

The Wall, Brand Recognition, and HP Calculators

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Generally business practices follow social practices because regular folks make good customers. If a particular “fad” becomes popular many businesses will try to take advantage of it. This may be seen in their advertising, the packaging of the product, or even the incorporation of the fad into the product itself.

The greatest single factor that has impacted US businesses world wide in the last 15 years has been the free wheeling, unabashed, “power-to-the-people” Internet. The US leads the way in world wide business and the Internet is a US innovation. The Internet provides nearly instant communication to everyone on the planet. This is both a plus and a minus. Information and communication have always been critical elements in business and you often hear about the “window of opportunity” when new ventures are discussed. Another business element is described as “time to market.” Time is money and in our modern high-volume-mass-production society the time is mostly reflected in employee wages. Labor costs are one of the highest cost factors in any product oriented business venture.

Another “custom” that the Internet has cultivated is that of anonymity. Young people have not had time to learn the value of reputation. They have their Internet names and are too immature to appreciate the value of their name and reputation. And, because the Internet is able to deliver information (books) and entertainment (music and videos) at essentially no cost, they don’t have to exert much effort to get what they want – illegally of course.

The people of the earth are greatly disparate in their economic and social status. There are still hundreds of millions of people living in uneducated poverty. The range of “prosperity” is great and many people are eager to work hard to improve their lives. Technology allows these people to work in factories in countries such as China, Mexico, and India. Labor costs are significantly lower in these countries and modern transportation facilities with ever larger ships and planes allow modern US businesses to have their products manufactured “off shore.” This has advantages and disadvantages for everyone involved. The poor have a means to improve their lives and the better off get lower cost products. The process that is used in this way is called outsourcing.

Let’s summarize what the modern Internet centric world looks like.

- A. The Internet is “uncontrolled” and essentially available to everyone.
- B. Anyone, including the very young and immature, may communicate to the whole world anonymously at little or no cost.
- C. If a product is in electronic form anyone may “steal” it at little or no cost.
- D. Most outsourced factories are only interested in keeping the work going, and they are not concerned with brand names, copyrights, or patents. This is especially true for China.

Obviously this situation cannot continue forever without serious changes, but I am only concerned with what the business environment is now, and how it impacts HP calculators.

I am old enough to remember the time before the Internet. I remember business practices as customer service, customer communication, and customer support. I remember reputable US companies who stood behind their products with these “customer oriented” attitudes. I remember a time when the ratio of labor to materials/products was more on a par with each other.

I had the relationship of people costs to material/product costs first implanted in my mind while visiting a business in Manila in the mid sixties. I noticed something unusual in the offices that I saw. This was back in the days of mechanical printing adding machines. Each adding machine had a box on the floor to catch the paper. When the roll of paper was finished it was rewound on its spool to print on the unused

side because paper was more expensive than the time spent in rewinding the paper roll.

US workers expect high wages and low product costs. Technology, automation, and outsourcing provide the means for this high productivity. The US is still the most productive country on the planet. The average person doesn't realize this in the terms I am describing, but people everywhere know that life is better in the US and they do what ever they can to come here.

How does all of this impact HP calculators and their users? The explanation/cause is in the above. One way of looking at the result is what I will call "The Wall" that has been built between HP and its customers.

What is the impact of The Wall?

Because of The Wall you may no longer know who does what at HP. You no longer have the ability to "communicate" with HP. This Wall is so high and strong that the customer cannot know HP at all. HP still wants you to "think" HP, and to buy HP, but they also don't want you to know HP. HP wants you to believe in the brand of HP. The Wall is a modern enigma.

It is as if HP shouts over the wall, "I have a new product, do you want it? The customer shouts from the other side of The Wall, "yes." The customer then throws some money over The Wall and HP throws over the new machine.

This situation has come about because of the importance of the US being the world wide leader in productivity. US companies must compete to survive. This is basic business economics. We, the customer don't like it, but we also are apparently not willing to pay very much for customer service, customer communication, or customer support.

HP is the world's largest technology company and it makes the calculator products that are near and dear to the heart of the reader. Because HP invented the scientific and financial calculator with innovative features and efficiency of use, we tend to want to believe in the HP brand. Is HP brand recognition still something to believe in? Has HP abandoned its leadership in a still financially significant market? Has HP built the wall too high?

I have examined HP Calculator users and characterized them for 35 years. I have been concerned that HP is not able to be productive enough in its customer relations with a product that is an important part of increasing US productivity - as well as that of other countries. It is OK to outsource the production of the calculator, but to be a leader it is not OK to outsource customer support and application leadership.

Perhaps it is time to re-examine The Wall that has been built between HP and the customer, especially the student. Perhaps it is time for HP to realize that it is not in the calculator hardware business, it really needs to look forward and think in terms of being in the calculator productivity/education business.

Perhaps it is time to remove The Wall and work with its loyal customers to better build an understanding of the technology that makes HP the giant that it is. HP has to widen its view of the calculator business. In a modern business environment of third world manufacturing HP needs to add/provide added value (service) to its products. We haven't seen a new generation of an advanced calculator from HP in over 20 years.

Perhaps the desire to contribute and lead has died at the world's largest technology company. HP needs to think in terms of five year plans and not just the bottom line of the next quarter. Has HP become so big and conservative that it is no longer able to invest in the future of calculators and to innovate? Even with a calculator in every cell phone there still is a need for a convenient-to-use and reasonably-priced quality dedicated calculator. The students of the world need an HP quality calculator.

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