

Losses, Organisational Changes for HP ES

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HP prepares itself for huge losses in Q3 2012 after taking an \$8 billion writedown in its services division, a good will impairment from the 2008 acquisition of EDS.



Four years ago HP bought EDS for \$13.9 billion, folding it in the services arm which it renamed HP Enterprise Services (HP ES). The group now handles outsourcing contracts for HP.

The company is also going through further restructuring-- more employees are taking severance offers, leading to a \$1.5-1.7bn charge as opposed to the original forecast of \$1bn.

Then there are organisational changes for HP ES. Senior VP of HP ES-EMEA Mike Nefkens now runs HP ES instead of John Visentin, who left the company in order to "pursue other interests." Senior VP and CFO JJ Charhon is appointed as COO.

The company hopes the restructuring efforts will lead to further savings-- CEO Meg Whitman says some of the savings will go towards the development of new printing and PC products.

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