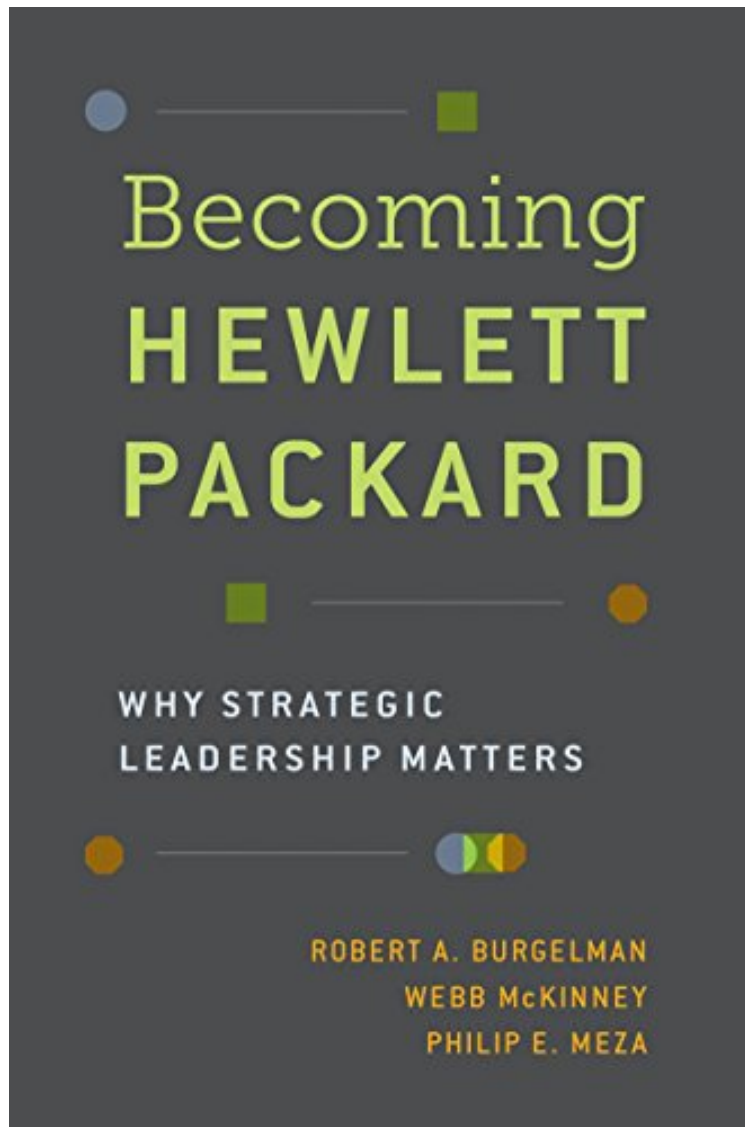


## Becoming Hewlett Packard: Why Strategic Leadership Matters

*Robert A. Burgelman, Webb McKinney, Philip E. Meza*  
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**Robert A. Burgelman, Webb McKinney, Philip E. Meza : Becoming Hewlett Packard: Why Strategic Leadership Matters** before purchasing it in order to gage whether or not it would be worth my time, and all praised Becoming Hewlett Packard: Why Strategic Leadership Matters:

1 of 1 people found the following review helpful. Thought-provoking, complex, unflinching. Useful regardless of one's interest in HP. By EngineerIn Part I, the lead author explores several different, thought-provoking ways of thinking about strategy, including Packard's statement of the company's three principles (p 29.) He poses a paradox: "Messy Beats Perfection" (p 75.) Part II includes a chapter on each of the successive CEOs. A succinct and insightful

