

# Hewlett-Packard Job Cuts Won't be the End of Cost Reductions

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**Mercury News Posted: 06/02/2010 01:07:10 PM PDT** Don't expect the plan to cut 9,000 jobs announced Tuesday to be the end of cost reductions at Palo Alto tech giant Hewlett-Packard.

According to a Bloomberg News report, CEO Mark Hurd said Wednesday that HP needs to trim expenses as it continues to grow.

"I'm a big believer that cost and growth are not two separate conversations," Hurd said at an investors conference in New York, according to the news service. "When you're carrying too much cost, you can't grow."

HP — which paid \$13.9 billion for tech services giant Electronic Data Systems in 2008 — said Tuesday that it will cut 9,000 jobs in its enterprise services business as it invests \$1 billion in fully automated data centers. Meanwhile, HP plans to add 6,000 jobs elsewhere in the company.

In an e-mail Wednesday, Broadpoint AmTech analyst Dinesh Moorjani said, "HP has further opportunities for cost reductions, both EDS- and non-EDS related, including cost savings from real estate, supply chain operations and support delivery."

As it cuts costs, Moorjani wrote, HP also should benefit from "a broad recovery in enterprise IT spending." Moorjani has a "buy" rating on HP stock.

The shares closed Wednesday at \$47.27, up \$1.69, or 3.7 percent.  
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