

# Hp final report



**ASSIGN  
BUSTER**

Strategic Management GUC-MBA Program Bill Hewlett & Dave Packard (HP)

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classmates Bill Hewlett and Dave Packard. HP Company is an American

multinational information technology corporation headquartered in Palo Alto,

California, USA. HP is one of the world's largest information technology

companies and operates in nearly every country. HP specializes in

developing and manufacturing computing, data storage, and networking

hardware, designing software and delivering services.

Major product lines include personal computing devices, enterprise servers,

related storage devices, as well as a diverse range of printers and other

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. Palm, Inc. is a leading mobile products company,

creating instinctive yet powerful mobile products that enable people to

better manage their lives on the go.

The company's products for consumers, mobile professionals and

businesses include Palm smartphones and handheld computers, as well as

software, services and accessories. Enter HP: a company with an historic interest in mobile computing, tons of technical know-how, knowledge of design, a massive distribution infrastructure, lots of money, a strong brand, established relationships with both corporate technology buyers and consumers, and a marketing budget to push new products. It's one of the few companies that could buy Palm and pull off a resuscitation of webOS into a viable phone that people might actually want. In April, 2010, HP and Palm announced the acquisition under which HP will purchase Palm. Company Competencies: The combination gives HP significant headway into one of technology's fastest-growth segments with Palm's innovative webOS platform and family of smartphones, plus a rich portfolio of intellectual property from the smartphone pioneer.

It enhances HP's ability to participate more aggressively in the mobile device markets. Palm's unique webOS will allow HP to take advantage of features such as true multitasking and always up-to-date information sharing across applications. With webOS, HP will deliver its customers a unique and compelling experience across smartphones and other mobility products.

Palm's innovative operating system provides an ideal platform to expand HP's mobility strategy and create a unique HP experience spanning multiple mobile connected devices. For HP, it is a stepping stone into the world of mobile phones. With the acquisition comes Palm's proprietary operating system webOS, which was used in the Pre and Pixi phones. HP and Palm have a lot in common. Both companies have been very successful, both companies have iconic brands, as well as both companies have a deep desire to beat Apple, because Apple has consistently

made fools of both firms. This creates a common goal that should keep the resulting combined company focused. There are a number of reasons for the Acquisition:?? The key management of HP??™s Personal Systems Group is composed of nearly all the execs previously running Palm, including HP??™s Todd Bradley. So the business and operations of Palm is well understood.?? HP??™s Windows Mobile phone business is dying a rapid death and HP would have had to totally revamp its product line in order to stay in the smartphone business.

?? HP can leverage its production capabilities to get large volumes of product into the market at low cost.?? HP gets a substantial IP and patent base it can use as a defensive threat against the competition?? WebOS could easily be re-positioned for tablets and other consumer devices to compete with Android, iPad, etc. This is a key growth area for HP. Who in the market wins and loses?? HP understands it has to compete with all PC vendors who see the emerging use of smartphones as threats to full size PCs and in some parts of the world as primary internet devices. This allows HP to compete with these vendors more effectively.?? Google , HTC and Nokia gets a formidable competitor it didn??™t have before from HP acquiring Palm.

?? HP has incredible ability to get devices to consumers, so the marketing channels will dramatically aid the deployment of WebOS devices?? Relatively unaffected by this acquisition will be RIM??™s Blackberry and Apple??™s iPhone, at least for the foreseeable future. They have their own user bases and market segments that are unlikely to find WebOS compelling. But HP wields a lot of power in enterprises worldwide, so there may be a long

term effect if HP can persuade organizations to move to WebOS. Conclusion: Hewlett-Packard's acquisition of Palm for \$1.2 billion is widely expected to change the smartphone landscape, not to mention save the Palm brand from implosion. What's less certain is how the deal might affect the nascent tablet PC market. This acquisition has dramatically altered the mobile market in both smartphones and other portable devices. Overall, this is a positive step for Palm. They have a compelling OS, but their marketing has been weak.

HP has a great ability to fund the much needed marketing Palm needs to get noticed. However, HP has made acquisitions in the past that did not really work out, and HP has not always been good at integrating acquired technologies in their business. While the potential for success is there, we will have to wait and see how well HP does at integrating Palm into their mainstream operations before calling this a win for HP. Recommendation: HP has a number of decisions confronting it, including how to best integrate Palm's products into its existing channels.

