

HP 9000 Series 800 Business Servers for the Small and Medium Business Market



Sales Strategy
Guide
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Chapter 1.

The Small and Medium Business Market

The One-Minute Sale

The newest members of the HP 9000 Business Server product family are uniquely positioned for the small or medium-sized business whose need for a reliable, powerful, and affordable standards-based business system may have gone largely unmet. The new HP 9000 E-Class Business Servers provide an incredibly robust set of features designed to offer mission-critical reliability, commercial solution availability, office integration capability, and investment protection previously available only in large corporate-level systems and certainly not available today using PC-based solutions.

The small/medium business market is fertile ground for HP 9000 E-Class-based solutions. Already recognized in the Fortune 500 world as the industry's leading Commercial UNIX® platform, the HP 9000 Series 800 Business Server family is now scaled to address the needs of the small/medium business market—a true business “Enterprise Computing” system at PC server prices.

Small and Medium Business Market Profile

The small/medium business market represents a potentially huge opportunity for penetration by HP 9000 resellers, solutions implementors, and integrators. With a huge potential market of companies with annual revenues in the \$5 million to \$50 million range, many of them relying on systems with inadequate capabilities to compete in today's rapidly changing and increasingly competitive environment, this segment is ripe for the capabilities of the HP 9000 E-Class platform. The market segments specifically targeted by HP represents a combined IT spending pool of over \$4.4 billion of hardware, software, and services annually, representing sales of over 490,000 units in the World-wide market. This market has been largely untapped by HP 9000 systems. The HP strategy is to rely primarily on VARs and DARs to penetrate this huge marketplace.

The major small/medium business market segments are:

- Manufacturing
- Local Government (City/County)
- Wholesale Distribution
- Medical/Dental
- Banking/Financial
- Retail
- Education
- Legal Services

The types of installed systems found today in small/medium businesses are divided into a few major categories—Intel PCs running SCO UNIX, a proprietary multiuser system such as an older IBM S/36 or a newer AS/400, a UNIX-based multiuser system such as IBM RS/6000 or Sun, or a PC-LAN such as Novell.

Characteristics of the Small and Medium Business Owner

Runs business on a single system

The small/medium business will generally run the entire business on a standalone multiuser system or a PC-LAN such as Novell. Application modules including accounting (general ledger, accounts payable, payroll), manufacturing (MRP, inventory, order admin), marketing (orders, sales leads), personnel, and office automation will generally all run on a single system accessed through several low-cost ASCII terminals or PCs connected via direct connect or PC-LAN.

Buys a solution based on reseller/consultant recommendation

When considering a new computer system, the small/medium business owner is generally looking for a solution to a business problem or to address a specific opportunity. They are generally very price sensitive but are heavily influenced by their reseller or consultant recommendations.

The small/medium business does not generally have an annual IT budget with predictable purchase patterns. Nor do small/medium businesses have a formal IT strategy. Many view the need for computer systems as a necessary element of doing business and do not look to obtain a competitive advantage from their IT investment. Solution proposals are based on addressing a specific need or to address a specific new business opportunity and then cost-justified based on the need rather than applied to a pre-approved yearly budget.

Is willing to purchase advanced technology solutions at the right price

As with the trends in larger businesses, smaller companies are more aware of the rapid advances in technology and the opportunities to benefit from these advances. The trends toward client/server architectures with improved access to data and the proliferation of PCs via PC-LANs present an environment ideally suited for the HP 9000 E-Class platform. More specifically, client/server computing architectures favors the HP 9000 E-Class in that all newer application and tools development in the industry are focusing on the fastest growing segment of the computer industry—the UNIX marketplace. As the industry's top commercial UNIX platform, the HP 9000 is the first UNIX platform most application software developers consider when developing new applications or porting older applications.

The proliferation of PCs and PC-LANs favors the HP 9000 E-Class servers because the HP 9000 has the most robust PC-integration capabilities available in the industry.

Requires an easily managed, yet advanced systems environment

More 4GL-based applications incorporating relational databases are being developed which offer much easier access to the data critical to running the business. Since the DP staff in a small business may only consist of a person's part-time responsibility, ease of generating specialized reports, ease of making changes to applications or the ability to deploy new applications quickly are critical elements in managing DP resources. These trends favor the HP 9000 E-Class platform over the proprietary platforms (IBM AS/400, S/36 or DEC VAX) in that all major relational databases (Oracle, Informix, Ingres, Sybase, etc.) and 4GL development tools are available and optimized for the UNIX environment.

