

# Executive Briefing: HP Technology Finance



*Key points  
for high-level  
decision makers*

*"As the world's largest international express delivery company, flexibility is a high priority for us. The ability to upgrade mid-stream, tailor local contracts to local conditions, and pay in the currency where the equipment is used is the kind of exceptional flexibility HP Technology Finance provides. That's why we use an HP master lease for our operations in over 30 countries around the world."*

— DHL Worldwide  
Express, Brussels

*"Leasing directly from the manufacturer makes the whole process extremely easy."*

— Milano Stock  
Exchange, Milan

*"Buy what appreciates.  
Lease what depreciates."*

— J.Paul Getty

*"I can relax when I order systems because HP Technology Finance gives us the flexibility to increase or decrease our computing power as business swings up or down. And we can incorporate new technology as it emerges."*

— Monsanto  
Company, St. Louis

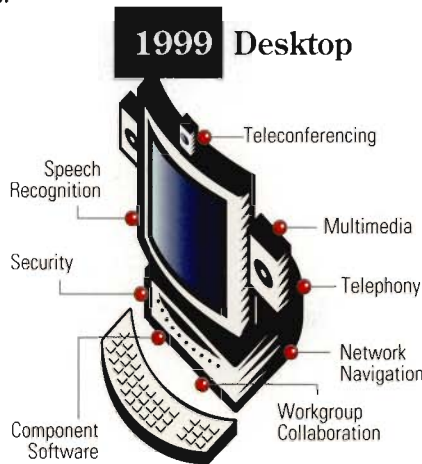
*"With HP Technology Finance, we can upgrade to the latest technology — while staying on a fixed monthly budget. So our MIS strategy can be as dynamic as our corporate strategy for global growth."*

— Groupe Moulinex,  
Paris

# Managing Technology in the '90s



*In today's fast-moving environment, new generations of technology are arriving every other year. Strategic enhancements are revolutionizing every level of information technology.*



These upgrades are not optional, however. The success of an organization in continually improving itself and staying ahead of its competition can depend, in large part, on the organization's ability to refresh and manage its assets.

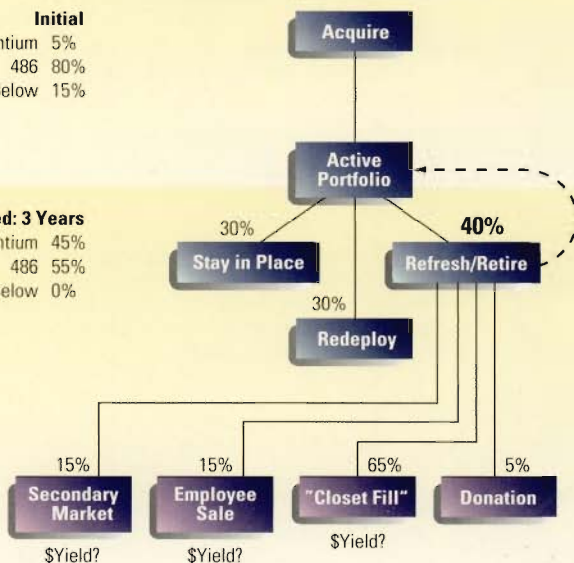
No small task. High book values on existing equipment add to the cost of upgrading and often inhibit the adoption of new technology. Many organizations still depreciate desktop technology over 48 months or more. And if you finance your technology, your lease periods rarely match your need to upgrade, so you must either (a) buy out your contract or (b) operate at a lower level of productivity than your competitors.

A key question, therefore, is: what management strategies can you use to keep pace and compete?

## Industry Forecast

**Initial**  
Pentium 5%  
486 80%  
386 and Below 15%

**Projected: 3 Years**  
Pentium 45%  
486 55%  
386 and Below 0%



Source: Gartner Group

**Industry forecast:** Next-generation software, alone, will obsolete 40% or more of existing PCs for most organizations by 1999.

# HP's Life Cycle Approach to Technology Management

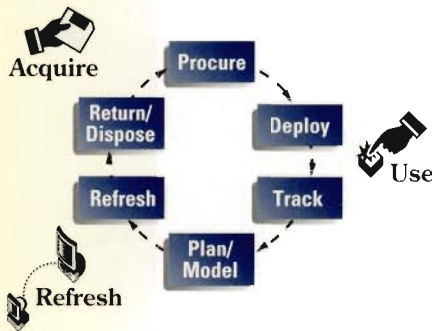
*A key to controlling the total cost of technology lies in adopting a life cycle approach to technology management.*

Today, Hewlett-Packard provides additional value to the technology it manufactures. HP can help you save time and money when migrating, using, and, then, refreshing assets.

HP's goal is to help you reduce the TCO annually.

This means recognizing the accumulated costs of acquiring, maintaining and disposing of technology assets throughout a complete product lifecycle. Industry analysts estimate that those who do not take this perspective will increase their total cost of ownership (TCO) by at least 10% annually.

## The Managed Life Cycle



## HP's Life Cycle Strategy at-a-Glance

- Disposition of old technology**
  - **HP Disposition services** can quickly dispose of aged equipment to facilitate faster migration and relieve your balance sheet.
- Acquisition**
  - **HP Technology Refreshment plans** provide both flexible ways to match payments to cash flows and prevent becoming "locked in" to dated assets. No upgrade penalties or constricting terms.
- During use**
  - **HP Asset Information software and services** provide a way to optimize your asset inventory, with comprehensive tracking and reporting capabilities. Streamline procurement processes and standardize configurations, maximize buying power, and provide decision making data for financial/technology planning.
- Transition to next generation**
  - **HP Technology Refreshment plans** have "built-in" upgrade mechanisms to allow for migration when you're ready.

