business transformation through innovation

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agenda

• hp today
• business evolution & IT leadership
• vision & strategy
• “one hp” to customers, partners, suppliers
  – supply chain
  – B2E
  – MIT
• world’s largest consumer IT company

• net revenue $48.8 billion

• 20 inventions each business day

• customer facing / product generation organizational model

• integrated business and IT strategy

• ‘one hp’ to our customers, suppliers, and employees
### hp business evolution

<table>
<thead>
<tr>
<th>1939</th>
<th>2002</th>
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#### business strategy
- **product focus:**
  - 1939: measurement
  - 2002: measurement, computers
- **product focus:**
  - 1939: measurement, computers
  - 2002: measurement, computers printers
- **IT service & solutions**
- **strategy enhanced:**

#### operating model
- **centralized**
- **decentralized**
- **decentralized**
- **blended**

#### governance
- **Bill and Dave**
- **autonomy**
- **multi council**
- **executive council**

#### role of IT
- **inhibitor**
- **enabler**
- **transformer**
## Evolving Role of IT Leadership

<table>
<thead>
<tr>
<th>IT Strategy</th>
<th>Inhibitor</th>
<th>Enabler</th>
<th>Transformer</th>
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</thead>
<tbody>
<tr>
<td><strong>IT Governance</strong></td>
<td>Funding dictates service-centric activities, Architecture narrowly focused, Standards non-existent, Cost-driven</td>
<td>Business value influences decisions, Architecture and strategy define activities, Architecture and standards developed and deployed, ROI conceptualized and defined</td>
<td>Strategy focus is business value, “ONE IT” to deliver cost efficiencies, Standards, Architecture, Full authority and accountability based on architecture and standards, ROI key driver for decisions</td>
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<td><strong>Business Impact</strong></td>
<td>Focus on Infrastructure, Disconnected, independent IT organizations, Little focus on cross-business/cross-function accountability</td>
<td>Limited impact on business strategy, Key joint IT organization structure, Accountability defined for IT decisions</td>
<td>Participates in HP business and technology strategies, Integrated business and IT forums for prioritization and investment decisions, Trusted partner</td>
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<td><strong>Behaviors</strong></td>
<td>Focus on expense management, Customer interaction focused on infrastructure efficiency, No line of site to customer solutions</td>
<td>Focus on effecting economics of doing business – investment model, Customer interest increases as does interest in Go-To-Market value of IT, Connection to business value established</td>
<td>Focus on business process improvement and IT simplification, Tight integration between Go-To-Market and IT, IT part of and delivers on strategic intent</td>
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<td><strong>Business Value</strong></td>
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**Less**
- Business value
- ROI
- Key joint IT organization structure
- Accountability defined for IT decisions
- Focus on effecting economics of doing business – investment model
- Customer interest increases as does interest in Go-To-Market value of IT
- Connection to business value established

**More**
- Strategy focus is business value
- “ONE IT” to deliver cost efficiencies, Standards, Architecture
- Full authority and accountability based on architecture and standards
- ROI key driver for decisions
- Participates in HP business and technology strategies
- Integrated business and IT forums for prioritization and investment decisions
- Trusted partner

**Business Value**
- Focus on business process improvement and IT simplification
- Tight integration between Go-To-Market and IT
- IT part of and delivers on strategic intent
- IT decisions integral to business success
enabling e-services

enabling transformation

enabling an always-on internet infrastructure

enabling intelligent, connected devices and environments

enabling e-services

hp vision
key strategies

- transform hp’s business models
- drive hp’s competitive cost structure
- eliminate duplication of processes, components and solutions
- achieve end-to-end total cost of ownership
- utilize our resources efficiently to maximize HP IT investment
• HP moved from 90% in-house to 90% outsource model

• SCC hub = supports collaboration & creates an e-service
  – 17 hp organizations
  – 120+ trading partners
  – 400+ users

• $33m savings in inventory-driven costs and material costs

• 50% reduction in PO cycle-time
@hp portal - B2E

- part of company reinvention
- single source of company info and transactions
- instantaneous business controls

multiple awards
33% server consolidation
$50M savings in first year
• HP had ad-hoc approach to working with universities

• Invested in knowledge supply chain with MIT
  – answer big questions
  – strategic visibility
  – flexible business model
  – faster time-to-market
  – continuous feedback

• CRM
  – long term commitment
  – strong relationships