



HP Solves Urgent Client Problems with Creative Technology and Financial Solution

The situation

In early 2009, one of HP's clients faced a major problem. The client, a Global Fortune 100 corporation, was feeling the impact of the recession, as most companies were. New business had all but disappeared. Customers were renegotiating – or in some cases cancelling – their orders. Revenue was falling precipitously.

Leadership responded to the economic squeeze by dramatically reducing spending on all fronts and freezing capital spending.

The challenge

While the capital budget freeze made eminently good sense from a corporate perspective, it left the chief information officer (CIO) in a quandary. As one of the world's leading manufacturers of advanced systems for industry and governments, the client enjoyed a decades-long tradition of innovation and developing new products.

Bad economy aside, the CIO knew that investing in technology and innovation could not simply stop. The situation took a turn for the worse with news that a key data center was threatened by environmental factors. The data center had to be relocated – and quickly.

The client turned to HP for help and issued a challenge: "Whatever you do, don't act like [another company that had been consulted]." Squeezed by the budget freeze from one side and the urgent need to relocate the imperiled data center from the other, the CIO invited HP to be creative in solving the problem.

The solution

HP's account team sprang into action, working with the client to develop a plan to move business-critical applications to upgraded equipment in a new data center. The proposal spanned a range of HP solutions: from [HP Integrity Superdome](#) servers to an [HP Indigo W7200 Digital Press](#), and extended to other vendor solutions to maintain the client's heterogeneous technology environment.

One issue remained – the budget freeze. The client did not have the capital required to implement the data center rescue plan.

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[HP Financial Services](#), the company's leasing and life cycle management services division, applied key components of the [HP Financial Solution Analysis](#), a new capability that helps clients make more informed financial decisions. The client, which had long maintained a cash model for technology acquisitions, was surprised to learn that a financial strategy incorporating leasing could meet the immediate need – and also support the company's longer-term technology strategy.

The result

Based on data provided through the analysis, the client opted for a financial structure that included leasing new IT equipment and a sale-leaseback agreement for existing client-owned technology, as a cash infusion strategy.

The data center was successfully relocated – without the loss of any mission-critical applications or downtime – and HP Financial Services managed end-of-life disposition services for older IT assets removed from service. Additionally, the \$50 million sale-leaseback cash infusion enabled the client to invest in new technology – gearing up to take advantage of the global economic recovery and an upswing in business.

Bringing online a new data center is a major undertaking for any company. But perhaps the biggest change for this client came with recognizing the importance of developing a financial strategy as a foundation for the IT strategy. For all IT acquisitions, the former “cash only” client now routinely considers leasing and HP Financial Services' full portfolio of life cycle asset management services.

More information on the benefits of working with HP Financial Services is available by contacting a local HP Financial Services representative or online at www.hp.com/go/hpfinancialservices.

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