Key Buyer's Criteria

Decision makers in the small/medium business world most often will consist of a single DP manager in the smaller organizations or a DP manager with one or two programmers on site to handle the day-to-day responsibilities of administration, daily production, maintenance of existing applications, and making recommendations on new equipment or new applications. The decision to purchase or deploy a new application will almost always be based on a recommendation from the DP staff to the owner/president of the business.

The decision to deploy new systems is generally a total solution-driven decision. The decision to purchase a new system is based on meeting an existing need or solving a problem and much attention is made toward spending the smallest amount of money possible for a given solution. This often favors a SCO-UNIX based hardware platform which offers a relatively cheap purchase price for the underlying hardware. The commodity PC approach with the ability to mix and match the cheapest components such as disks, tape drives, terminal I/O cards, etc. from different vendors may represent the cheapest upfront investment in hardware but the advantage of this type of solution ends there.

Price/Performance

While solution price is one of the most important decision criteria for the end-user buyer, many other factors will help position the HP 9000 E-Class platform more favorably when compared with the PC-based approach. HP's PA-RISC CPU chip offers much higher compute capabilities than the Intel 486 or Pentium chips. Combined with a much higher I/O bandwidth, larger caches and memory capacities, the HP 9000 systems have the potential to perform circles around the Intel-SCO or Intel/NT combination in commercial multiuser or database applications.

Product Quality and Reliability

Another major decision criteria for the small/medium business is product quality or reliability. The HP 9000 product family enjoys the highest rated reliability in the industry as measured by mean time between failure (MTBF). When the entire business is dependent on a single system, downtime can result in substantial losses to the business. Translated: there will be less downtime on the HP 9000 system due to hardware failure. When downtime does occur, it will be critical to the business that the system is repaired in the quickest time possible. HP is also widely regarded as having the best support offering in the industry.

Compatibility/Integration with PC-LANs

If the business has a PC-LAN in place such as Novell NetWare, LAN Manager, or Banyan Vines, the HP 9000 system has the capability to integrate seamlessly with the existing network. Whether the network is currently in place or to be installed later is a mix of ASCII terminals, Intel PCs, or Apple Macintoshes, the HP 9000 provides an ideal server platform.

Upgradability/Growth Path

The rapidly growing business will need to have a solution which will grow along with it. With the capability to support multiple applications and dozens of users, the entry level HP 9000 Model E25 can grow via simple and cost-effective CPU board upgrades and ultimately support dozens of applications and hundreds or even thousands of users! It is impossible to obtain the upgradability of the HP 9000 family in any other computing platform in the industry today.

Applications Availability and Migration to Client/Server

Application availability and the migration path to client/server application are key buyer decision criteria which favor the HP 9000 platform. Over 5,000 applications are currently available on the HP 9000 platform and the number is rapidly growing by the day. As the industry moves to client/server, the HP 9000 is leading the way. More client/server-based applications are deployed in mission critical environments on the HP 9000 than any other vendor platform. HP is widely recognized as the leader in client/server computing and the HP 9000 is the foundation of HP's client/server strategy.

Investment Protection

When the buyer's criteria checklist is compiled, the HP 9000 stands out as the overall winner! The HP 9000 E-Class servers offer the most reliable, upgradable, highest performing, and functional value compared with competing hardware offerings. When polled, end users said they would be willing to pay a slight premium (relative to the PC-based platform) for a superior value. However, when total system life cycle costs are factored in (including upgrades, migration, support, and maintenance), the HP 9000-based solution can actually end up costing less! When added up, it's clear the HP 9000 E-Class servers offer far superior value as a total system solution.

Chapter 2.

Positioning the HP 9000 E-Class Platform in Small and Medium Businesses

The new HP 9000 E-Class servers, Models E25, E35, and E45, offer more performance than a PC system while providing true business functionality, and at a price that is competitive with PC servers. See the HP 9000 New Product Summary Guide for how the new E-Class servers are positioned within the HP 9000 family and for competitive pricing comparisons. This section will focus on non-price differentiators for the new E-Class servers.

A Business "Enterprise Computing" System at PC Server Prices

The E-Class servers are first and foremost HP 9000 systems. They have all the features that have made the HP 9000 the #1 selling business UNIX system in the world. And they are priced competitively against PC servers.

