

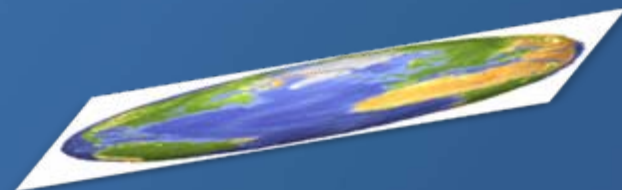
SUPPLY CHAIN MANAGEMENT FOR EFFICIENT CONSUMER RESPONSE SYMPOSIUM

12-13 JUNE 2011
TARGOVISTE

*Collaborative project management for new
product development
Case study at HP (Hewlett-Packard)*

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Virgil POPA*

The circular world vs. the flat world

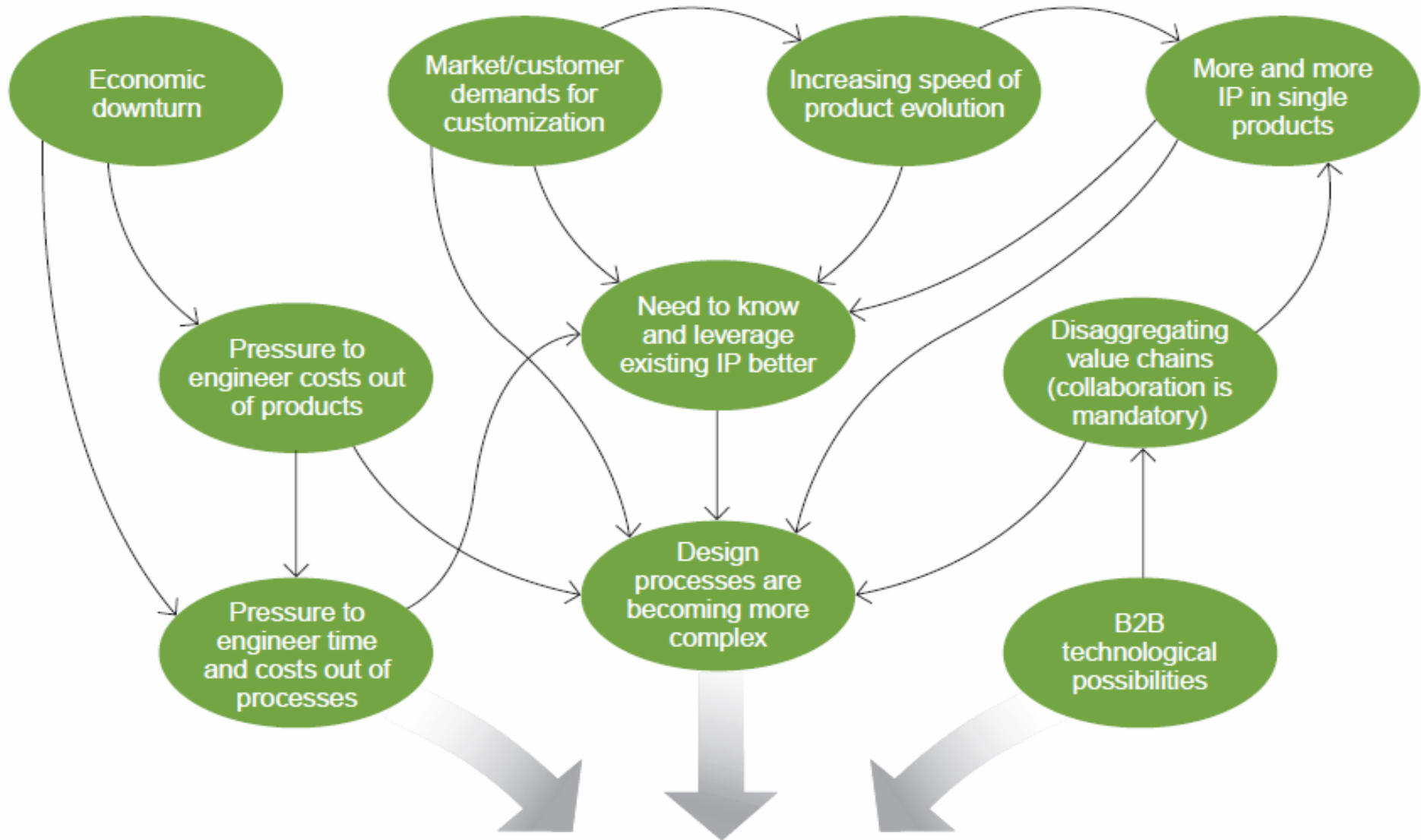


Principle	Circular World	Flat World
Orchestrating the network	Operate	Orchestrate
Competition between networks	Focus on costs	Focus on performance
Assuming responsibility for the entire chain	Weak links	Close links
Establish a time frame of three years	Stability	Innovation
Build the philosophy centered on customer	Satisfying customer needs	Building a profitable business
30/70 Rule	Commitment	Flexibility
Learning the \$ 3 difference	Today's efficiency	Tomorrow's greater opportunities
Selling to the source	Origin	Marketing
Policy	Protecting the national industries	Serving global customers

HP philosophy

Constructs	Direction
Evolution	Continuous development of a relationship between consumer and company, Supposing that the bilateral relationship is dynamic: the company and the consumer learn from each other and adapt their behavior accordingly.
Care about your employees	Consumer perceptions about how a company treats its own employees, regarding wages, benefits or general staff which addresses.
Reliability	A company on whose services you can rely on, making sure they are reliable and consistent. A company that can give consumers confidence in times of uncertainty. A company that is always available to consumers and that supports its products.
Honesty	The company provides direct and accurate information regarding the products offered. Nothing is hided deliberately to the customers.
Innovation / Creativity	Company strikes constantly in developing products and services that improve the ability to satisfy consumer needs and interests, the ability to think differently, to change the work and function in different sectors. An open attitude to unconventional ideas, rather than a rigid adherence to the status quo.
Ethics	Taking into account the ethnic nature of the shares of a company. Recognizing the potential results of good or bad business practices.
Proactively attitude	A corporate approach that tries to prevent any problems by anticipating, considering all the result is possible and prepare accordingly.
Hospitality	A pleasant company, striving to make the consumer feel at ease. The consumer feels wanted, appreciated and warmly accepted.