summary of the external and internal situation that faced each CEO. Then an unflinching but diplomatic discussion of what transpired, based on interviews by the three authors with the CEO and other executives. Finally, an analysis and summary. (The chapter on John Young's transformation of HP from a collection of independent stand-alone instrument companies to an integrated computer systems company carries lessons for anyone involved in a business model and culture change in an organization of any size.) Part III, by the lead author, discusses Meg Whitman's strategic moves and "Why strategic leadership matters." Each CEO's performance is again discussed on several different dimensions. A table summarizes each CEO's initial conditions, key strategic actions, changing context, and unresolved challenges (p 344-345.) Minor distractions: The reader learns to float through footnote superscripts, homonyms ("tenant" instead of "tenet" etc.), odd capitalization, and much repetition. (It appears that parts of the book were dictated and transcribed.) None of this detracts from the value of the content. One topic is not discussed: When a tactic sneaks up on you and morphs into a strategy. The chapter on Carly Fiorina's tenure touches on two tactical decisions that, IMO, continue to have major long-term strategic consequences: Bill and Dave's profit-sharing plan for all employees, which was based on overall corporate profit regardless of your business unit, has been replaced by an "employee performance bonus" plan that not only "reduced the amount normal employees were paid under most circumstances" (p 190) but, more importantly, incents people to move out of innovative, startup, or turnaround operations into the businesses that are currently the most profitable. After a painful mass layoff when WWII ended, divisions, teams and people were generally redeployed, rather than laid off, as business needs changed. (One division GM called us all together and said: "It was a bad idea. It was my idea. Now we are going to do something else." We went on to build a billion-dollar business.) Right from the start, HP made it clear that the Compaq merger plan included laying off 12,000 people. The strategic consequence: Rather than being a one-time tactical move, layoffs instead of redeployments have become standard HP practice: Hurd 15,000 (p 231); Whitman 30,000 and counting (p 322.) This strategy incents employees to stay in safe jobs. In thirty years, I worked on projects ranging all the way from astounding successes to massive failures. I doubt that I would have joined some of those projects if I had thought that the individual contributors would all be fired if the project failed. (BTW, the one that appeared to be a sure thing was a huge fiasco.) In summary, this book is thought-provoking and useful, regardless of one's interest in HP.

1 of 1 people found the following review helpful. Outstanding book on the development of HP By Mark C. Otto A great read and a frank and honest assessment of the forces and decisions that shaped HP into a global powerhouse. I worked there for 20 years and got a serious dose of the best corporate culture in Silicon Valley. Other companies should pay attention here.

2 of 2 people found the following review helpful. An outstanding book! By Customer Review of "Becoming Hewlett-Packard: Why Strategic Leadership Matters" This is a book that belongs in the library of anyone interested in the history of Silicon Valley. In particular, it contains lessons that I think will be valuable to the leaders of Google, Facebook, and other growing companies that are led by founders, just as Hewlett-Packard's was for the first 30 years of its life (1939-1978).

In my opinion, the best parts of the book are chapters 3 through 9, which are devoted to the actual history of the company, namely, from 1939 to the present. These chapters also describe the major objectives that governed Hewlett and Packard's management of the company, namely, (1) Products and services that make a major contribution (that provide the greatest value to customers); (2) Self-financed growth (this drove a lot of the business thinking of the company and kept HP from buying market share, or seeking growth for growth's sake as long as Packard was involved); (3) long-term profit was very important because it was the best measure of the contribution of HP's products, and was required to finance growth). Hewlett and Packard also clearly defined the criteria for entering new businesses (this was important because divisions created a lot of the new businesses, and this helped them think about which ones were appropriate). The authors conducted remarkably many interviews with the CEOs who succeeded Hewlett and Packard, and with other key players within the company. The chapters make clear the difficulties the company faced when it ceased being solely devoted to test and measurement equipment, and became heavily involved in the computer business. The chapter titles give an idea of the changes that occurred under the successive CEOs after Hewlett and Packard:

- 4. John Young Doubles Down on Computers
- 5. Lew Platt Pivots HP Toward Commodity Business
- 6. Carly Fiorina Drives HP Toward Scale and Scope
- 7. Mark Hurd Relentlessly Manages for Results
- 8. Leo Apotheker Intends to Revolutionize HP
- 9. Meg Whitman Resolves Strategic Integration Challenges: from Better Together to Splitting HP

The above chapters are in Parts II and III. Part I was difficult reading, at least for me. In my opinion, Part I and chapter 10 should be merged and placed in an Appendix. They contain generalizations based on the history of the company, and are not necessary to read in order to understand the other chapters. Minor point: When I first saw the book, I thought it was a history of the early years of HP, from its founding until it first became nationally known. But then I found (pp. 38-39) that it was a term that had been coined by the Nobel-Prize-winning chemist Ilya Prigogine to describe certain processes in nature. I grew tired and somewhat annoyed at its endless repetition in the above book. I felt that the terms "evolution" or "growth and development" covered the same meaning.-- Peter Schorer

Bill Hewlett and Dave Packard invented the model of the Silicon Valley start-up and set in motion a process of

corporate becoming that made it possible for HP to transform itself six times over the 77 years since its founding in the face of sweeping technological changes that felled most of its competitors over the years. Today, HP is in the throes of a seventh transformation to secure its continued survival by splitting in two independent companies: HP Inc. and Hewlett Packard Enterprise. Based on extensive primary research conducted over more than 15 years, this book documents the differential contribution of HP's successive CEOs in sustaining the company's integral process of becoming. It uses a comprehensive strategic leadership framework to examine and explain the role of the CEO: (1) defining and executing the key tasks of strategic leadership, and (2) developing four key elements of the company's strategic leadership capability. The study of the strategic leadership of HP's successive CEOs revealed the paradox of corporate becoming, the existential situation facing successive CEOs (that justifies the book's empathic approach), and the importance of the CEO's ability to harness the company's past while also driving its future. Building on these novel insights, the book shows how the frameworks used to conceptualize the tasks of strategic leadership and the development of strategic leadership capability can serve as steps toward a dynamic theory of strategic leadership that animates an evolutionary framework of corporate becoming. This framework will be helpful for further theory development about strategic leadership and also offers practical tools for founders of new companies and CEOs and boards of directors of existing companies who intend to create, run or oversee companies built for continued relevance, longevity and greatness.