The E-Class servers support all the HP 9000 features to ensure the reliability and integrity of the data. Features such as an optional uninterruptible power supply to ensure the E-Class servers will continue working smoothly in less-than-clean electrical environments. If the power fails and is not restored in 15–20 minutes, the systems software can allow for graceful system shutdown without operator intervention. This preserves the data and allows the customer to be up and running quickly rather than going through a long and complicated recovery process. Features such as error checking and correcting (ECC) memory ensure the integrity of the data. The E-Class servers also support all the HP 9000 High Availability features; namely, disk arrays, disk mirroring, and Switchover/UX. Finally, the E-Class servers support all the HP 9000 HP-UX software available for managing systems, networks, and ensuring the security of the systems, networks, and data. While small and medium business customers don't often purchase these value-added features with the initial system, these features can help you close the sale by providing the customer with alternatives for the future.

The E-Class servers are an object code compatible addition to the HP 9000 family. This means the E-Class servers, like all HP 9000s, are tuned for optimal performance while running the databases of all the major database vendors; such as Oracle, Sybase, Informix, and Ingres. Furthermore, all the client/server tools and applications that make the HP 9000 the client/server platform of choice will run on the E-Class servers without modification. In fact, all 5000+ applications currently running on the HP 9000s today will run on the E-Class servers without modification. The E-Class servers provide a hardware and software compatible growth path. As the customer grows, they can upgrade to higher performance levels and increased expandability, all the way up to the 12-way symmetric multiprocessing HP 9000 T500. Customers will sleep well, knowing that their application will run without modification as they grow their business.

Better Performance than Pentium

The Model E45 provides significantly better performance than Pentium™ based PC servers. The Model E35 will provide slightly better performance for an equivalent price. The Model E25 provides slightly lower performance, but at a lower price than Pentium based PC servers. The Model E25 also offers better performance than 486-based servers at a PC price.

The E-Class servers are based on the PA-7100LC PA-RISC technology. (The 7100LC technology is discussed in more detail in the HP 9000 New Product Summary Guide.) It should be noted that the marketplace has already proven that RISC "is" the right strategy. In response to these needs, all major vendors are converting their product lines from CISC to RISC. HP was the first such vendor to do so. We introduced our first RISC system in 1986. The E-Class servers represent the 7th generation of PA-RISC systems from Hewlett-Packard Company. Based on data from Risk Management, an independent market research firm, PA-RISC is the #1 selling RISC technology, representing 30.8% of the total revenue of RISC systems shipped in 1992. We expect to see that percentage increase when 1993 data becomes available.

PA-7100LC vs. Intel's Pentium

The basic facts are that the E-Class PA-RISC based servers provide more for less. They provide more performance while consuming less power. They provide more reliability by using fewer parts. They are at the beginning of the technology life cycle, Intel is near the end of its technology life cycle. And most importantly, the E-Class servers are the entry point into the HP 9000 family. Pentium is the end of the Intel family; they don't have a higher performance processor to grow into. With the E-Class servers the customer is assured of a growth path.

Compared to Pentium, the PA-7100LC:

- Requires 37% less power (10W vs 16W)
- Is 25% smaller (196 sq. mm. vs 262 sq. mm.)
- Has 74% fewer transistors (800,000 vs 3,100,000)
- Provides 15% better integer performance (75 SPECint92 vs 64.5 SPECint92)
- Offers a long-term architecture

"With the Pentium, Intel may have reached a level of diminishing returns with the 80x86 architecture"

—BYTE Magazine, September 1993

This translates into a more cost-effective, reliable and higher performing solution for customers!

The E-Class Was Designed for Resellers

The new E-Class servers were designed specifically with features for resellers. Some of these features are described below.

Factory Integration

The systems are available from HP in integrated (preassembled and tested) or modular form. Resellers buying directly from HP will order integrated systems. HP will assemble, configure, preload the software (OS and HP applications) and fully test all the components and software prior to shipping. All the reseller needs to do is turn it on and

load the application. Resellers buying from distributors benefit from the modular form. Distributors are allowed to stock all the various parts and pieces and then assemble, configure, and test the system on their own premises prior to shipping. Some distributors will even preload the reseller's application, at which point all the reseller has to do is turn it on.

Modular Design

The modular design means flexible expandability. The E-Class servers can be upgraded in performance by swapping CPU boards. The modular design also allows a customer to increase the number of expansion slots without having to do a box swap (field upgrade). If a customer needs to move to a significantly larger system, a box swap may be required. However, all the peripherals and I/O cards are compatible throughout the HP 9000 family. They can, therefore, be reinstalled in the new HP 9000 system. Furthermore, HP provides trade-in credits for the old system. In short, the HP 9000 family provides the industry's best protection for your customers' IT investments.

