

Slow Going for HP Recovery

Written by Marco Attard
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HP CEO Meg Whitman tells investors company recovery will only become visible in fiscal 2014, once investments start paying off-- blaming a lack of clear strategy and heavy executive turnover for the company's troubles.



As a result HP will continue to struggle throughout fiscal 2013, if not beyond... Operating profits for the fiscal July quarter are down by -22%, while PCs are down by -28%.

"The single biggest challenge facing Hewlett-Packard has been changes in CEOs and executive leadership, which has caused multiple inconsistent strategic choices, and frankly some significant executorial miscues," Whitman remarks. Which is more than fair enough-- over the past few years HP saw a number of CEO changes (chiefly Mark Hurd and Leo Apotheker) as well as expensive shifts in company strategy (such as the Palm and webOS purchase and dismantling).

The admission however fails to appease Wall Street, causing HP stock prices (and thus company value) to tumble to what Reuters says is a 9-year low.

HP plans reductions across the entire company-- including a -30% reduction of printing business SKUs and a -25% reduction in PC platforms by end 2014. Whitman also says HP will enter the smartphone market, even if the company has no plans to launch a device in 2013.

Meanwhile the company braces itself for revenue declines of 11-13% in fiscal 2013 for global HP Enterprise Services.

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Whitman hopes HP profits will grow faster than revenues by 2016, with "GDP-like growth"--even if in the meantime it just hopes for the best.

Go [HP Details Turnaround Strategy, Provides 2013 Outlook](#)

Go [HP's Outlook Disappoints, Driving Shares to 9-Year Low \(Reuters\)](#)