Enterprise Print Management and Document Workflow (2003-2005)

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Fundamental Business Objectives	
SAP's	**HP's**
• Spring '04 public endorsement of SAP Web AS • Significantly reduce TCO & increase customer satisfaction – new SAP strategic imperative • Remove "(printing &) output" pain for SAP & SAP's customers • Influence license sales – up-/cross-selling to installed base & sales to new customers • Help SAP reduce investments – focus on core business objectives vs. spooling	• Broad deployment of HP OMS solutions • Deliver on "printing in the enterprise" Corp Obj • Increase license & services sales for HP's OMS solutions (HPOS & HPDS) • Leverage off all of HP's enterprise strengths – output management, systems management, enterprise systems & services • Raise "output" considerations earlier w/customers
Key Underlying Interests	
SAP's	**HP's**
• Accelerate adoption of Adobe forms, return on SAP investments • Reduce SAP customer support, re: output	• Differentiate HP's on-/off-ramp devices • Accelerate growth in "printing in the enterprise" services

Possible Teaming Scenarios

- Engineering-level relationship to port HPDS to Web AS 6.30/6.40
- TCO-driven, tightly-integrated HPDS/WAS packaged solutions (e.g., CRM, Fin, Sales & Dist'n – maybe w/ DP&P or DPS for more strategic solution) – e.g., unified install, mgmt, etc.
- OEM core output management module in NetWeaver (tee-up in exec-level briefing – vision)
- SAP/Adobe/HP forms+output triad solutions
- Explore mid-market/SMB plays

Incremental Value – SAP/HP-IPG (enterprise printing)

SAP/HP-IPG – Alliance Effectiveness
dealing with cultural differences (2005)

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Perspectives	
SAP's view of HP	**HP's view of SAP**
▪ 1992 (R/3) HP helped "re-make" SAP ▪ In field, HP viewed as a hardware vendor – a "boxen schieber" (just selling boxes, has no solutions) ▪ HP's incremental business value to SAP is unclear ▪ Skeptical of IPG's enterprise strategy: consistency, long-term commitment; IPG has often over-set and under-delivered on expectations	▪ Weak collaborative-R&D value-creation processes ▪ Top-down decision-making – too process-oriented ▪ 1:1 interpersonal "working" relations are critical ▪ Lack of perceived urgency – needs to think, discuss … ▪ Strategic partner – $3-4B/year in leveraged business
SAP's view of SAP	**HP's view of HP**
▪ #1 enterprise application company ▪ Engineering-driven, becoming more market-driven ▪ A cautious and conservative company ▪ German and proud of it, yet "the most globally-oriented company I've ever seen" per Shai Agassi	▪ Strong in SAP's ecosystem - >50% h/w share ▪ Somewhat on par or better than IBM (behind IGS) ▪ Unique breadth of products and services

Recommendations

- SAP's culture is very similar to the "old HP" (pre-CPQ merger) – comfortable interpersonal relations
- Start small and think big; under-set and over-deliver on expectations – earn trust and confidence
- Stay focused; achieve strong success, build confidence, and then expand
- Continue building cross-IPG coordinated strategy and linkages
- Strive for greater consistency: strategy, programs, commitment, management linkages