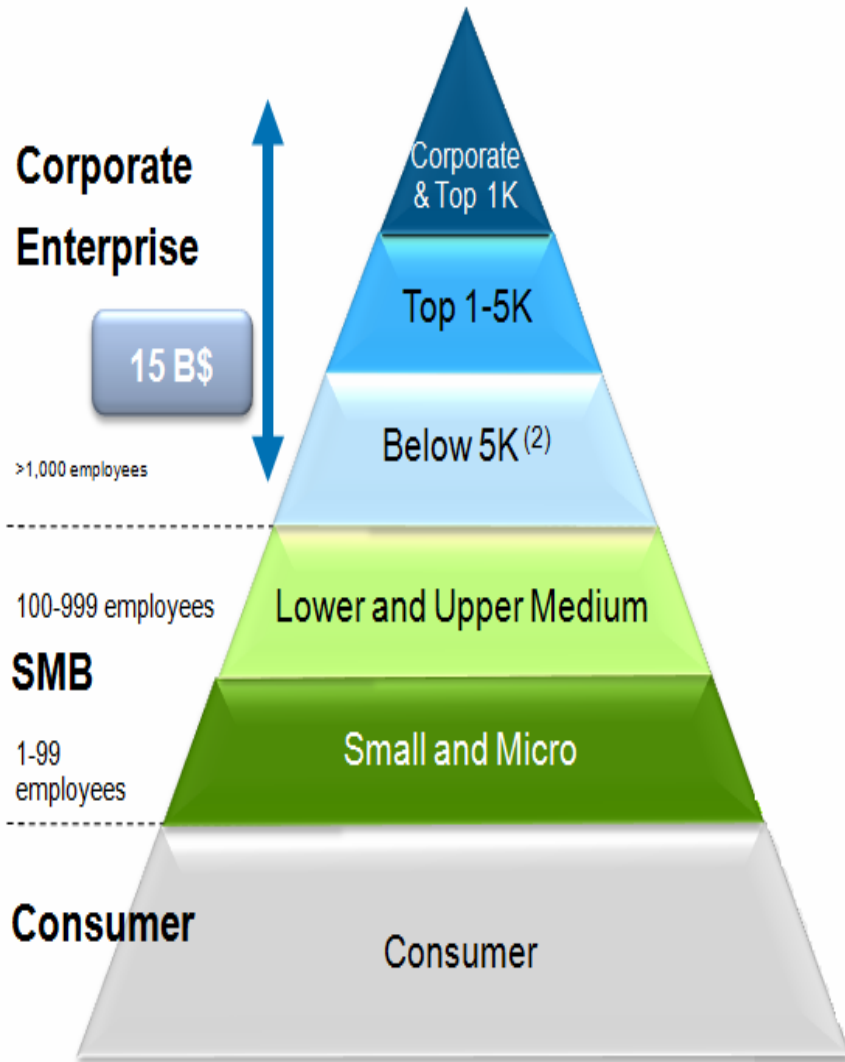
NPI is asked by :



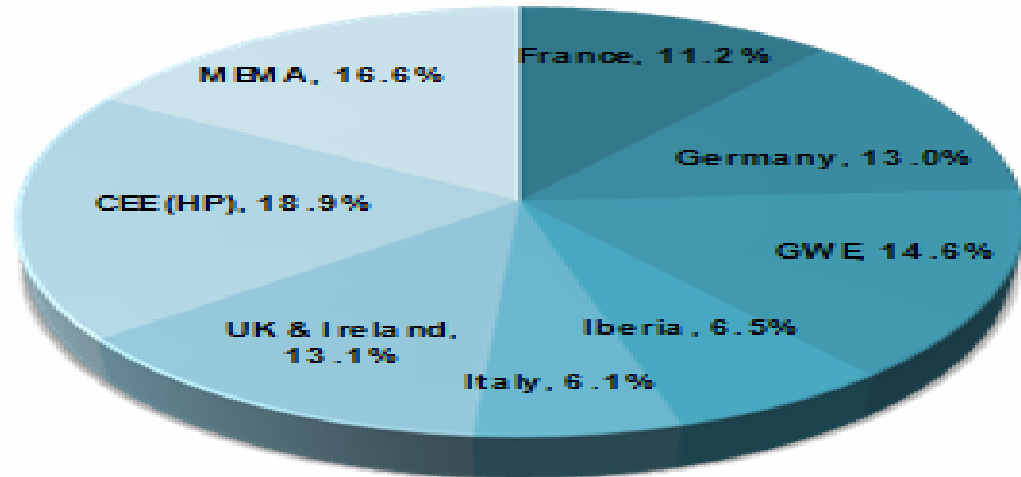
Pressures for collaborative product development

Innovate? For whom?

