

The way forward for agilent technologies ltd essay



**ASSIGN
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the people are well-informed, they can be trusted with their own
government. ~ Thomas Jefferson The purpose of existence of an organization
is to create value. Value begets trust and vice-versa. Trust and Value are of
prime importance for an organization to grow in a sustainable manner. The
following summary explains the importance of the same in a holistic manner,
where-about a case of “ The way forward for Agilent Technologies Ltd” is
discussed upon.

Hewlett-Packard (HP), an American multinational information
technology corporation, was founded in a one-car garage in Palo Alto
by William Bill Redington Hewlett and Dave Packard in 1935. As a startup,
their main presence was in the test and measurement (T& M) industry. In the
due course, HP diversified its product portfolio by venturing into the
semiconductor products, printers, imaging equipment, computers and
servers, health-care solutions and chemical analysis industries. The
entrepreneurial culture which prevailed amongst its employees helped the
startup grow into a multinational corporation.

The founders, Bill and Dave, developed a unique management style that
came to be known as “ The HP Way”. In Bill’s words, the HP Way is a core
ideology which includes a deep respect for the individual, a dedication to
affordable quality and reliability, a commitment to community responsibility,
and a view that the company exists to make technical contributions for the
advancement and welfare of humanity. In the late 1990s, HP decided to have

a major restructure in its business verticals and opted for a spin-off. This decision marked the birth of Agilent Technologies. The move helped HP (the parent company) to focus more on its B2C market.

Agilent Technologies has 4 different business interests. They are as follows. Test and Measurement Automated Test Group Semiconductor Product Group Life Science and Chemical Analysis Today, Agilent operates in 40 different countries and caters to the needs of customers from 120 different countries. Its customers include Fortune 500 companies such as Cisco, Dow Chemical, Glaxo, Intel, Merck etc.

The sound research base of Agilent helps it to stay abreast with the changing needs of the customers. The industry that Agilent is into is governed by technological advancements. The evolving nature of the same, demands for a rich technology portfolio and a robust financial strength. The values inherited from HP and also those cherished by Agilent helps it to stay in-line to the demand.

Agilent manages to hold on to the No. 1 or No. 2 position in the segments it competed. Though the business portfolio of Agilent is greatly diversified, T; amp; M continues to be the main revenue generator.

In 2002, this group constituted for 55% of the total revenue. Again, the T; amp; M sector is classified into two different streams namely the Electronic products and solutions group (EPSG) and communications solutions group (CSG). Its customers were AT; amp; T, Boeing, Hitachi, General electric etc. The main competitors were Anritsu, Tektronix, Advantest, Fluke Corp,

National Instruments and Rhode Schwartz. The strategy for growth of this group was fivefold: 1.

To identify customers' business and technology needs, then leverage across the value chain 2. To introduce emerging test technologies to accelerate customer progress 3. To satisfy customers through operational excellence 4. To focus on leading-edge customers 5. To build new capability in solutions, systems and services. Capitalizing on the innovative strengths of the research lab, Agilent came up with 100 new products in the year 2002.

In 2002, the proportion of revenue from the new products increased by 20% points over that of 2001. It continued with its effort in creating value to its customers but the advent of the economic downturn and the penetration of internet during 2002-03 produced certain disturbances in the functioning of Agilent. The year 2003 saw a change in the way business was carried out until then. In the context of communicating with the customers or the clarity that the customers used to have on the future states, there arose a change in pattern. The so called face to face interactions became passe and it was taken over by the electronic medium. The growing uncertainty of future businesses took its toll on the minds of the customers.

These two happenings raised fundamental questions on the prime factors of business – Value and Trust. Let's look at these 2 phenomena in detail.

