



HP Study Reveals the Potential of “Business Technology”

PALO ALTO, Calif., April 24, 2007 – HP today unveiled a study that demonstrates that the business world has reached a tipping point where technology is moving from simply delivering and sharing information to delivering measurable business outcomes.⁽¹⁾

This transition, from information technology to “business technology,” will be characterized by companies evaluating technology investments based on their capacity to accelerate growth, manage risk and lower costs.

According to the study, 99 percent of CEOs and 86 percent of CIOs believe technology is integral to the success of their companies. And 88 percent of CEOs and 90 percent of CIOs now say they share similar visions for how IT can deliver business outcomes at their companies.

A world without this integration is viewed as perilous – companies would lose money, be less efficient and have to charge more for their products, leading to the loss of customers and market share.

And yet, many CEOs have yet to utilize IT to its fullest potential – they either overstate its current role or understate its potential value. For example, less than half of CEOs polled (43 percent) and just over a third of CIOs polled (38 percent) state that technology decisions are included at the inception of strategic planning at their companies.

Forty-five percent of CEOs and 51 percent of CIOs say their companies include technology leadership after strategic goals have been set but before the plan is implemented. And there is clearly significant potential to improve the partnership: only 43 percent of CEOs and 35 percent of CIOs think their companies are currently “very successful” at aligning technology with business outcomes.

Are we there yet?

CEOs take a broader view than CIOs of the potential benefits of integration. Nearly three-fourths of CEOs say accelerating growth, lowering costs and mitigating risk are “very important” reasons to integrate technology. CEOs are 13 percent more likely than CIOs to think that integrating technology is very important to accelerating growth – and 16 percent more likely to think that integrating technology is very important in order to mitigate risk.

CIOs believe their CEOs and other management are only now realizing that IT can deliver well beyond “back office” value; some CIOs believe CEOs and management do not yet fully understand the value IT can deliver. In addition, only 38 percent of CEOs say they are very involved in technology decision-making processes – but 20 percent of both CEOs and CIOs would like to see the others more involved.

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Communication will unleash IT's power to deliver business outcomes

To achieve better business outcomes, CEOs and CIOs want the same thing from each other: better communication. CIOs want their CEOs and management to better understand technology and the strategic value that technology can bring to the table. CIOs want the CEOs to effectively communicate the company's vision, so they can help deliver on that vision.

CEOs most want their CIOs to have technical expertise and better communication skills, specifically being able to communicate advanced technical knowledge in layman's terms. CIOs think their CEOs want them to have the ability to better communicate, technical expertise and a better understanding of the overall business strategy.

CIOs want their CEOs to have vision and clear communication. CEOs think their CIOs want them to have the ability to understand technology, support technology efforts and better communication skills.

Methodology

Penn, Schoen & Berland Associates performed the study, commissioned by HP, by conducting a total of 150 in-depth interviews among 75 CEOs and 75 CIOs from enterprise businesses in the United States, Western Europe, Eastern Europe, India, China, Japan, Asia-Pacific and Latin America during March and April 2007.

See the complete findings of HP's 2007 Business Technology Survey at www.hp.com/go/business technologyresearch.

About HP

HP focuses on simplifying technology experiences for all of its customers – from individual consumers to the largest businesses. With a portfolio that spans printing, personal computing, software, services and IT infrastructure, HP is among the world's largest IT companies, with revenue totaling \$94.1 billion for the four fiscal quarters ended Jan. 31, 2007. More information about HP (NYSE: HPQ) is available at www.hp.com.

⁽¹⁾ Penn, Schoen & Berland Associates, "HP Business Technology Study," April 2007. Commissioned by HP, the full report is available at www.hp.com/go/business technologyresearch.

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