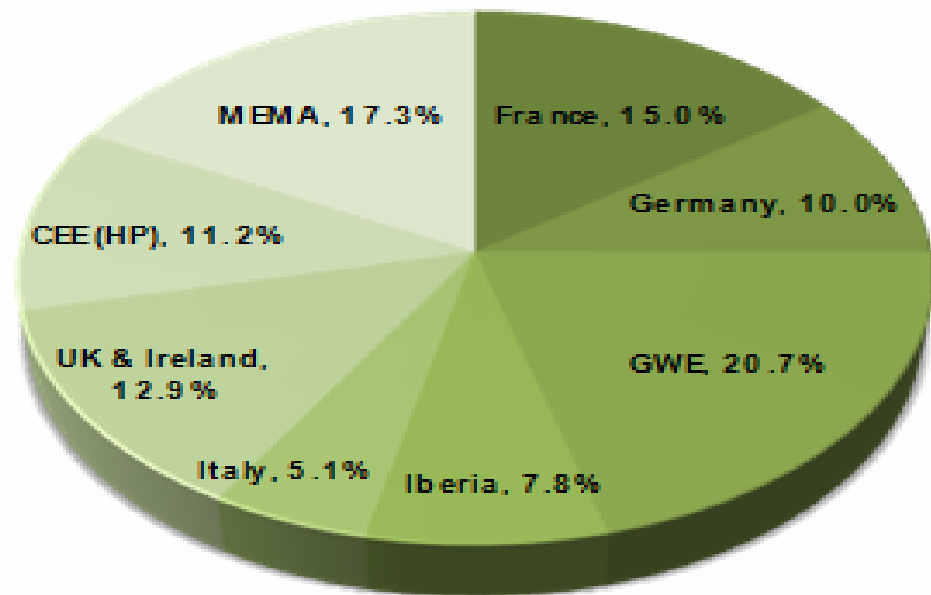
PSG Customer Type



EMEA PC Client Market Region Mix %



PC Client HP Business Region Mix % in EMEA

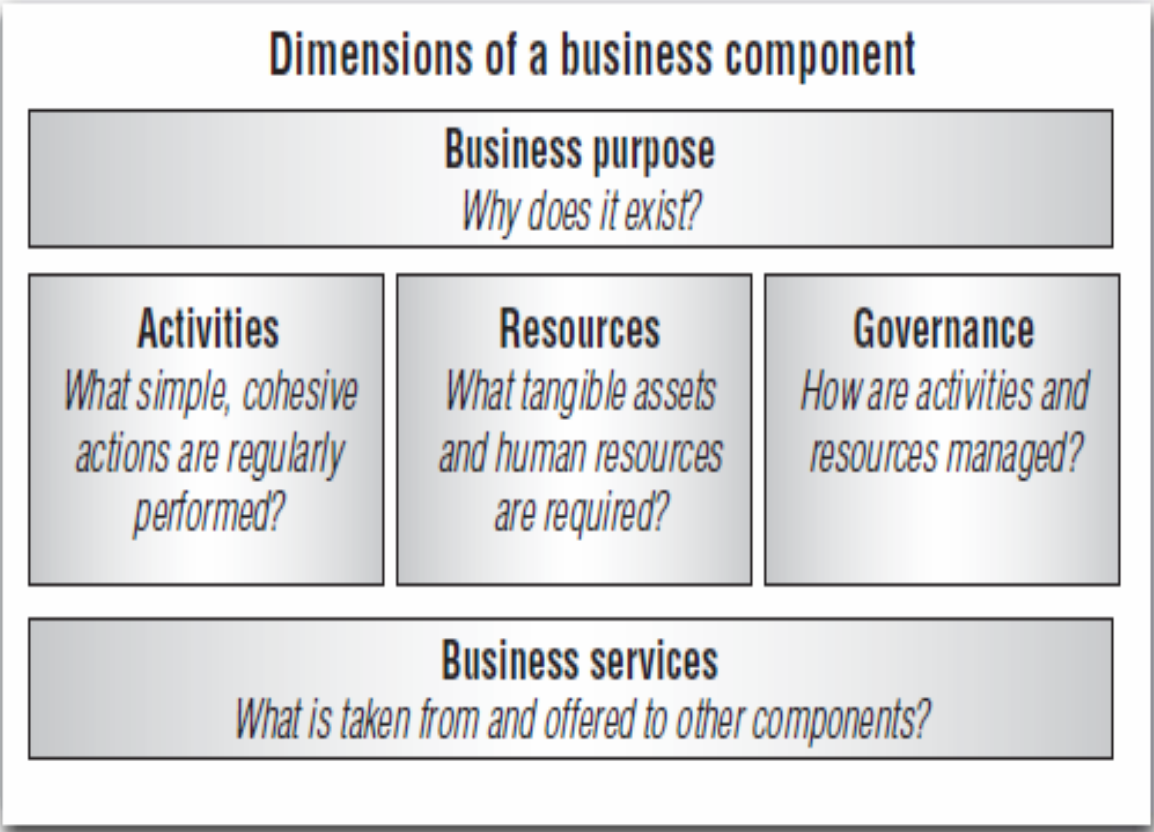


Accountability level

Direct	Market strategy	Merchandise planning	Channel strategy	Network design	Corporate strategy
	Customer service strategy	Channel planning	Store design		Corporate planning
	Marketing strategy	Assortment planning	Real estate strategy	Warehouse design	Financial planning
Control		Space planning	Internet design		Corporate governance
		Promotion planning	Catalog/call center design	Demand/flow planning	
		Product development			
	Campaign management	Sourcing			
		Product development			
		Product flow	Channel management	Inbound routing	Business performance management
		Planogramming	Labor management	Receipt scheduling	Treasury and risk management
		Allocation	Order management	Delivery scheduling	Legal and regulatory compliance
	Service management	Inventory mgt/OTB	Real estate, construction and facilities management	Carrier management	Inventory control
		Demand forecasting	Loss prevention		Cash and banking
Execute		Price management			
		Content management			
		Vendor management			
	Customer service	Item management	Order management	Warehouse management	Financial accounting and reporting
	Customer communications	Product management	Inventory management	Transportation management	Indirect procurement
	Marketing	PO management	Merchandise management	Fleet management	HR administration
Advertising	Vendor management				
Public relations	Replenishment	Price/sign management	Reverse logistics	IT systems and operations	
	Revenue/clearance management				

The five dimensions of a business component: business purpose, activities, resources, governance model and business services.

	Manage	Design	Buy	Make	Sell
Direct					
Control					
Execute					



Source: IBM Business Consulting Services.