Ease of Configuration

The E-Class servers' modular design allows a simplified product structure. The benefit is the systems are easier to configure, order, and manufacture. The product structure is part of Hewlett-Packard's effort to make it easier for partners to do business with HP. At introduction, the channel will be prestocked for immediate availability.

A New Support Program to Help Sell Systems

HP's support is now even better. Of the major vendors, HP's support programs have been rated #1 by DataPro (an independent market research company) for 10 years in a row. Since service and support can represent as much as 25% of a sale, and since service and support is a proven differentiator for obtaining repeat business, HP's new support program should be of particular interest to you.

HP has recently introduced a Support Subcontracting program. This is a program designed specifically for resellers. It allows you to subcontract hardware and OS support to HP. If a problem arises, the customer calls the reseller. The reseller determines if it is an application problem or a hardware/OS problem. If it is a hardware/OS problem, the reseller dispatches an HP System Engineer to go fix it. When it is fixed, HP informs the reseller who then informs the customer. For all practical purposes, it appears to the customer that the reseller is providing the support. The benefit for the reseller is that s/he is able to provide more value to customers by providing one stop shopping. Use this program to help develop your business over time. Well-supported customers are repeat customers.

Summary

To summarize, what customers want are high quality products that offer a growth path. Resellers add to this requirement products that are available on time. In this environment the new E-Class servers were 'made to order'; HP quality, unparalleled growth path, and designed for quick availability.

How the HP 9000 E-Class Stacks Up against the Competition

HP 9000 Strengths against the IBM RS/6000:

- HP 9000 servers offer superior price/performance on a cost per transaction basis
- HP 9000 servers offer superior upgradability and growth path; there are less box swaps with the HP 9000 platform and growth to mainframe-class levels of performance
- HP has a much stronger commitment to UNIX than IBM as evidenced by more commercial application availability and stronger system management tools on the HP 9000; IBM would still rather sell an AS/400 than the RS/6000
- The HP 9000 servers are designed for the commercial environment; low-end RS/6000 are workstations disguised as commercial servers with limited expandability, upgradability

HP 9000 Strengths against the Sun SPARCservers:

- The HP 9000 servers offer far superior transaction processing performance than the SPARCservers
- HP 9000 servers offer superior price/performance on a cost per transaction basis
- HP 9000 servers offer superior product quality and reliability
- HP 9000 servers offer superior upgradability and scalability; Sun requires extensive box swaps with little or no investment protection on system components
- HP has a higher quality level of hardware and software support as evidenced in annual Datapro surveys
- HP 9000 has much wider commercial mission-critical applications availability

HP 9000 Strengths against Intel/SCO UNIX Platforms:

- The HP 9000 offers superior transaction processing performance
- The HP 9000 offers superior upgradability by offering simple, cost-effective board upgrades as compared to no upgrade path for Intel-based PC servers
- The HP 9000 product family scales from small-scale servers to large-scale mainframe class systems with object code compatibility; Intel/SCO PC-based systems are point products
- With built-in UPS, online diagnostics and remote support access port, the HP 9000 servers are designed for high reliability and ease of support
- The HP 9000 offers higher reliability
- The HP 9000 offers a complete factory-integrated system solution

**HP 9000 Strengths against NT-based platforms
(Intel or RISC CPUs):**

- The HP 9000 servers offer superior commercial mission critical applications availability
- The HP 9000 servers offer superior reliability (new operating systems tend to be very buggy)
- The HP 9000 servers offer superior support of industry standards (networking, APIs)
- The HP 9000 has a proven mission critical track record; Any NT reference sites running the business?
- The HP 9000 servers offer superior compatibility/integration with Novell, Banyan Vines PC-LANs

HP 9000 Strengths against OS/2:

- The HP 9000 servers have a proven mission critical track record
- The HP 9000 servers have superior support of industry standards (networking, APIs)
- The HP 9000 servers offer superior commercial mission critical applications availability
- The HP 9000 offers superior multiuser performance; OS/2 is designed as a single-user operating system
- The HP 9000 offers superior scalability to OS/2 servers; OS/2 is only available on Intel-based platforms as point products with little or no upgrade path

HP 9000 Strengths against IBM AS/400:

