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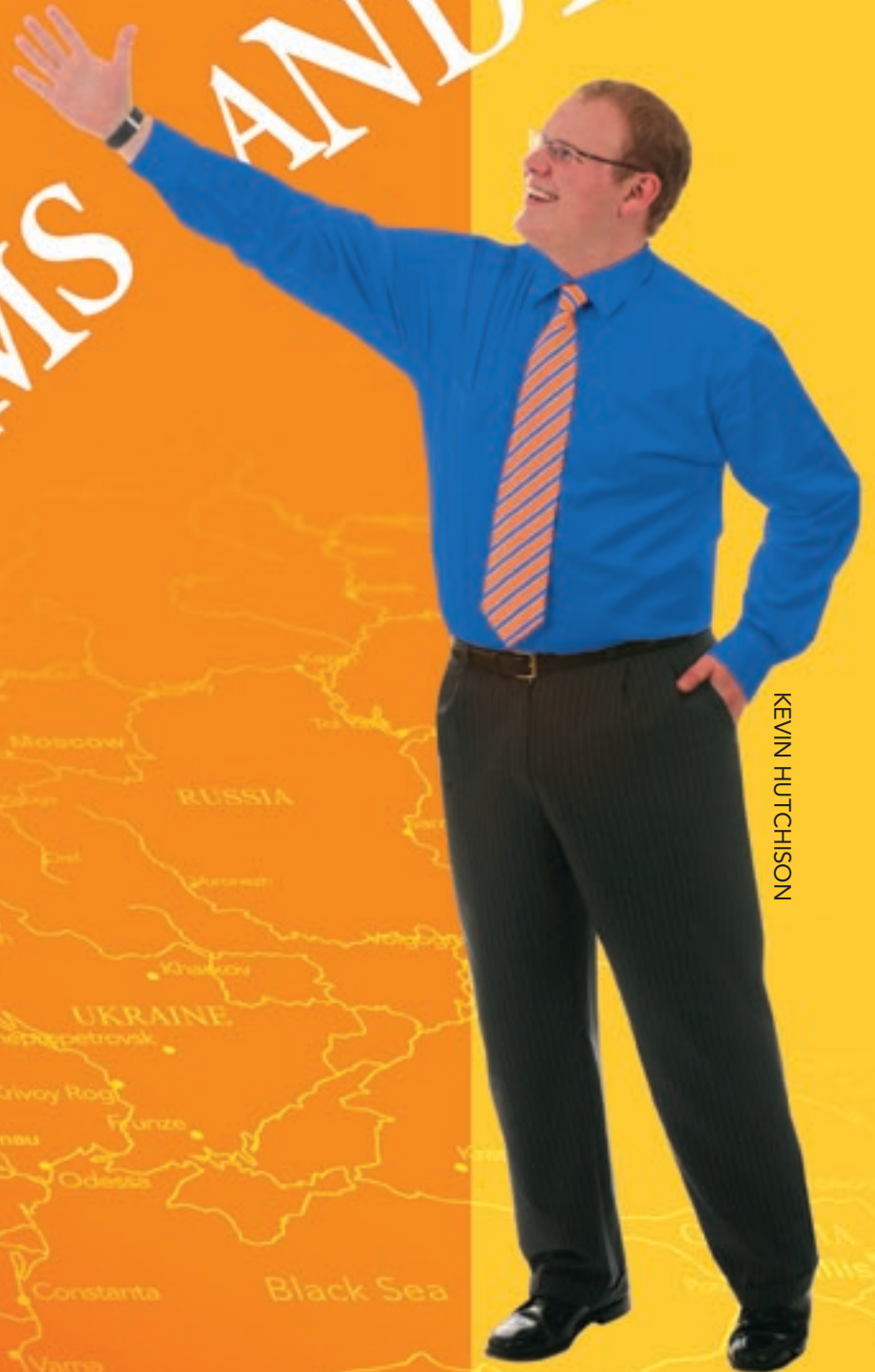


 Baylor Business
McCombs School of Business

NICE
TO SEE
YOU
AGAIN.

FOCUS FIRMS

AND HP.



KEVIN HUTCHISON



GROWING GLOBAL.

by Nancy Godson

Focus Firms were not the established norm at Baylor when Mark Hurd graduated from the University in 1979 with a bachelor's degree in business administration.

The practice of partnering MBA candidates with regional, national or multi-national companies to research and provide solutions on real-time, core issues is relatively new to Baylor Business.

Still, as CEO, chairman and president of Hewlett-Packard (HP), Hurd had the opportunity to see a Baylor Focus Firm in action last fall, when students from his alma mater traveled to the IT giant's headquarters in Palo Alto, California, to present global expansion initiatives to HP executives.