Project plan

1

Initiation

- » Develop a Business Case
- » Undertake a Feasibility Study
- » Establish the Project Charter
- » Appoint the Project Team
- » Set up the Project Office
- » Perform Phase Review



2

Planning

- » Create a Project Plan
- » Create a Resource Plan
- » Create a Financial Plan
- » Create a Quality Plan
- » Create a Risk Plan
- » Create an Acceptance Plan
- » Create a Communications Plan
- » Create a Procurement Plan
- » Contract the Suppliers
 - Define the Tender Process
 - Issue a Statement of Work
 - Issue a Request for Information
 - Issue a Request for Proposal
 - Create Supplier Contract
 - Perform Phase Review



3

Execution

- » Build Deliverables
- » Monitor and Control
 - Perform Time Management
 - Perform Cost Management
 - Perform Quality Management
 - Perform Change Management
 - Perform Risk Management
 - Perform Issue Management
 - Perform Procurement Management
 - Perform Acceptance Management
 - Perform Communications Management



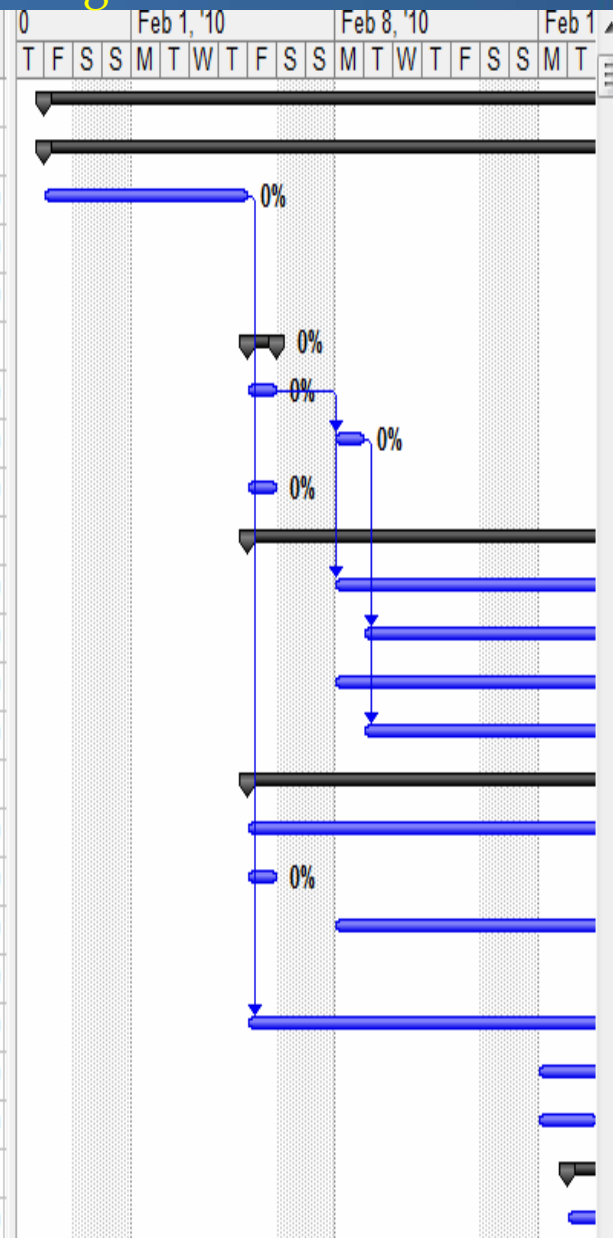
4

Closure

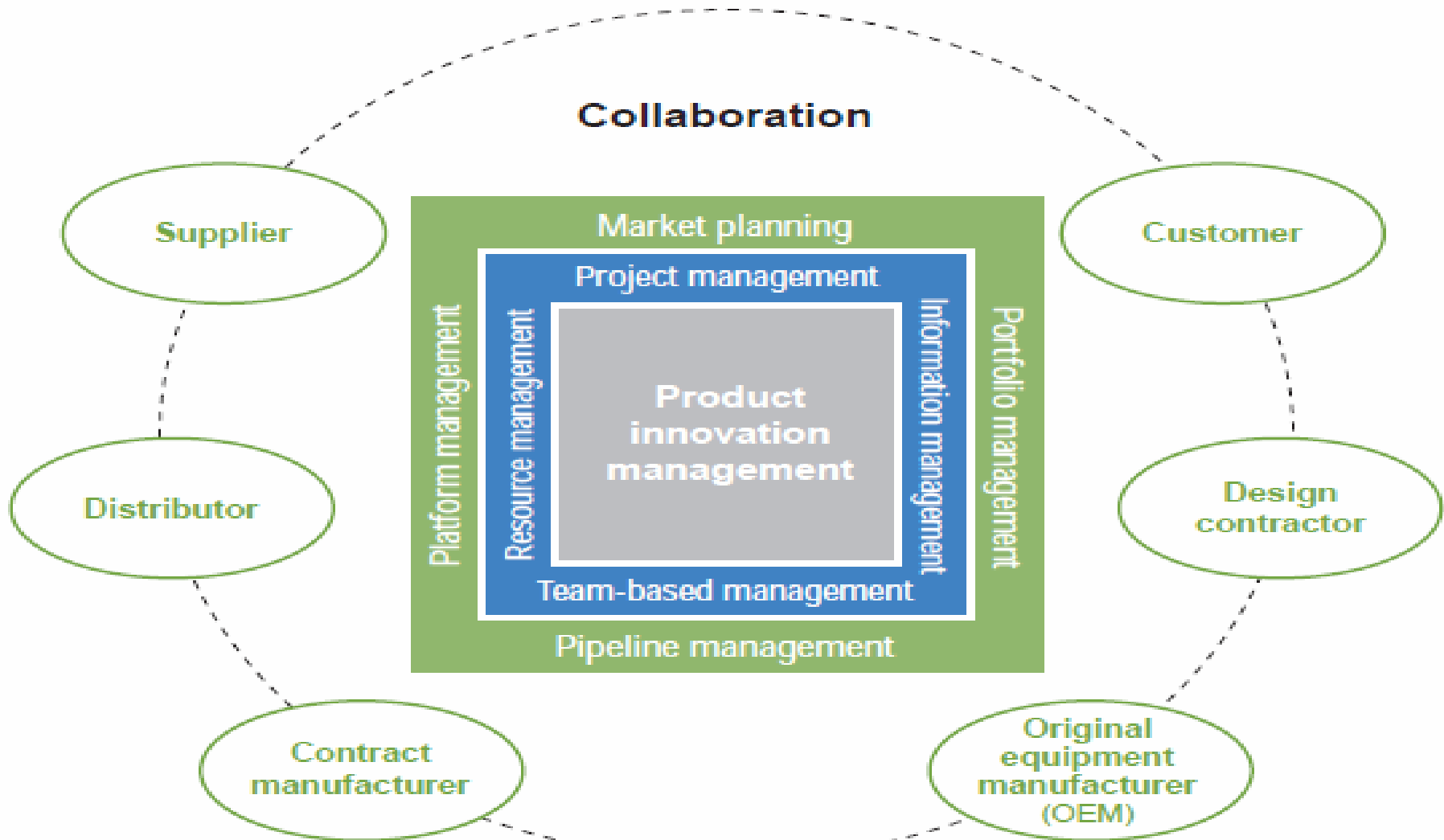
- » Perform Project Closure
- » Review Project Completion

