterprises both directly, via online distribution, consumer-electronics and office-supply retailers, software partners and major technology vendors.

Bill Hewlett and David Packard founded HP in a garage in Palo Alto with only US\$538 in 1939, after graduating in electrical engineering from Stanford University. Incorporated in 1947 it went public in 1957. And since then it has grown and grown to now become a huge multinational company.

Main objectives

Customer Loyalty

To provide products, services and solutions of the maximum quality and deliver high value to our customers that earns their respect and loyalty

Profit

To achieve adequate profits to finance our company growth, create value for our shareholders and provide the resources we require in achieving our other corporate objectives.

Market leadership

To grow by constantly providing useful and significant products, services and solutions to markets we already supply – and to expand into new areas that build on our technologies, competencies and customer interests.

Growth

To see change in the market as an opportunity to develop and grow; to use our profits and our abilities to develop and produce innovative products, services and solutions that satisfy emerging customer needs.

Employee commitment

To help HP workforce share in the company's success that they make possible; to provide people with employment opportunities based on performance and abilities; to create with them a secure, exciting and inclusive work atmosphere that values their diversity, recognises individual contributions; and to help them gain a sense of satisfaction and accomplishment from their effort.

Leadership capability

To develop leaders at every stage who are accountable for achieving business results and exemplifying our values.

Global citizenship

Good citizenship is good business. We live up to our responsibility to the society by being an economic, intellectual and social asset to each country and community we operate in.

Stakeholders

A stakeholder is anyone, either individually or as a group, who can affect or be affected by the business as a whole. So anyone related to HP is a stakeholder.

* Shareholders – The approximate 2.3 Billion shareholders are interested in the performance, profit and direction of the company. They decide who the Director of the company is.

* Top Management Staff → The top/senior management staff direct the company's operations, targets and growth. Senior Management includes HP Board of Directors, who are responsible for the establishment of the policies and objectives of HP, such as Mark V. Hurd, HP Executive Team, includes the Chief Officers of Operations, Finance (Catherine A. Lesjak), Information, Strategic and others. These officers are the head managers their own departments.

Government → As its operations in 77 countries it has several governments to consider who decide the tax rates and the amount of imports and exports as well the production of products. The government gets money from taxes and unemployment decreases.

* Customers → Customers of HP want value and quality of their purchases after all the business is in the hands of the customers. If they stop buying, company stops running.

* Employees → As of 2008 321, 000 employees. Employees are interested in the success of the business as this leads not only to job security but also

bonuses and wage rise. If employees are not motivated the quality of the products and services get affected as well as the infrastructure

* Suppliers → The huge range of products that HP produces requires reliable suppliers, who in return want credit payment in time, new contracts and liquidity. Their reliability and level of quality directly affects the quality of the finished goods and hence level of customer satisfaction.

References

– HP Annual 2009 Report

Sources of Finance

Hp is financed through the following sources:

*** Selling Shares**

There are a total of 2, 834, 342, 033 shares holding value of \$142, 501.

79MM

*** Mergers and Takeovers**

From year 2000-2010 Hewlett Packard has acquired nearly 50 companies:

Indigo (2002)

Novadigm (2004)

RLX Technologies (2005)

Knightsbridge (2007)

Tower Software (2008)

IBRIX (2009)

* Bank loans (Short-term and long-term)

* Debentures

* Trade credit

* Sale of assets

According to 31 January 2010, Total Assets of HP value up to \$113,618million

* Use of retained profits

References:

2010 Q1 Report

Ownership Summary - <http://h30261.www3.hp.com/phoenix.zhtml?c=71087&p=irol-ownershipSummary>

Mergers and Acquisitions - <http://h30261.www3.hp.com/phoenix.zhtml?c=71087&p=irol-mergers>

SWOT Analysis

A SWOT Analysis is a tool used to identify Strengths, Weaknesses, Opportunities and Threats of a company. These are internal and external factors which create value or destroy value.

Strengths Weaknesses

* HP is a giant multinational company.

It has its operations in 77 countries, so it has its risk spread out of going bankrupt. In addition to that there is a huge range of products and services.

* It is a customer-oriented company; it makes what the customers are seeking for. So customer demand is less likely to fall.

* Each employee is valued for the experiences, unique skills and perspectives he/she brings. This has raised the quality and level of production of the employee from its competitors.

Opportunities Threats

· Before HP was more of a commodity vendor but slowly it has availed the opportunity of developing consumer trend and shifted to a more solution-provider side.

· Different sectors, such as the telecom and scientific simulations, are upgrading very fast and require higher technology. HP can see this as a new market to advance in.

* There are a lot of competitors who are also huge like HP in the computer business – IBM, Dell, Sony, etc.