- The HP 9000 servers offer superior support of industry standards (networking, APIs)
- The HP 9000 servers offer superior PC integration (both standalone PCs or PC-LANs) and superior file server performance
- The HP 9000 servers offer far superior price/performance on a cost-per-transaction basis
- The HP 9000 servers offer more cost effective upgradability (CPU, additional memory/disk, OS license upgrades are all very expensive on the AS/400 due to vendor lock-in)
- HP 9000 servers avoid HW vendor/database lock-in with support for open standards
- The HP 9000 servers offer superior client/server migration path
- The HP 9000 supports all industry standard relational database management systems (RDBMS) such as Oracle, Informix, etc.; the AS/400 supports only one database: its own proprietary OS/400 database
- The AS/400 is a declining business for IBM versus double digit annual growth for the HP 9000

Chapter 4.

Why Should I Sell the HP 9000 E-Class over a PC-based Solution?

HP Brand Preference

DARs and VARs who sell multiple hardware platforms will enjoy significant advantages when selling the HP 9000 over competing hardware platforms. Many features favor the HP 9000 such as the position as the leading commercial UNIX platform. VARs/DARs selling the HP 9000 will either experience market pull or brand preference for the Hewlett-Packard name. As a rule, HP stands for product quality, high reliability, and high performance.

Quick Availability

The HP 9000 E-Class has been designed for manufacturability and quick delivery. Representing a departure from the longer lead times typical in the industry, the HP 9000 E-Class will have one of the industry's best lead times.

No Channel Conflict

As a rule, HP considers its reseller community as an extension of its own sales force and has structured its programs and distribution channels accordingly. HP's own direct sales force is compensated whether the final sale is completed by a reseller or directly. As such, cross-channel conflict is eliminated. For the small/medium business market, HP is relying totally on the indirect channels for success. Another factor in maximizing profits to the reseller is the lack of overdistribution of the HP 9000 platform. HP stringently qualifies all resellers for value-add, quality, support, geographic coverage, industry coverage, and financial stability.

Higher Margins for Resellers

As a general rule, the HP 9000 servers offer resellers a higher margin than commodity PC servers. With little to differentiate one Intel-based PC server from another, price erosion can effectively eliminate margins on the hardware. The advantages of the HP 9000 servers are significant and proven. As such, the HP 9000 systems should command a stronger street price which means less discounting and more margins for the resellers to keep.

Chapter 5.

How the HP 9000 E-Class Fits into Major Vertical Markets

Manufacturing

The manufacturing industry segment is the largest single industry segment for the HP 9000 series of computers. As a company, Hewlett-Packard derives over 50% of its revenues from manufacturing customers. More importantly, HP is the dominant worldwide supplier of UNIX systems to the manufacturing market, owning over 45% of the market (ARC 1992). HP's commitment to and investment in the manufacturing marketplace ensures that the platform has been proven by the widest range of customers and applications. HP's investment in industry focused advertising, seminars, sales force, and related customer preference programs ensures that the Hewlett-Packard name will be positively received by your customer. HP is the safe choice for manufacturing customers.

HP has specifically targeted certain segments within the manufacturing industry for particular focus. These segments include: Automotive and Heavy Equipment Assembly, Automotive and Heavy Equipment Part Suppliers, Commercial and Defense Electronics, Semiconductor, Food and Packaged Goods, Specialty Chemical, Pharmaceutical and Petroleum. In each of these segments, HP provides focused advertising and awareness programs which provide leverage for any sale. HP has also focused on providing a complete range of solutions for the manufacturing market by working closely with our Channel Partners. The HP 9000 line of computers is the proven platform of choice for:

- Planning/Administration: MRPII, Financials, Forecasting
- Execution: Shop Floor Control, Machine Monitoring and Control, Shop Floor Data Management, Finite Capacity Planning, Electronic Batch Management, Computer Aided Process Planning, Material Handling, Supervisor and Cell Control, Quality Analysis
- Sales and Marketing: Order Management, Field Services, Telemarketing/Telesales
- Logistics and Distribution: Warehouse Management, Transportation Management, Distribution Requirements Planning (DRP)

HP has one of the largest catalogs of solutions for the manufacturing marketplace in all key application areas. According to the Yankee Group's "Solutions for the Manufacturing Enterprise" (1993), HP is the "clear winner" among all server platforms. The growth rate of HP-UX applications exceeds that of any other platform, including Sun, OS/2, AIX, AS/400, Ultrix, and VMS. This ensures that you will always be able to find "world class" solutions to meet the broad needs of the customer on a single, open platform.