Microsoft Project is a robust tool for projects taking into account the flexibility and ease of use you need for effective project management.

	Task Name	Duration	Start	Finish	0	Feb 1, '10	Feb 8, '10	Feb 15, '10
					T	F	S	S
1	[-] New product launch	333 days	Fri 1/29/10	Tue 5/10/11				
2	[-] 1. Research needs	40 days	Fri 1/29/10	Thu 3/25/10				
3	1.1 Opportunity identification	5 days	Fri 1/29/10	Thu 2/4/10				
4	1.2 Opportunity analysis	10 days	Mon 3/8/10	Fri 3/19/10				
5	1.3 Idea generation and enrichment	4 days	Mon 3/22/10	Thu 3/25/10				
6	[-] 1.4 Convening Committee Decision	1 day	Fri 2/5/10	Fri 2/5/10				
7	1.4.1 Idea selection	1 day	Fri 2/5/10	Fri 2/5/10				
8	1.5 Define the concept	1 day	Mon 2/8/10	Mon 2/8/10				
9	1.6 Decision point Yes / No back to survey	1 day	Fri 2/5/10	Fri 2/5/10				
10	[-] 2. Preliminary research stage	25 days	Fri 2/5/10	Thu 3/11/10				
11	2.1 Resource Allocation	10 days	Mon 2/8/10	Fri 2/19/10				
12	2.2 Develop research plan	15 days	Tue 2/9/10	Mon 3/1/10				
13	2.3 Analyse the market segments	20 days	Mon 2/8/10	Fri 3/5/10				
14	2.4 Analyse the production capacity	14 days	Tue 2/9/10	Fri 2/26/10				
15	[-] 2.5 Analyse the competition	11 days	Fri 2/5/10	Fri 2/19/10				
16	2.5.1 Identify competition	11 days	Fri 2/5/10	Fri 2/19/10				
17	2.5.2 Establish the type of competition	1 day	Fri 2/5/10	Fri 2/5/10				
18	2.6 Assess of environmental issues	14 days	Mon 2/8/10	Thu 2/25/10				
19	2.7 Assess issues legal regulations and patents	10 days	Fri 2/26/10	Thu 3/11/10				
20	2.8 Financial analysis	14 days	Fri 2/5/10	Wed 2/24/10				
21	2.8 Risks analysis	8 days	Mon 2/15/10	Wed 2/24/10				
22	2.9 Partial evaluation of current status	2 days	Mon 2/15/10	Tue 2/16/10				
23	[-] 3. Product development	99 days	Tue 2/16/10	Fri 7/2/10				
24	3.1 Allocate resources for development plan	2 days	Tue 2/16/10	Wed 2/17/10				



Collaborative environment



HP Business desktop pc

Value proposition

- ▣ Different products for different customers

	SBSO	CEP/MM
Customers	<u>S</u> mall <u>B</u> usiness <u>S</u> mall <u>O</u> ffice up to 100 employees	<u>C</u> orporate, <u>E</u> nterprise, <u>P</u> ublic Sector (Education, Government), <u>M</u> id <u>M</u> arket
Product Series	HP Elite HP Pro Compaq	HP Compaq Elite HP Compaq Pro
Value proposition	Flexibility "Value for money" Basic features for basic needs Attractive look & feel	Stability Security Manageability Environment