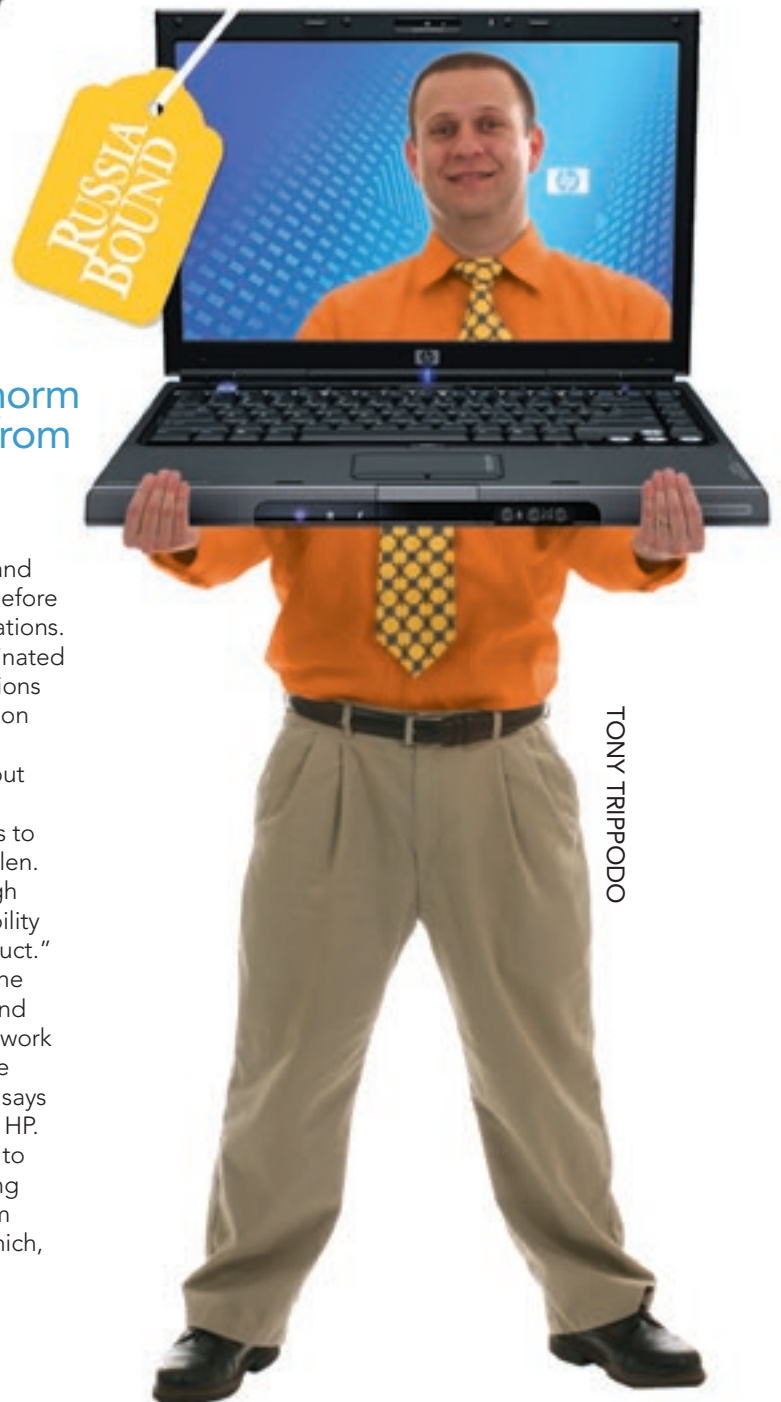
Carl Allen, a program manager at HP, served as corporate point person to Baylor's three student teams. His role as project manager was a semester-long commitment, during which he facilitated student access to HP data and resource personnel and provided overall direction to the teams as they conducted intensive research, critically

assessed corporate issues and tested potential solutions before finalizing their recommendations. Weeks of preparation culminated in Baylor's formal presentations to HP executive leadership on November 30, 2006.

"The project came about after initial discussions with Baylor and a visit to campus to meet the students," said Allen. "Following that, we had high expectations about their ability to drive a high-quality product."

He was impressed by the MBA candidates' passion and surprised by their desire to work very long hours on the three projects, a work ethic Allen says is similar to what he sees at HP.

"Together we decided to make the projects as fulfilling as possible by treating them as real-life work streams, which, in fact, they were," he said.



TONY TRIPPODO

THE HP FOCUS FIRM PROJECT CONSISTED OF THE STUDENTS BEING DIVIDED INTO TEAMS AND GIVEN THE TASK OF RECOMMENDING EXPANSION STRATEGIES IN THREE DIVERSE MARKETS:

North America, Russia and China.