Additional Resources

- HP has available for internal field personnel a complete set of industry training documents for the manufacturing marketplace. These documents provide a quick overview of key opportunities by industry segment, and how HP's platform best meets the needs of the customer.

Electronics Industry	22894-90007
Automotive/Heavy Equipment Industry	22894-90002
Process/Batch Industry	
Applications and Solutions in Manufacturing	22894-90005

- HP publishes "Quick Finder Guides" for our sales force and Channel Partners which list detailed functionality comparisons of key software applications available on the HP 9000 for the manufacturing marketplace.

The MES Open Systems Quickfinder	5091-5760E
The MRPII Open Systems Quickfinder	5091-4194E
The Enterprise-Wide Systems Quickfinder	5091-5761E
The Maintenance Management Quickfinder	5091-5762E

HP also has available customer sales brochures for each of its targeted industry segments. These brochures provide support for HP's ability to meet the specific needs of manufacturing customers in key segments.

Local Government

The local government market in the United States consists of over 60,000 organizations. Local governments include municipalities, townships, counties, and special districts (utilities, water, and transit). A majority of these organizations are small to medium sized agencies with annual revenues in the \$5-50 million range. This market is ideal for the new E-Class servers. Local governments within the United States spend more than \$800 million each year on information systems, and HP is well positioned to win in this market.

The E-Class is perfect for departmental solutions such as payroll/ personnel, utility billing, police records and dispatch, GIS file servers, or permits and licensing systems. It also provides an excellent platform for integrated financial management applications for complete city and county-wide software solutions in smaller jurisdictions.

HP is recognized as a leading vendor of information systems in the local government market. With HP's broad range of open systems, large installed base of government customers, and government focused Channel Partner solutions, HP is a solid platform choice for this market. Because references are a key selling feature, HP represents a strong, proven vendor with experience in all areas of local government.

The local government market provides a great opportunity for competitive replacement of older, obsolete hardware platforms. The E-Class is an ideal open systems replacement platform for the thousands of old installed proprietary systems including Prime, IBM 34/36, and Unisys (Sperry/Burroughs) systems.

Additional Resources

Software Solutions for State, Provincial and Local Government	5091-6433
"Leading the Way," quarterly newsletter for HP government customers	Newsletter
State, Provincial & Local Government Strategy Presentation	Slide Hotline
Various Success Stories and Article reprints	LDC

Wholesale Distribution

The wholesale distribution industry is dominated by small and medium sized companies and represents an excellent opportunity for HP's new E-Class servers. In fact, small wholesalers generate 85% of revenues in this industry. Small wholesale distributors have revenues less than \$10 million and fewer than 30 employees. Medium wholesalers generate 13% of the revenues in this industry and have sales of less than \$50 million and fewer than 500 employees.

Wholesalers prefer to purchase fully integrated distribution applications that address purchasing, inventory management, order processing, marketing analysis, financial management and more. In addition, many wholesalers communicate directly with customers and suppliers and require integrated networking solutions and support for EDI. The E-Class is an ideal platform to meet wholesalers' application and networking needs.

HP and its Channel Partners are recognized leaders for open systems in the wholesale distribution market delivering a wide variety of integrated distribution solutions with leading price/performance.

Additional Resources

Wholesale Distribution Industry Fundamentals - SR1304	22894-90016
Wholesale Distribution Video Tour	22894-90018
HP's Computing Strategy in Wholesale	Slide Hotline
Wholesale Distribution Computing - Mainframe Alternative	Slide Hotline
Leadership in Wholesale Distribution Computing in the '90s 3-1/2" Disk 5-1/4" Disk	Demo Disk 5091-4764E 5091-4313E
Pipeline News	5091-6823E



Retail

The small and medium retail market is characterized by smaller regional retail chains that have sales of less than \$50 million. To improve profit margins in a highly competitive marketplace, retailers are empowering store management to optimize store assets (labor, space, and inventory) and to improve customer service. One way to accomplish this goal is to integrate POS and in-store processing systems with the systems located at store headquarters and distribution centers. These retailers seek a fully integrated solution to meet their needs.

The E-Class is an excellent in-store processing platform for small and medium format retailers. These retailers require a platform solution that can integrate with a variety of multi-vendor hardware. For example, handheld scanning devices, electronic scales, time clocks, credit authorization terminals, and POS controllers are just a few of the components found in retail outlets. HP is a leader in providing cost effective open systems solutions to integrate these many devices within the store outlet and between the store and its headquarters, distribution centers, banks, and credit bureaus.