EMEA BID DESK
Global & Regional Deals

LOCAL BID DESK
Local Deals

PSG EMEA Category

PSG Country Category

GOVERNANCE/PRICING PROJECTS

BU Consultants

Front Desk

UKI

FR

DE

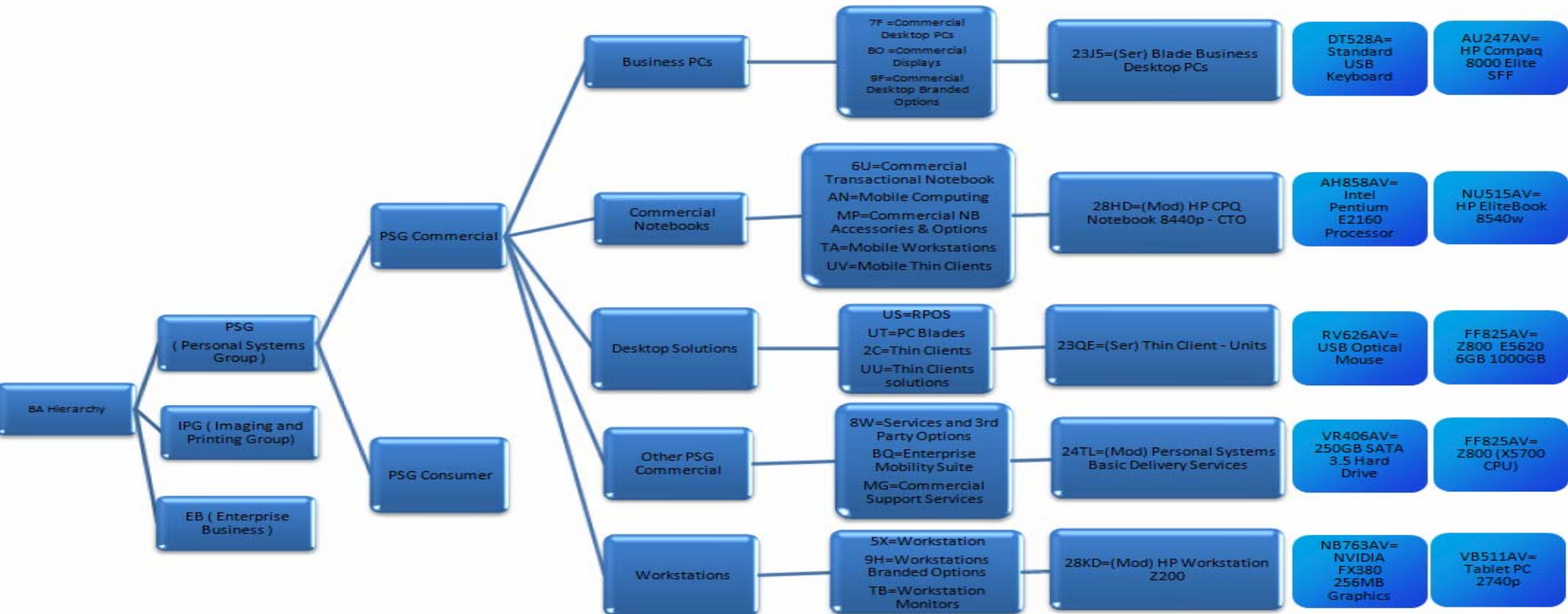
IB

IT

GWE

CEE

MEMA



Business Area	Business Groups	Category	Products	Product Lines	Product Families	Product numbers	Bundles (configs)
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What is the “Category”?

Product Offering

Define compelling value proposition to customers

Define product roadmaps with right cost at right time

Pricing

Define pricing strategy per customer segment

Price for profitability according to willingness to pay from customers

Business Monitoring

Measure performance to plan

Adjust key performance indicators to new business priorities

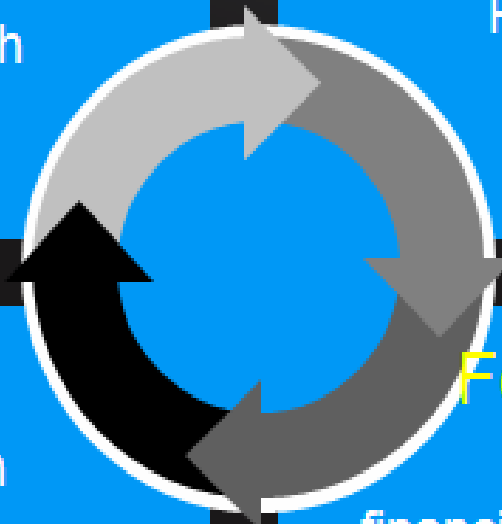
Perform ad-hoc analysis for root cause and corrective action

Forecasting & Planning

Align shipment forecast with financials and market share targets

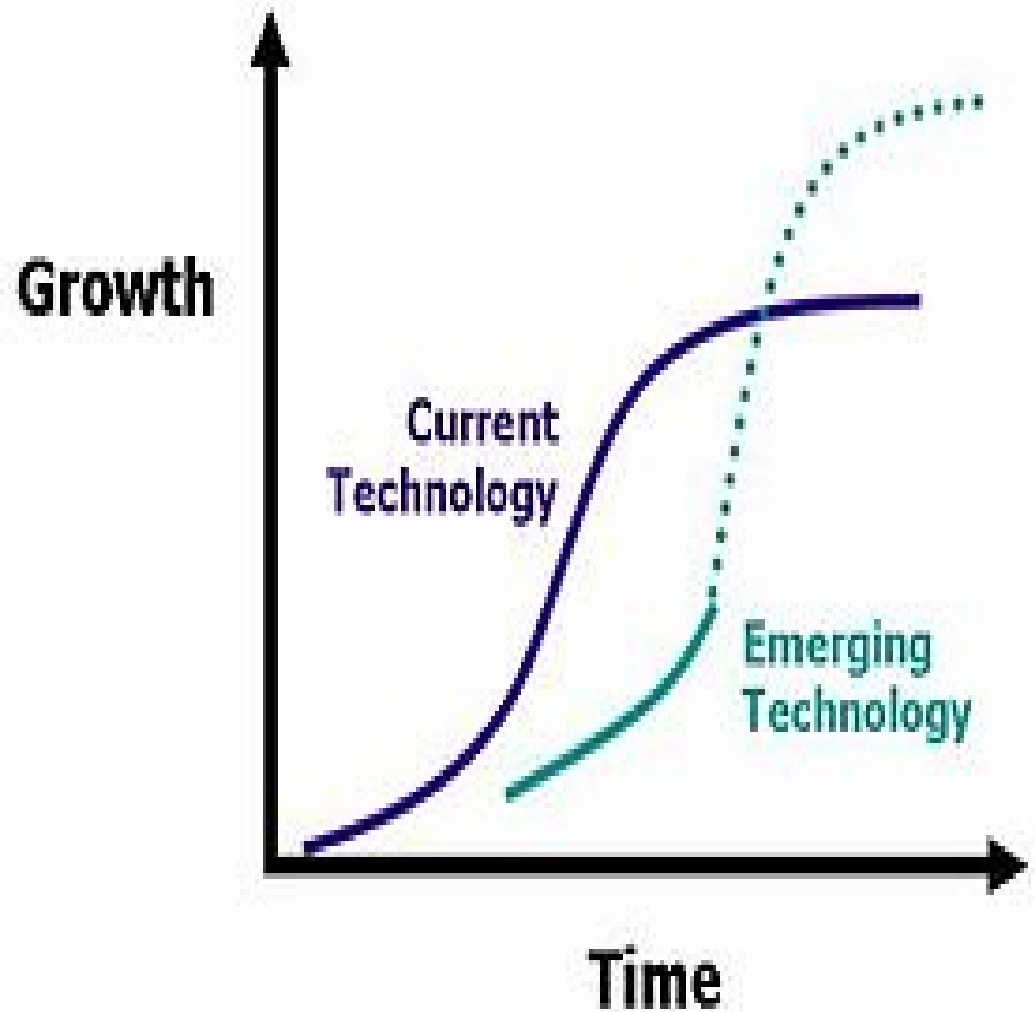
Align feature forecast with product offer and strategy