The primary objective of the Russia and China projects was to identify overall HP growth opportunities in those regions. The students were asked to select products from the HP catalog with the greatest marketability for Russia and China, and then determine the most appropriate markets within each region to promote those products. Along with this chief directive, HP had additional imperatives significant to each region.

The team of students investigating HP growth expansion in Russia was required to investigate prospective foreign direct investment options, and the potential impact of each investment on increasing Hewlett-Packard's share of wallet in that region.

Baylor's China team was tasked with developing a regression model that could estimate the pull-through capabilities of each HP product segment in that region. Ideally, the model would help the company assess how product bundling can give HP a competitive advantage.

The North America team's directive took a different focus. Team members were expected to identify and suggest initiatives on how HP could best position itself to gain market share. The team was to determine primary growth opportunities throughout America and Canada, and then conduct a line of investigation to confirm their recommendations. An online survey would have to be developed and implemented for data collection.

The analytical model the team was required to use to study the small business market in North America was a new concept to the team members. "The complexity and scope of our project initially surprised me," says Tony Romanello (MBA '07), who served on the North America team. "I had very little strategic marketing or market analysis experience, and the demands of the project were quite challenging."

He admits to feeling overwhelmed after his first meeting with Carl Allen, but also excited at the prospect of working on such a worthwhile assignment—plus, participating on a real-life strategy project with a top Fortune 500 company would stand out on his resume.

The level of commitment required to complete the project came as a surprise to most of Romanello's teammates, as well.

"The intensity of the project and demands placed on us were much greater than anything else we'd experienced up to that point in the MBA program," said Kevin Hutchison (MBA '07). "It would be a challenge, but I knew we were able to do it."

The opportunity to participate in Focus Firm project was something Eric Monaghan (MBA '07) had looked forward to since arriving at Baylor, and was a major factor in his decision to enroll in its MBA program.

"I feel strongly that the link between academics and practice must be maintained throughout the MBA process," he says.

"WORKING ON STRATEGY PROJECTS WITH THE 11TH LARGEST COMPANY IN AMERICA IS EXACTLY WHAT FOCUS FIRM SHOULD BE."

TONY ROMANELLO

Every Focus Firm project is fraught with challenges, perhaps the most important being learning how to balance the time requirements of the project with the demands of family, jobs and other coursework.

"We learned a great deal about our ability to multi-task," said Hutchison. Sorting through mounds of endless data was another challenge for the teams.

"We eventually realized that the only way to make real breakthroughs was to stop sorting through data and start making relevant, educated insights of our own," says Romanello. "Of course, then the task became balancing and debating each team member's insights."

While each member brought valuable insights to the table, Romanello admits that getting everyone to agree on the best choice took some time.

"In the end, everyone's contribution was critical," he said. Certainly all would agree that weekly conference calls with Carl Allen to debate the more challenging aspects of the project were essential in keeping them on track.

"Although Carl was extremely busy with other projects, we knew that every Monday morning at 7 a.m. he would give us his full attention for an hour to work through obstacles we'd encountered," said Monaghan.

"We received continuous feedback from Carl on our progress," agrees Romanello. "He really pushed us to keep reaching and refining our analysis and recommendations."

HP executives throughout the corporation were equally helpful to the teams, gladly reviewing matrices and online questionnaires, or providing information on key research issues. Each professional encounter served as a learning opportunity for the Baylor students.

"Understanding the model that Carl Allen uses to analyze complex markets and his method of presenting information were the most important professional lessons I learned from this experience," says Monaghan, who will work for American Airlines in corporate finance after receiving his MBA degree this spring.

Tony Romanello hopes to move to the Austin area after graduation and work in the fields of strategic marketing, supply chain/logistics and operations.

"Professionally speaking, Focus Firm opened my eyes to the fast-paced, upper-level thought processes of top-level execs," he said. "I learned that hard work, team work, preparation and execution can yield results that are greater than you initially expected, and even surpass the expectations of the requesting party."

"It was clear to see the value that the students were gaining throughout the Focus Firm process, both by working closely with HP during the projects and living the life of an HP corporate strategy executive," says Carl Allen. "During my own MBA study I was not offered anything similar to this experience."

As November 30 drew near, the teams began to feel the pressure of what lay before them in Palo Alto. Exhaustive nights and hectic days became the norm, and the mood grew stressful as adjustments in numbers and refinements to formal presentations continued up until the final hour.

"If we wanted to succeed and give HP something of value, we needed to remain committed until the end," says Hutchison. "We wanted everything to be perfect and were not willing to settle for less."