HP's open systems are used throughout the retail enterprise automating stores, distribution centers, area/regional operations, and headquarters functions such as merchandise planning and financial management. Nearly all types of retailers use HP systems including hypermarkets, supermarkets, restaurant chains, department stores, drug chains, mass merchandisers, specialty stores, and catalog operations.

The E-Class is an excellent alternative to proprietary and PC-based solutions that have historically been used for in-store processing. The E-Class offers many advantages versus these other platforms, including leading price/performance, cost effective system expandability that eliminates box swaps and store disruption, and robust solutions for high availability and systems management.

Additional Resource

HP Retail Solutions Catalog, 1993	5091-3500E
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Medical/Dental

The Healthcare industry is a major area of strength for HP. The HP 9000 platform has a significant presence in larger hospitals and clinics throughout the world. The market segments most applicable to the E-Class servers are small to medium-sized community hospital information systems and patient care systems in small to medium-sized medical or dental clinics. On the application side the E-Class represents an ideal platform for patient records, financials such as patient billing, general ledger, or patient care application modules such as nursing, radiology, lab or pharmacy.

Many of the recent trends in Healthcare position the HP 9000 E-Class very strongly. The trends in the industry to maintain costs, improve customer service, consolidate operations, and rapidly move to open systems and client/server all favor the UNIX-based HP 9000. In the case where many smaller clinics or community hospitals are either being purchased outright or aligning themselves with a syndicate, the HP 9000 represents the best overall platform to integrate into a distributed systems architecture through its adherence to industry networking and interface standards.

HP is also a leading provider of medical instrumentation and patient care systems to the healthcare industry which creates brand awareness and pull for Hewlett-Packard products.

Banking/Financial

Many of the trends facing other industries are facing the banking industry. The trend toward deregulation of the financial services industry has given the banking industry fierce competition from non-bank entities such as securities firms, mutual funds, credit unions or even insurance companies. Banks, still encumbered by traditional banking regulations, are forced to compete with non-banks which are not subject to the same level of regulations. As a consequence, banks are faced with the situation of having to continually innovate, bringing new products to market many times with a higher cost structure.

The HP 9000 E-Class represents an ideal platform for banks to lower their cost of bringing new products to market much faster than ever before while improving the level of service to an ever more demanding customer base. The banking segment most applicable to the E-Class platform is community banks with deposits of less than \$500 million and less than 10 branches. A community bank of this size will most likely fall into one of two major categories. Either they have outsourced all DP activity to one of the major outsourcing companies or they manage their DP activities inhouse with an integrated banking system on a proprietary IBM, NCR, or Unisys platform. Either way, these banks will find themselves at a competitive disadvantage to some of the major global or regional banks which are installing open systems solutions in their extensive branch networks many times located across the street from one of these community banks.

The trend toward open systems and the ability to respond more quickly to a more competitive environment has yet to reach the community banking marketplace. Thus, the HP 9000 should have many opportunities to penetrate the more than 6000 institutions which fall into this category.

In addition to the small banking marketplace, credit unions and thrifts represent a relatively large opportunity for the benefits of open systems and the HP 9000. Application solutions for deposit and loan accounting, general ledger, teller and platform automation are widely available on the HP 9000 platform today.

Additional Resource

Solutions Guide for the Financial Services Industry

Legal Services

After an explosive growth period in the 1980's in which billings grew at a consistently high rate, the 1990's have seen a plateau or even a drop in billable hours. As such, law firms are faced with the need to cut costs mostly through staff layoffs or attrition and to make remaining staffs more productive. While this environment may not seem like an ideal opportunity for new system solution sales, the HP 9000 E-Class platform is an ideal hardware solution for trends to increased productivity, lower cost, and PC integration via PC-LANs. Typical installs may be a proprietary platform such as IBM S/36 or DEC VAX running a packaged solution with modules for client billing, docket control, conflict checking, document management, imaging, and more.

The legal industry has already begun to embrace the benefits of open system. This is evidenced in the HP 9000 platform having a significant presence and excellent application coverage. The E-Class will play very well in the small to medium-sized law firm with usually less than 150 lawyers and timekeepers.

Education

There are over 16,000 school districts and 3,600 colleges and universities in the U.S. Most are small, with fewer than 1,000 students. Collectively they spend about \$6B/year on information systems used in either the academic (instruction and research) or administrative areas.