Manage product transition



Once innovation occurs, innovations may be spread from the innovator to other individuals and groups. At some point customers begin to demand and the product growth increases more rapidly.

Towards the end of its life cycle growth slows and may even begin to decline. In the later stages, no amount of new investment in that product will yield a normal rate of return.



Customer requirements

Enterprise customers

High-performing business PCs that give you control over what matters most to your business

Stability

1

Security

2

Manageability

3

Energy savings

4



Highly reliable with 12 to 15+ months of product availability so you have more control over PC roll-outs and transitions.



HP's latest security features, including HP Protect Tools security suite, are available to give you more control over your data, your PCs and your business.



vPro technology and industry standard DASH are optional manageability features that give you remote control over your network.



Efficient power supplies and power management solutions are available to give you control of your environment impact and energy save.

PC Accessories



Integrated Work Center



Displays accessories



Memory



Graphics

CONVENIENCE

PERFORMANCE



USB Graphics Adapter

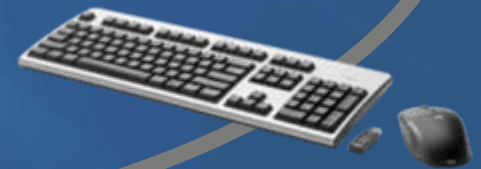


Chassis lock & Security

SECURITY

EXPANDIBILITY

Keyboards & Mice



Speakers



Hard Disk Drives
Optical Drives

2011 TRANSITION

3 step scenario

1

8100 Elite



8000 Elite



6000 Pro



6005 Pro



4000 Pro



Feb

Introduction of
HP Compaq
4000 Pro SFF

2

8200 Elite



6200 Pro



March
April

Transition to
Sandy Bridge
CPU and
Q65/67
chipsets

3

6205 Pro



4200 Pro



Sept
Nov

Transition to
HP 4200 Pro
and HP
Compaq 6205
Pro (AMD)

