

# [Swot analysis of hp inc](https://assignbuster.com/swot-analysis-of-hp-inc/)

SWOT Analysis of HP Inc. Introduction Hewlett-Packard, Inc. (HP) was founded by Bill Hewlett and Dave Packard back in 1939. (Computer History Museum, 2008) Over the years, the company managed to become the biggest global seller of PC. (Pettey, 2008)
For this study, a SWOT analysis will be provided based on the current operations of HP Inc. In the process of conducting the SWOT analysis, internal strengths and weaknesses combined with external opportunities and threats will be identified and discussed.
Internal Environment
Strength
Over the years in service, HP managed to establish a strong brand name. For this reason, the company is able to easily enter into a business partnership with multi-national companies such as in the case of Starbucks in terms of using HP’s Wireless Connection Manager software for the Wi-Fi access of Starbucks’ clients. (Weinschenck, 2002)
Aside from having good and loyal customer reputation in terms of patronizing HP’s PC-related products, the company continuously improves its global distribution network over the years. (BNET, 1998) By enhancing its global distribution network, the company is able to easily distribute its product and services across the world. Thus, strengthening the company’s ability to increase its annual sales and profitability.
Since 1999, HP continuously exerted extra effort in protecting its product and services through the U. S. intellectual property law. (HP, 2008a) By actively registering its newly innovated products and brand name under patent and trademark, the company is highly
protected from having its competitors copy its existing and future technology.
Weaknesses
HP’s Storage Division falls short of its client’s expectations. (Maitland, 2004; Vance, 2004) For this reason, the company has experienced a 5% decline in revenue because of HP’s server and storage division. Likewise, this causes the company’s share to fall down from $19. 10 to $16. 28 back in 2004. (Vance, 2004)
External Environment
Opportunities
HP continuously innovate new product and technology to satisfy the needs and wants of its target consumers. (Hoffman, 2007) Aiming to increase the business opportunity of HP, the company has recently designed and marketed a universal printer driver in order to increase its competitive advantages over other brands.
In order to overcome the company’s weaknesses, HP entered into merger with Compaq in order to improve its storage division. (Stammers, 2004) In the process, HP should take it as a challenge to improve its Server and Storage Division by changing its existing storage landscape. (Maitland, 2004)
Threats
Failure of HP to immediately act upon its weaknesses imposes a significant threat over its annual revenue and public shares since other competitors such as IBM and DELL among others could cause HP’s existing customer-base to shift from one pc manufacturer to another.
Another possible threat is the emergence of electronic substitute that could replace the
existing demand for HP products and services.
Conclusion
Conducting a SWOT analysis in the case of HP Inc. makes it easier on the part of the managers to easily understand the internal and external factors that could significantly affect the profitability and competitive advantages of HP. This study will not only enable HP managers to easily develop a useful strategic plan to overcome its weaknesses but also serves as a guide on how the company could further improve its existing business performance.
\*\*\* End \*\*\*
Appendix I – SWOT Analysis of HP Inc.
Strengths
Weaknesses
Opportunities
Threats
HP has a strong brand name. (Maitland, 2004)
HP’s Server and Storage Division fall short of its client’s expectations. (Maitland, 2004; Vance, 2004)
Continuously innovate new product and technology to satisfy the needs and wants of its target consumers. (Hoffman, 2007)
Failure of HP to overcome its weaknesses.
HP continuously improves its global distribution network. (BNET, 1998)
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Improve HP’s Storage Division by changing its existing storage landscape. (Maitland, 2004)
Emergence of electronic substitute for HP products and services.
HP has good customer reputation in terms of selling PC-related products.
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HP entered into merger with Compaq in order to improve its storage division. (Stammers, 2004)
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HP is protected by intellectual property rights through patent licensing. (HP, 2008a)
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