The Baylor teams were welcomed to Hewlett-Packard's headquarters by HP executives who spent the majority of the afternoon speaking with the MBA candidates about their careers at Hewlett-Packard and their work experience prior to joining HP.

"The HP executives were really impressive to see in action," says Romanello. "Interacting with such highly successful and intelligent business professionals was an amazing experience."

All the students agree that meeting CEO and fellow Baylor Bear Mark Hurd was a singular highlight of the trip.

"Mark Hurd was very down-to-earth, very candid and exhibited a genuine interest in the teams and Baylor in general," said Romanello. "He had some interesting comments about his motivation as a CEO and the "early-days" of his professional career."

The MBA candidates were encouraged by HP's enthusiastic welcome and the sincere interest of its senior leadership team to view Baylor's presentations.

When Eric Monaghan looks back on his team's presentation, there is only one thing that he would change.

"The findings from our project made such an impact that the presentation turned into an interactive meeting with questions, discussion and debate between everyone in the room," he said. "We ended up having to skip a few slides because our time ran over, but other than that, everything went according to plan."

"Judging from their response, I think our recommendations will be utilized in some capacity at HP," says Hutchison. "We delivered."

He felt that the North America team gave HP executives a different perspective on key business markets, and provided competitive insights and leverage tactics that were revelatory, or else confirmed what HP executives already believed to be true about those markets. His teammates agree with him.

"The primary market research we conducted through the online survey provided extremely valuable information," said Monaghan. "It pointed to what small businessmen and women need from HP, and exposed opportunities to win business from competitors."

Carl Allen says that he and his HP colleagues were impressed by the content and professionalism of all three Baylor presentations.

"Each team drove to insights that are very useful," he said. "As part of HP's growth in the three areas covered, we will be implementing some of Baylor's recommendations as part of our strategy."

According to Allen, the general consensus among HP executives is that the Focus Firm teams helped answer strategic questions pertinent to a major business poised to expand into new geographies and customer markets.

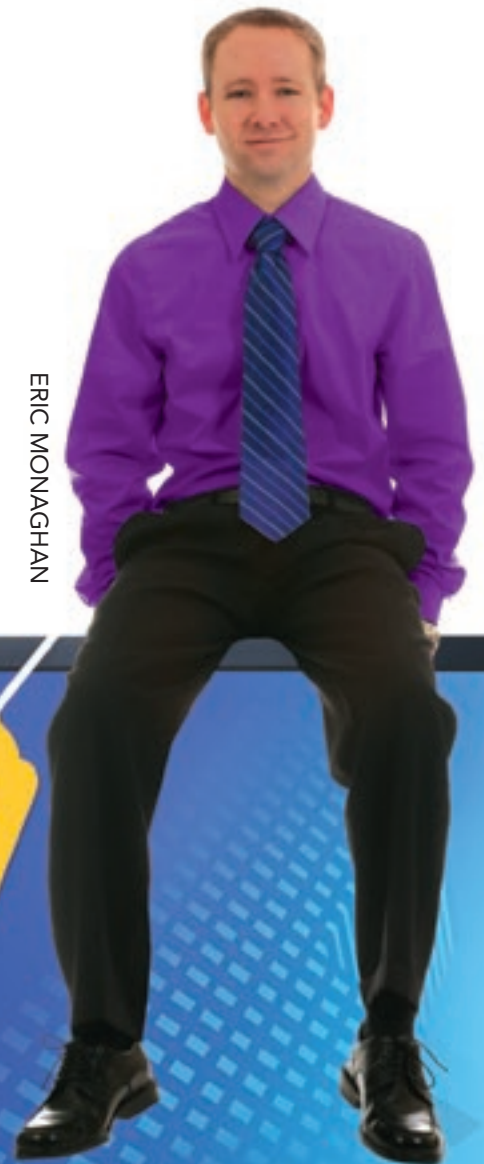
"I think that Baylor's Focus Firm initiative was a great test-case for HP interacting with the MBA community," says Allen. "I would like to think that HP can work with Baylor again in the future."

Kevin Hutchison, who plans to pursue employment in Denver after graduating in May, felt privileged to represent Baylor in Palo Alto and, like his teammates, considers his Focus Firm experience to be invaluable.

"Focus Firm represented a significant personal accomplishment, as I wanted to help make this project a success for Baylor and HP," he said. "To become a part of the HP experience and contribute to their initiatives was a rare privilege."

Tony Romanello agrees.

"Any MBA program in the world would have wanted this opportunity to work with HP execs and present in Palo Alto," he said, and added that the teams are especially grateful to the Baylor graduate faculty.



ERIC MONAGHAN