Mix
guidance

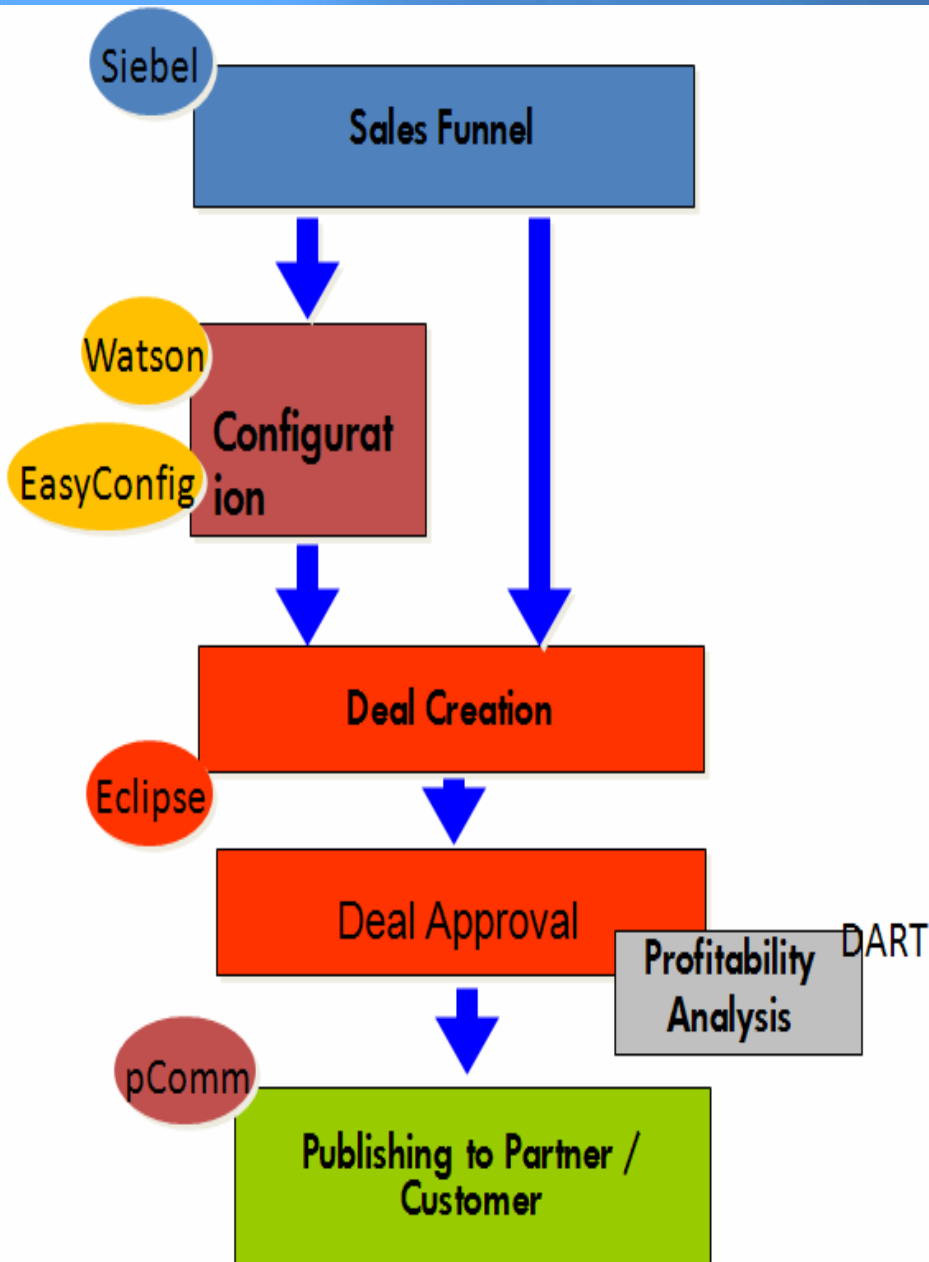
7%+

6%+

5%+

5%

Demand is analyzed through main tools



$$\text{Discount} = \frac{\text{Listprice} - \text{Netprice}}{\text{Listprice}}$$

$$\text{Benefit (GM)} = \frac{\text{Netprice} - \text{Cost}}{\text{Netprice}}$$

$$25\% \text{ (GM)} = \frac{100 - 75}{100}$$

$$40\% \text{ (GM)} = \frac{100 - 60}{100}$$

Healthy present, Healthy future

Market share Variation Tendency



31.7% ▼ -0.1pts ▲ 6.7%



21.1% ▲ 1.1pts ▲ 12.6%



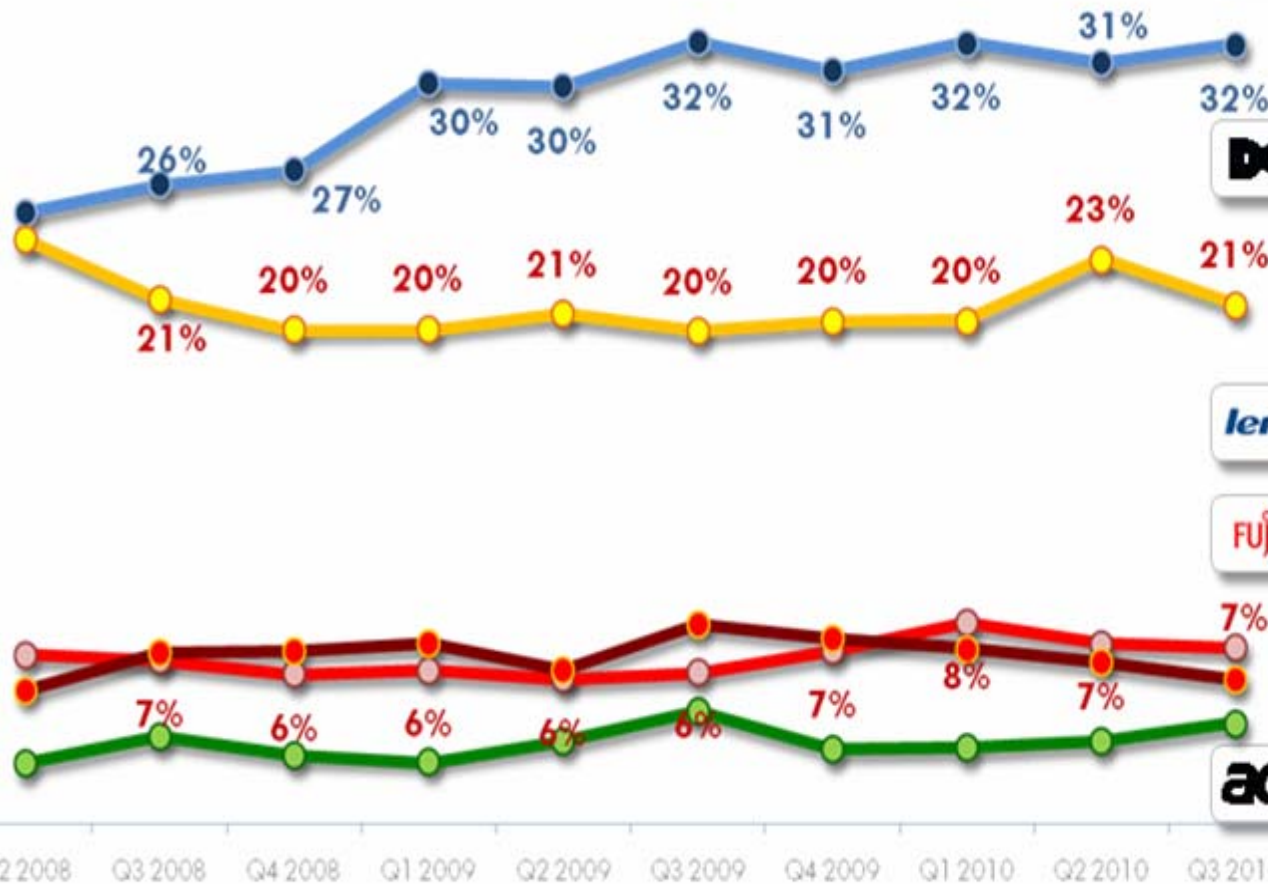
7.2% ▲ 1pts ▲ 24.4%



5.9% ▼ -2.2pts ▼ -22.6%



4.1% ▼ -0.5pts ▼ -3.8%



Q2 2008 Q3 2008 Q4 2008 Q1 2009 Q2 2009 Q3 2009 Q4 2009 Q1 2010 Q2 2010 Q3 2010

**Block the minute and think!
Innovate...**

...but always, with purpose !

Thank you very much for your attention!