Internet Penetration – a boon or bane
The revolution that internet brought in certainly had a positive effect with respect to social improvement but it also brought down the emotional connect that was then possible through the face to face interactions. A customer generally considers a transaction as

complete only when his/her want gets satisfied and in the given context, with respect to the B2B market, transactions gets completed only when Agilent provides the best of services possible. Here, value creation is synonymous to the service that the customer gets. Providing relevant information to the customers in a timely manner is one of the aspects of quality service.

Due to the penetration of electronic medium, the general communication on the product details or any current updates happened through e-mails and the company websites. The customers who found it quite difficult to adapt to the changing patterns eventually considered the situation as unfavorable and as a want unsatisfied. This had a negative effect in the perception of customers on the credibility of Agilent's being in-line to its purpose of existence, which is creating value. Economic Downturn – An anti-Agilent The downturn caused in 2003 caused many of Agilent's customers to suffer.

Their focus and purchase model shifted from a long term to a short term objective. Though backed up by a robust infrastructure, the financial statements of Agilent showed that it too suffered to a certain extent. These disturbances triggered agitations in the minds of the customers. The following questions got raised in them. 1) Will Agilent really fix my problem? 2) Will the service be reliable? 3) Will they be in business five years from now? The trust that the customers had on Agilent was shaken. To add up to the existing misery, the perception about value and trust was already hit due to the following reasons.

) Separation of Agilent from HP (which questioned Agilent's credibility) 2)

After the separation, due to the infrastructural changes, Agilent found it

difficult to maintain and improve the value it offered to its customers. Shirley Horn, Agilent's senior director of global brand management grappled with two key questions: 1) What were the options available to Agilent for retaining, building and measuring value and trust given the evolving nature of technology, continuing economic downturn, budget constraints and customer loyalty to the former HP brand?) To what extent were customers' perceptions of trust and value being affected by their new technology-driven approach? The general economic climate and the technological penetrations at that juncture pushed Agilent to go out on a mission to understand its brand position. Tracking and measuring of TRUST and VALUE was carried out through a dynamic survey. Based on the learning, Agilent was able to understand that to innovate forever, in other words, is not an aspiration; it is a design specification. Based on the survey the following were identified as the pain areas which needs to be focused at.

) When people are telling HP, they are actually referring to Agilent. 2) Agilent is working well in its marketing strategies, but the customers are expecting specific engineering solutions. 3) Ranked low as an engineering guide and on classic products. 4) Can the internet completely replace personalized computer services? 5) How will it affect the perceptions of value and trust, given that heritage customers seem to miss the old HP days? 6) How can Agilent deliver the expertise ; amp; information required by its customers and also differentiate itself from the intense competition from other's web presence?) What should they do to ensure a continuous profile of longevity, stability and commitment towards customers, thereby

continuing to build trust amongst their customers? Let's discuss these in detail.

Q. When people are telling HP, they are actually referring to Agilent. Sol. LOYALTY TO THE HP BRAND | Respondents | N | Mentioned HP | 257 | But Really Meant Agilent | 116 | % who mentioned HP but meant Agilent | 45% | As shown in this table provided by the survey, 45% of the total respondents actually meant to show their preference to Agilent Products but ended up referring to them as HP products. What is very evident and crystal clear from this finding is that Agilent Technologies is suffering from a Brand Identity Crisis.

They are doing well in areas like customer satisfaction, product development, marketing strategies but still respondents are not able to recognize it by its own name. This is happening due to the overshadow casted on Agilent Technologies by its parent company HP. HP has a very strong customer base and brand loyalty and since its inception, Agilent Technologies was under HP, the legacy continued even after its split from HP. So after recognizing that Agilent Technologies is suffering from such an ailment in terms of brand identity, what should be their next step? Definitely they need to put in efforts to remove this crisis and this is what we are doing in the further analysis of the case where more problems are addressed and solutions are put forward. SA Subendhra Subhashish Suvradeep Conclusion Whenever the people are well informed, they can be trusted with their own government. ~ Thomas Jefferson Whenever the people are well informed, the harbinger can be trusted with the way forward.

~ (151 to 156)