"McKinney, Meza, and Burgelman cite four key ways the company could have pulled off a softer, less humiliating landing. They amount to four big lessons for Silicon Valley today." --MIT Technology "[A] unique perspective and a comprehensive insight into Hewlett Packard's iconic and perhaps inspirational impact on contemporary organizational leadership and strategic management...The book is an intriguing documentary on Hewlett Packard and its historical significance as much as it is also an important contribution to the management sciences literature. Drawing on the authors' in-depth knowledge of HP's strategic and leadership innovations, the book challenges traditional management and leadership principles and practices as it conceptualizes an inspiring, persuasive, and unique general strategic framework for organizational leadership and long-term sustainability." --CHOICE "At a time where management studies are mainly fascinated by impressive short term venture success stories, this important book reminds us that the core identity of the firm is to become for the long term, an inspiring concept to enlighten the messy path and open-ended process of organizational transformation. Becoming Hewlett Packard is both a master piece of business history based on seventeen years of impressively well-executed research, and an inspiring strategy book to understand the role of CEO leadership in this corporate becoming phenomenon. A great book for those, student or professional, that will have to understand how to combine technology-driven entrepreneurship and business development strategy." -- Christophe Midler, Research Director at CRG (Management Research Center) and Innovation Management Professor at Ecole polytechnique "Robert Burgelman's et al's Becoming Hewlett Packard is an important contribution to how the field and practicing managers understand organizational evolution. With extraordinary access to HP, Burgelman and his colleagues induce a provocative process theory of organizational becoming. This comprehensive book adds great insight to the literature on organizational evolution. Their insights on the role of senior leaders, the board, and the shifting nature of organizational identity are particularly important. This book will have an impact on both scholars as well as senior leaders." -- Michael L. Tushman, Paul R. Lawrence MBA Class of 1942 Professor of Business Administration Chair, Program for Leadership Development Harvard Business School "This book provides a very rare longitudinal corporate history of a pioneering firm that has had a huge impact on the technology landscape. It is however much more than a rich analytical history of a long lasting enterprise. Robert and his colleagues, carefully distill key insights and build a robust conceptual framework that transcends HP and should be of interest to anyone interested in building a resilient enterprise." -- Ranjay Gulati, Jaime and Josefina Chua Tiampo Professor of Business Administration, Harvard Business School About the Author Robert A. Burgelman is the Edmund W. Littlefield Professor of Management at Stanford Business School, and served as Executive Director of the Stanford Executive Program (1996-2015). He is the author of Strategy is Destiny: How Strategy-Making Shapes a Company's Future (2002), and co-author of Inside Corporate Innovation: Strategy, Structure and Managerial Skills (1986), Strategic Dynamics: Concepts and Cases (2006), and Strategic Management of Technology and Innovation (5th edition, 2009). He is a Fellow of the Strategic Management Society and the Academy of Management, and serves as advisor and senior executive educator for global companies. Webb McKinney began his career at HP when David Packard and Bill Hewlett ran the company. McKinney held numerous engineering management and executive positions at HP, running HP's entry into consumer PCs, and going on to lead its entire PC business. McKinney later led worldwide sales, marketing and supply chains for all of HP's commercial customers. Before retiring from HP in 2003, McKinney was the EVP responsible for HP's integration of Compaq. McKinney is currently a consultant in merger integration and leadership development. He holds bachelor's and master's degrees in electrical engineering from the University of Southern California and serves on the boards of non-profit organizations. Philip E. Meza is a strategy consultant and researcher. Much of his consulting work focuses on technology strategy and business development. His books and numerous case studies are used at business schools and universities around the world. A graduate of the University of

California at Berkeley and The Wharton School of the University of Pennsylvania, Meza is the author of *Coming Attractions: Hollywood, High Tech and the Future of Entertainment* (2007) and co-author of *Strategic Dynamics: Concepts and Cases* (2006). Meza also serves on the board of Toolworks, a social enterprise that helps people with disabilities. You can learn more about him at [philipmeza.com](http://philipmeza.com).