



Study: Midsize Companies Want Customized Technology Solutions

PALO ALTO, Calif., Sept. 12, 2007 – New research findings show that midsize companies around the world are looking for technology solutions designed to meet their specific business needs.

According to research commissioned by HP and released today, two-thirds of respondents said their companies require solutions built for their company's size and business challenges. A senior IT decision maker in North America said, "When you say 'scaled down,' it means we've lost functionality and we've lost features and I don't want that; I want something that is going to directly meet my needs. I don't want something that I have to pick and choose what I can afford."

Growth and profitability are the two most important business goals for midsize businesses. According to the research, 75 percent of midsize businesses aspire to become large companies. One respondent summed it up: "You are either growing or you are dying."

The right technology is vital to midsize companies working to grow, and yet they have smaller IT budgets and staffs. Eighty-eight percent of business decision makers agree that technology is integral to the success of their company. Those surveyed expect their technology infrastructure to allow for better decision making, automation of processes, increased competitiveness and business growth. Almost 90 percent report that their companies are doing more with less by using technology.

"The expectations for midsize companies are somewhat different from large-scaled companies; everything is different, the working environment, the budgets. So it makes more sense if technology is custom made for every company, it will be much better," said a senior level business decision maker in India.

"With our depth in this market, we weren't shocked to see research showing that most midsize business leaders want technology designed and built specifically for a company of their size," said Ann Livermore, executive vice president, Technology Solutions Group, HP. "Fortunately HP and our partners understand this, and our competitors don't. We have the right products and services for this market and the right means of delivering them."

Respondents noted that obstacles to innovation include not being able to keep up with the latest technology, challenges in training staff on new technology and helping both company staff and executives understand how technology can help them achieve business outcomes.

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According to a senior IT decision maker in North America, "... we are kind of caught in the middle. The smaller businesses are doing well with the little stuff and they don't have to have the Enterprise Agreement. They can get by with a basic website or Internet. ... Either we spend a lot of money for programs we don't really need or we cut back and aren't where we need to be."

Methodology

Penn, Schoen & Berland Associates performed the study, commissioned by HP, by conducting a total of 206 in-depth interviews among senior business and IT decision-makers from midsize businesses in the United States, Western Europe, Eastern Europe, India, China, Japan, Asia-Pacific and Latin America during March and April 2007. Copies of the full report are available upon request.

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 \$100.5 billion for the four fiscal quarters ended July 31, 2007. More information about HP (NYSE: HPQ) is available at www.hp.com.

⁽¹⁾ Penn, Schoen & Berland Associates, "HP Mid-Market Business Technology Study," August 2007. Commissioned by HP, the full report is available upon request.

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