The E-Class, along with appropriate software, solves the administrative computing needs at all levels of education. Best fits are found in school districts with less than 10,000 students and colleges/universities with less than 5,000 students. This represents about a \$1B opportunity. Look especially for opportunities to replace Prime, IBM 34/36, Honeywell, and Unisys systems.

The market is very competitive, with most hardware vendors offering hardware discounts of 25% or more, plus software discounts of 50% and free extended support programs.

Additional Resources

Software solutions for education	5091-7934EUS
"Higher Edge" quarterly newsletter for education customers	Newsletter
Various success stories and article reprints	LDC

For More Information

- Channel Partner Launch Kit for the HP 9000 E-Series
- Consult the Hewlett-Packard Solutions Catalog
- Consult your local Distributor or local HP Local Distributor Sales Representative
- HP 9000 E-Class Configuration Guide
- HP 9000 New Product Summary Guide
- HP 9000 Series 800 Buyer's Guide

Appendix A.

Case Study: HP 9000 Series 800 Success in the Retail Industry

Customer Profile

A single-site specialty retail operation with approximately \$120 million in annual sales and 25 employees began putting out feelers when the lease on their older Basic-Four system was close to expiring. The current system supported standard applications for a medium-sized retail operation such as accounting, inventory, billing, and orders. The sales consultants and management team utilized a mix of standalone PCs. However, since the Basic-Four system and the PCs were not linked, access to the host computer system was impossible and resulted in lower productivity and lost sales.

The specialty retailer knew that vastly more processing power was available with their Basic-Four system and was looking for a solution which could integrate with Novell PC-LANs. Support was also a major concern due to their displeasure with the current system.

The Solution

Several firms brought in to bid proposed solutions based exclusively on Novell NetWare or others based on UNIX platforms. The eventual winner, Northbrook Computers, proposed an HP 9000 Series 800-based solution with specialized software for integration with a Novell PC-LAN and a complete application set to manage the business.

While Northbrook, a Chicago-based systems integrator, could have proposed an IBM, DEC, or Sun platform, they chose to bid the HP 9000 Series 800 because of price/performance, growth within the platform, and excellent reputation for reliability and support. The buyer was also considering running the entire business on a Novell PC-LAN but was convinced that this would not have provided the robustness and reliability of a UNIX-based turnkey solution on the HP 9000 Series 800 platform.

While the final decision came down to the HP 9000 versus the IBM RS/6000, Northbrook was able to convince the buyer that HP was an overall superior platform primarily due to HP's standing and reputation in the Commercial UNIX world. Credit Northbrook's relationship with the customer and HP's relationship with Northbrook in giving the customer a superior comfort level in knowing that their solution offered the highest quality level of support.

Appendix B.

Case Study: HP 9000 Series 800 Success in Small Manufacturing Company

Customer Profile

A Seattle-based manufacturer of specialty labels with annual sales volume of less than \$15 million and 50 employees was recently experiencing severe limitations on their order entry and production tracking system. The system was based on a standard package written for the printing industry and basically did not ideally meet the needs of this particular customer. Running on a proprietary hardware platform, the system was not integrated with the financial applications which resided on an IBM S/36 and required manual data entry of shop floor data to produce shipping, billing, and other financial information critical to running the business. Given the age of the two systems, the customer was also not sure how long they would be able to continue receiving support from the vendors.

The Solution

Since the customer had no dedicated DP manager, a consultant was brought in to develop an RFP and qualify the respective bids. MicroAccounting Systems, Inc. (MAS) was brought in to bid along with several other resellers. Since there were not any standard shop floor packages available to support the highly custom specialty printing business, the MAS bid consisted of custom software development for order entry and production tracking integrated with standard financial accounting applications for A/P, A/R, G/L, etc. on a low-end HP 9000 Series 800 server.

The short list included the MAS solution on the HP 9000 and two others based on IBM RS/6000s. MAS bid the HP 9000 Series 800 platform based on superior performance and reliability and eventually won the deal based on their superior overall solution and the proven ability to deliver custom solutions. The new solution included, in addition to the shop floor applications, modules for financial accounting, inventory, purchasing, sales analysis, and telemarketing. Installation was carried out in one weekend; and the system was up and running on Monday morning supporting 20 data collection terminals on the shop floor, 25 ASCII terminals, and 6 printers with literally no problems.



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