

Corporate Memory, Outsourcing, and HP Calculators

Richard J. Nelson

This is the first of a trilogy of articles examining the current status of HP calculators.

I used to work for a biomedical research company, AMF, and one of the expressions I often heard from medical researchers was that “You do not have pain without memory.”

Memory is a vital part of life and I am reminded of the global role it plays by the quote from George Santayana, 1863-1952, "Those who cannot remember the past are condemned to repeat it."

It was something that Ted Kerber said during his surveying talk at HHC 2009 that started me thinking about corporate memory. Ted implied that HP had lost theirs. This observation coupled with Tim Wessman’s description of how HP calculators are being produced today - and ever since what I call Epoch 3 of the current reincarnation of HP’s calculators which began in November 2001 – prompted these thoughts.

The immediate revelation is that HP has strongly supported the most recent three HHC’s, in part, because we provide them with something that they seemingly lack, especially now. That is a clear memory of their past glory. Of course HP is aware of this because their customers always remind them of it, but we provide the intellectual basis for the best qualities of HP’s products. We provide the enthusiasm and technical details of ideas of how HP’s calculators are used in their application. We also provide a stimulus for ideas for future products.

Saying that HP has very little calculator product memory is one thing, but explaining the “why” is really the most interesting and important aspect of the current HP management and calculator market situation. The HHC has, as one of its goals, the objective of keeping the active HP User Community, HPUC, informed of the who, what, and why of HP calculators. It is the latter part that is most important for us as long term customers. We need to understand the thinking and the language that HP uses as they go forward. We received an exceptional lesson in this understanding from HP at HHC 2009.

After 37 years of HP calculators the status of the calculator as a product category is often described as that of a mature product with very little innovation left. Have calculators become a commodity; similar to toasters? Personally I don’t believe this, but it is not what I believe that is important. It is what makes business sense for HP that matters. The other side of the HHC coin is for us to inspire HP with creative ideas to encourage them to improve their products. That is one of several reasons we work diligently to have an active HP involvement with our Conferences. This is in strong contrast with a recent report of how TI’s enthusiasts “work” with TI⁽¹⁾.

Here is a quote from the noted article that shows that TI users have similarities to HP users.

For Brandon Wilson, exploring every last nook and cranny of a TI calculator is part of the appeal. "For me it's figuring out something new," said Wilson, a 25-year-old programmer at a call center in Elizabethton, Tenn. He's been using TI calculators since seventh grade, developed a way to install third-party operating systems on the calculator earlier this year, and now is writing his own. "There's a lot of satisfaction being able to understand something so completely. It's very rewarding, at least for me."

What is radically different between TI users and HP users is the relationship that the HPUC has with HP. We try to work with HP, not against HP, because our goals are the same – to inspire and produce the best computational tools possible.

(1) *Why hack a calculator? Why climb Mount Everest? By Stephen Shankland, October 15, 2009 10:43 AM PDT, http://news.cnet.com/8301-30685_3-10375239-264.html*

The market is changing and Tim explained to us the current business realities of building HP calculators. Outsourcing and rebadging in a very competitive all-made-in-the-same-place environment is reality, and it offers a very serious challenge for excellence.

I first became sensitive to calculator outsourcing when Fred Valdez explained the new business model at the 2002 Conference in London. I immediately recognized an aspect of this system that I consider to be the most important for changes in the “design” of HP calculators.

When you have another company perform a task for you in order to reduce operating costs you have installed a buffer between you and the people doing your work. You no longer have very much say in the details of the work, just the result. This seems to me to be a significant contributor to the loss of corporate calculator memory. You can't remember something that you never did. An old engineering adage says that you can't control something if you can't measure it. You can't measure something that you are not doing, or know what is actually being done – in the traditional sense.

Another aspect for HP's calculator business is HP's bigness. Tim gave an example of a very recent model that has a very questionable history. What seems obvious to us on the outside is from the inside unknowable. Tim also gave an excellent talk about what he learned from being one of us to becoming one of “them.” When corporate HP makes changes from the top with regards to the way information technology, IT, is implemented the calculator people have to comply. They simply have no choice, but to shake their heads in amazement, as major computer systems and networks change and important files simply disappear. To say that HP has “lost” something - we might say “memory,” - can be quite literal in its description.

HHC 2009 was a milestone in understanding how HP works. Their constraints are now better known to those who attended. We may not like it, and HP calculator folks may not like it, but business reality is what it is. Being the giant corporation that it is, HP will have to continuously re-evaluate the calculator business, as everyone in it is doing, to see if it is reasonable to continue to sell calculators. What once took a decade to do in the past with dozens of people now has to happen in two years with just a couple of people. That is a very tough assignment for anyone.

When you know “the rest of the story” you can only be amazed at the talent, hard work, and creativity of the folks who are working on HP's calculators. They want the same things that we do for the future. At least now we have a much better idea of the HP constraints, and I hope that we will have a better understanding when we make criticisms of their products. Many of the assumptions that users make on the HP Museum or the news group are simply wrong, they no longer apply. We must all accept reality, deal with it, and move forward. The water that has passed under the bridge is gone and it will not come back.

I will be discussing these issues and what the future may hold in additional commentary on this website. I would also like to hear from you at rjnelsoncf@cox.net.

X <> Y,

Richard

October 16, 2009