# HP Technology Finance: One-Minute Profile

## Mission

HP Technology Finance has one overall objective: to help manage the cost of technology.

Hewlett-Packard created HP Technology Finance in 1982 to help customers grow with HP technology. Today, HP Technology Finance is one of the largest and fastest-growing lessors of technology in the world.

## Performance

Over 30,000 customers have selected HP Technology Finance for financing and asset management services.

As a result, HP Technology Finance is growing by over 20% annually, with over \$1.5 billion in products financed in 1994.

## Worldwide Scope

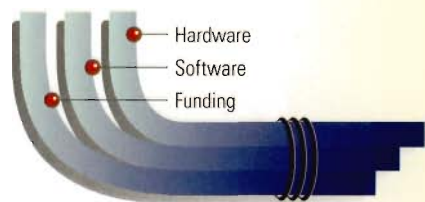
HP Technology Finance has local financial and remarketing representatives in over 35 countries.

## Financing for the Entire HP Solution

HP Technology Finance funds all HP product lines and complementary non-HP products. Unlike many other finance organizations, HP typically does not require down payments or advance fees.<sup>1</sup>

## Bundled Solutions

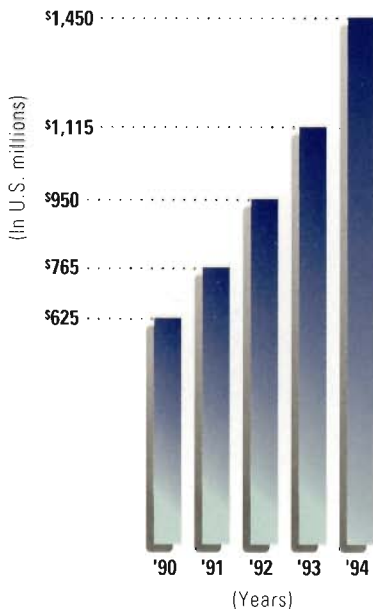
Together with HP's value-added business partners, HP offers "bundled financing" — plans with hardware, software, and HP service bundled into a "one-stop" solution.



### HP's "one-stop" convenience.

One contract can fund the entire solution.

Your total solution is funded in one package. HP makes it easy: one application form, one contract, one invoice.



**Growing at 20%.** Amount of products financed annually by HP Technology Finance, 1990-94.

<sup>1</sup> Subject to credit approval and transaction minimum.

**HP Computer Museum**  
**[www.hpmuseum.net](http://www.hpmuseum.net)**

**For research and education purposes only.**



## Why HP Is a Better Answer

*Financial services companies focus upon earning good financial returns. But as a technology leader, HP focuses on providing innovative approaches to every dimension of technology ownership.*

HP Technology Finance helps you manage the entire life cycle:

1. COST EFFICIENCIES. HP uses its advantages as a Fortune 100 company to minimize the primary costs of financing.

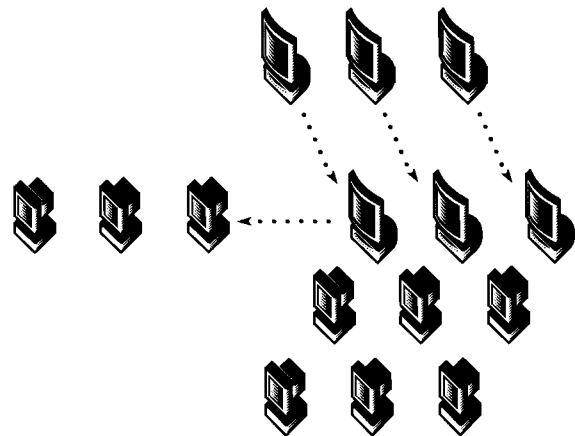
For example:

*Funding.* The savings gained through HP's strong balance sheet is extended to you.<sup>2</sup>

HP can obtain funds wherever rates are lowest, then passes the benefit on to customers.

*Remarketing.* Costs are also minimized when the value of returned equipment is maximized. HP's global refurbishment and sales organizations can update and sell the equipment wherever demand is strongest.

2. THE ABILITY TO GROW. HP makes upgrading and adding-on simple, so customers can grow with HP technology. While many lessors penalize customers when they need to



upgrade, HP takes the opposite approach with innovations such as Technology Refreshment plans, that enable highly flexible migrations to next generation models.

### 3. ASSET INFORMATION

Meaningful cost-management depends upon knowing who's using what technology.

This allows enterprises to develop fully rationalized procurement, software licensing, support, asset planning and charge-back programs.

HP offers industry-leading AssetView software and related services.

4. DISPOSITION. To initiate a productivity gain, organizations can retire aging assets



through HP Disposition services. This includes the buy-back of HP or other equipment.

<sup>2</sup> Hewlett-Packard Company had revenues of \$25 billion in 1994.







AssetView is a trademark of Hewlett-Packard Company.

Information in this document is subject to change without notice.

© 1995 All Rights Reserved. Reproduction, adaptation, or translation without prior written permission is prohibited, except as allowed under the copyright laws.

Printed in USA 8/95 5964-1923E