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H-P's One-Year Plan

ByAL LEWIS

Let's say you were given a year to kill [Hewlett-Packard](#). Here's how you do it:



Al Lewis looks back at all the missteps that have led have added up to a disastrous year for Hewlett-Packard.

Fire well-performing CEO [Mark Hurd](#) over expense-report irregularities and a juicy sexual-harassment claim that you admit has no merit. Fire four board members, as publicly as possible. Foment a mass exodus of key executives who actually know how to run the giant computer company.

Hire new a CEO from German competitor, [SAP](#), which sells business software, not consumer products. Tell the new CEO, Leo Apotheker, that Mr. Hurd "left H-P in great shape."

Draw public criticism from a major corporate-governance advisory firm, alleging Mr. Apotheker filled board openings with cronies.

Tech Europe

[Autonomy CEO Says H-P Deal Marks Fundamental Shift in IT](#)

Pursue pricey mergers and stock buybacks. Allow expenses to run out of control. Try to blow through billions of dollars in cash reserves before the next global economic slowdown.

Provoke partners [Microsoft](#) and [Oracle](#) by threatening to put H-P's own operating software on PCs. Then decide not to. Remember that promising webOS software H-P bought in a \$1.2 billion acquisition of Palm last year? Sideline it.

Bristle when Oracle's [Larry Ellison](#) tells the New York Times: "The H-P board just made the worst personnel decision since the idiots on the [Apple](#) board fired [Steve Jobs](#)." And file lawsuits when Mr. Ellison hires Mr. Hurd.

Boast that you're going to attack Apple's iPad with your \$499 TouchPad. Then dump your TouchPad in a \$99 fire sale and announce you're just not going to offer it anymore.

Telegraph to the world that you are just too dumb to make smartphones.



Raise your financial estimates, twice. Then miss them, twice.

Make sure Mr. Apotheker's memo gets leaked to the media -- the one that says "watch every penny and minimize all hiring."

Announce plans to buy British business software company Autonomy for \$10 billion, because it makes enterprise software just like SAP, which is what Mr. Apotheker knows best.

Announce plans to maybe sell the PC business. Or maybe spin off PCs as a stand-alone company. Uncertainty will damage the price.

Never mind the years of effort H-P spent -- including a controversial merger with Compaq -- becoming the world's largest PC maker. Never mind that the PC business feeds H-P's more profitable businesses. Dumping it is a beautiful absurdity that one analyst, Jayson Noland of Robert W. Baird & Co., described as "like McDonald's getting out of the hamburger business."

Watch Moody's threaten to downgrade H-P's credit.

Act surprised as H-P's stock plunges more than 40%.

Go to Wall Street and tell long, confusing stories about how you are transforming H-P from a low-margin to a high-margin business.

From former CEO [Carly Fiorina](#)'s spectacular flame-out, and former chairwoman [Patricia Dunn](#)'s illegal spying scandal, to Mr. Hurd's alleged sex scandal that apparently didn't involve any sex at all, this sort of dysfunction has become "the H-P Way."

It has been a year since H-P fired Mr. Hurd. [Jack Kevorkian](#) couldn't have devised a better plan for euthanizing a company. But like the good doctor used to say: "Dying is not a crime."

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