Value-Impediments – SAP/HP-IPG

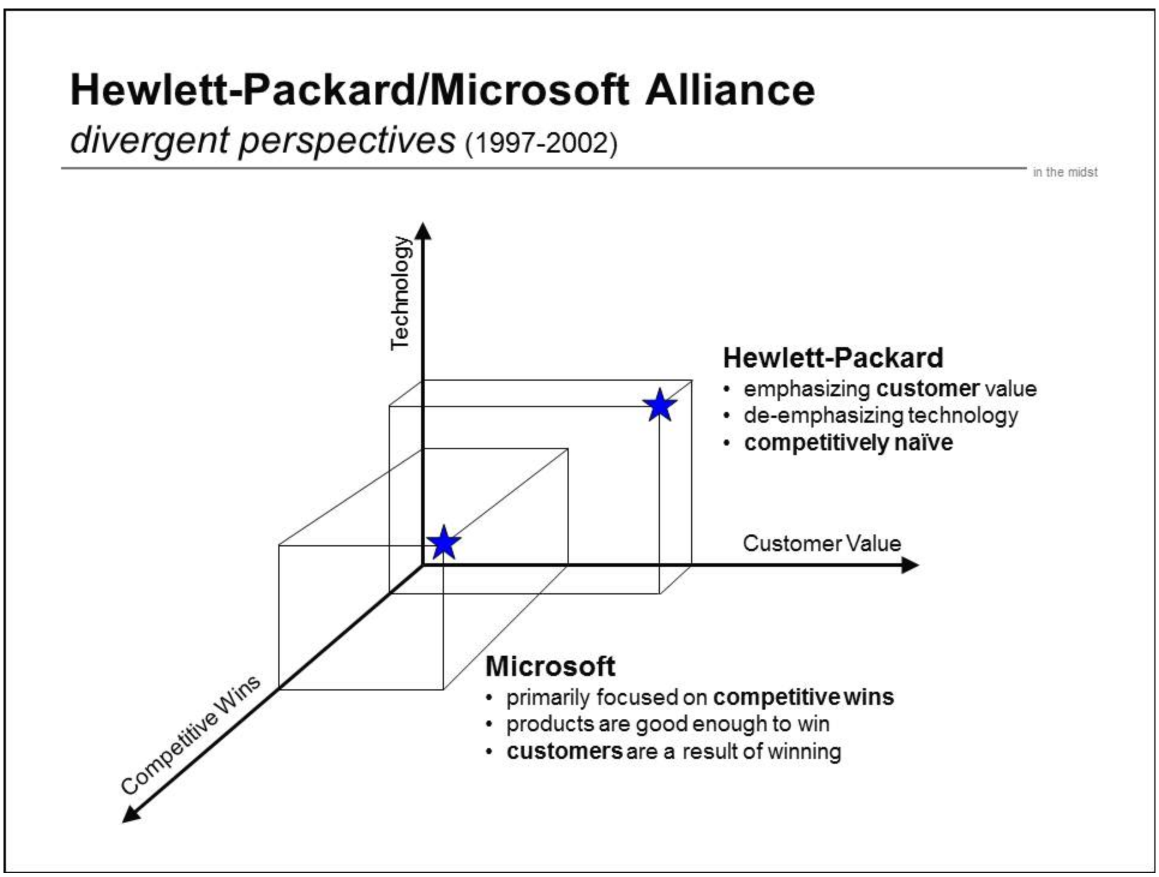
Corporate-Level Strategic Alliance (1997-2002)

Perspectives	
HP's View of Microsoft ▪ Excessively competitive and confrontational ▪ Controlling, paranoid and greedy (unstated values) ▪ "Win / Don't Care" partnering mindset ▪ Focused only on winning the deal ▪ Packaged software mentality – commoditizes everything, including partners	**Microsoft's View of HP** ▪ A non-player in professional services ▪ Falling behind its competitors ▪ Slow, bureaucratic – a laggard ▪ Unable to execute consistently and predictably ▪ Conflicted sales strategies (UNIX vs. NT in late '90s)
HP's View of HP ▪ Collaborative mind-set – looks for common good ▪ Reinventing itself – trying to get more focused under new CEO's leadership (Carly Fiorina) ▪ Disciplined – takes a long-term, mature approach to evaluating new opportunities ▪ Win/win – actively seeks the other company's wins ▪ Flexible – looks for creative deals	**Microsoft's View of Microsoft** ▪ Competitive, fast-moving and entrepreneurial ▪ "Our products are changing the world" ▪ "We are the center of the world / new economy" ▪ Focuses on MS's wins, assumes others do the same ▪ Unappreciated for positive things MS does for the world ▪ Brings partners into deals; they should be grateful

Recommendations

- Focus on each other's complementary strengths:
  - HP's: complex solution selling, long-term relations & perspective, risk-mitigating, collaborative
  - MS's: product expertise, short-term wins, rapid decision-making, risk-taking, competitive orientation
- Align to different perspectives – MS is focused on competitive wins, HP is focused on value to customers
- For HP: align into MS's perspective, assertively sell HP's strengths, under-set & over-deliver on expectations

Value-Impediments – HP/Microsoft



Divergent Strategic Perspectives – HP/Microsoft