In addition, HP finds itself the new player in a smartphone market that's increasingly become a competition between Google Android and the Apple iPhone. But HP executives are also calculating how its newest software asset, the Palm WebOS, can help it with regard to tablet PCs. In addition, using Palm WebOS for a tablet might open the door for more application development. If HP can create a compelling tablet offering that people are willing to buy, the barriers to entry might be fairly minimal. Given that no single manufacturer or OS yet dominates the tablet computing space, HP can couple the capabilities offered by WebOS with its own design expertise to become a key player in this emerging market segment. Here too, the

acquisition of Palm gives HP the ability to leverage the Palm developer community to create applications and services that make an HP-Palm tablet relevant while fending against the iPad. HP has to have a device that is more attractively priced than Apple one that has similar core capabilities, it has to be positively differentiated in the market and they have to avoid destroying the Palm value they just acquired. Chances are the real push from HP will come next year when HP can put their full effort behind an HP designed product.

This year??™s product, assuming it even shows up, will be a place holder for something better later on. HP have advantages in scale and breadth that Apple lacks, but to make use of them they have to do things Apple has proven very good at, like well-funded demand generation user marketing which both HP and Cisco have struggled with at times. This year HP worries are slight. Next year, at least with HP, things could get more interesting. Watching Apple??™s stumbles with the iPhone 4, they may have a better chance. HP must have the right strategy in place.

It can??™t simply be the iPad. Instead, it needs to have a clear vision in order to understand workers and provide them with what they need. The company's overall business is still strong, and the strategy the company has in place for the next 12 months, if executed well, can keep it on top of the PC and printer market and make it an even more powerful force in the enterprise space. But any new leader HP brings in needs to recognize the Palm acquisition as the most strategic part of the company's future. Neither HP or Palm have been very good at marketing themselves lately, There is still a huge potential for webOS as a smartphone. They just needed real

marketing campaign. Palm didn't convey how much better webOS is than anything out there with their retarded zen commercials. I don't think Palm would have been in this predicament if they had a marketing campaign that actually showed how great webOS is.

If people knew how good webOS was there would have been a greater uptake and market share growth. Then all we would need is a new faster better model in June. However, Palms gotten just better. Palm seems to have gotten the message loud and clear. The message: A great smartphone and great OS need an equally great marketing slogan. "Faster, smarter and tons of fun.". Were hoping that both companies realize a historic buyout like this requires some fresh new creative on the marketing side.

5. Strategy formulation, strategic options: The bigger issue that can make the acquisition work strategically are grow the revenue and turn palm into a better competitor \* After announcing the acquisition of Palm by HP. It's a massive move that will reshape the mobile industry. \* The combination gives HP significant advance into one of technology's fastest-growth segments with Palm's innovative webOS platform and family of smart phones, plus a rich portfolio of intelligent property from the smart phone pioneer. \* So finding out solutions for the strategic problem can be through: \* Strategic Marketing plan/ Campaign that stressing on the power of each company ( HP & palm) \* Strategic Partnership with one of Operators 1.

Strategic Marketing plan ??? Awareness Campaign ??? To introduce the new smartphone in Egypt, and to compete with current ones ( iPhone, BlackBerry, HTC,.. etc) it will need awareness Campaign In order to achieve the AIDA

model; Awareness, Interest, Desire & Action, HP will put in action an Integrated Marketing Communication Plan with the following components:

[pic] 1. Advertising: i. Specialized and targeted Magazines Advertising: Advertisements and press releases about the new smart phone stressing on its feature and unique selling proposition would be placed in a selective number in Magazines Outdoors in highest traffic places in Public Relations: A combination of various public relations tools will be employed ??? News releases in Business and food sector magazines.

??? feature stories and interviews ??? Press Conference to launch the new smart phone ??? HP Palm??? in Egypt Video about the smart phone to be viral on social networks like facebook , twitter and youtube Road show in malls & clubs: in order to create awareness about the new smart phone and make people try the phone , Promotion (Discount, Coupon) to increase sales

2. Strategic Partnership: \* Mobile operators are looking for a more efficient approach to customer by offering different bundles to its customers. \* So HP ??“ Palm can make a partnership with one of the operators to offer certain bundle ( Smartphone+ voice, data line). \* This will be the right step to enter the mobile devices business in Egypt as HP is a late entrant into a smartphone market dominated by companies like Nokia, Apple, BlackBerry \*

It will be beneficial for HP as it will take advantage of operators credibility in the MarketReferences: <http://www.conceivablytech.com/761/business/analysis-hp-buys-palm-deja-vu/>

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