

# The Hewlett-Packard and Compaq Merger: A Case Study in Business Communication

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## **“Can We Still Pull this Off?”**

As Carleton S. (Carly) Fiorina left Hewlett-Packard’s headquarters in Silicon Valley late on November 6, 2001, to head home after an especially hectic day at the office, she pondered her company’s merger plans.

At 10 o’clock that morning, Walter Hewlett, son of HP co-founder William Hewlett, called Ms. Fiorina, chairman and CEO of Hewlett-Packard Co. (HP). In their brief conversation, the co-founder’s son informed Fiorina that he and his family would publicly oppose the planned merger between Hewlett-Packard and Compaq. In addition, Hewlett told Fiorina that he would be issuing a news release within the hour to announce their decision. Then, just hours later, David Packard Jr., the oldest son of the other Hewlett-Packard co-founder, issued a statement announcing that he would also vote against the merger.

Suddenly, the future of HP—the company that created Silicon Valley—seemed to rest in the hands of heirs who had never wanted an active role in their fathers’ company.<sup>1</sup> Had Fiorina failed to effectively “sell” the deal to Hewlett and Packard family members before making it public? Had she underestimated the power and influence these family members might have in determining the future of the company?

## **Hewlett-Packard: The Company**

In 1938, two Stanford graduates in electrical engineering, William Hewlett and David Packard, started their own business in a garage behind Packard’s Palo Alto home. One year later, Hewlett and Packard formalized their business into a partnership called Hewlett-Packard. HP was incorporated in 1947 and began offering stock for public trading 10 years later. Annual net revenue for the company grew from \$5.5 million in 1951 to \$3 billion in 1980. By 1997, annual net revenue exceeded \$42 billion and HP had become the world’s second largest computer supplier.<sup>2</sup>

The company, which originally produced audio oscillators, introduced its first computer in 1966. In 1972, the company pioneered the era of personal computing by introducing the first scientific, hand-held calculator. Hewlett-Packard introduced its first personal computer in 1980. Five years later, HP introduced the LaserJet printer, which would become the company’s most successful product ever.<sup>3</sup> (See Exhibit A-1 for a more complete timeline of HP’s history).

## **The HP Way**

In 1956, Bill Hewlett, Dave Packard, and a handful of other HP executives gathered at the Mission Inn in Sonoma, California, to create a set of values and principles to guide

their company. The six objectives that this small group subsequently created not only helped shape “a new kind of company,”<sup>4</sup> but ultimately became the foundation for what came to be known as “the HP way.”

These six objectives, which later became seven, are:

1. Recognize that profit is the best measure of a company’s contribution to society and the ultimate source of corporate strength;
2. Continually improve the value of the products and services offered to customers;
3. Seek new opportunities for growth but focus efforts on fields in which the company can make a contribution;
4. Provide employment opportunities that include the chance to share in the company’s success;
5. Maintain an organizational environment that fosters individual motivation, initiative and creativity;
6. Demonstrate good citizenship by making contributions to the community;
7. Emphasize growth as a requirement for survival.<sup>5</sup>

## **Leadership at HP**

Upon HP’s incorporation in 1947, David Packard was named president, with William Hewlett as vice president. In 1964, Dave Packard was elected CEO and chairman of the board, while Bill Hewlett assumed the position of president.

When Packard was appointed U.S. Deputy Secretary of Defense in 1971, he left HP and Hewlett became CEO. Packard resigned from his government position after just one year, however, and returned to HP to serve as chairman of the board. Hewlett retained his positions of president and CEO.

In 1977, John Young, an engineer at HP, replaced Hewlett as president of the company. When Hewlett finally retired the following year, Young also assumed the role of CEO. Upon Young’s retirement in 1992, Lewis E. Platt, an HP employee since 1966 and head of the company’s computer systems organization, succeeded Young in both positions. Carleton S. Fiorina replaced Platt as president and CEO in of HP in 1999.

## **Carleton S. (Carly) Fiorina**

Carly Fiorina, 47, graduated from Stanford University with a bachelor’s degree in medieval history and philosophy. She went on to earn a master’s degree in business administration from the University of Maryland at College Park, as well as a Master of Science degree from the Massachusetts Institute of Technology.

Before joining HP, Fiorina spent a combined total of almost 20 years at AT&T and Lucent Technologies. At Lucent, she was instrumental in expanding the company’s international business as well as in planning both its initial public offering and its later break-off from AT&T.<sup>6</sup> At both companies, Fiorina held a number of senior leadership positions.

When she became chairman and CEO of HP in 1999, Carly Fiorina became the first woman to lead so large a company, and consequently, one of the nation's most prominent female executives. Perhaps more important to HP's future, however, Fiorina became the first outsider to take charge of the 62-year-old company.

### **Changes under Fiorina**

Although HP was a model company in many ways, Fiorina believed that it had become somewhat inbred and sluggish over the years.<sup>7</sup> After taking the helm at the Silicon Valley company, she immediately went to work revitalizing the company and kick-starting growth. As Fiorina later explained, "We set out on a process to preserve what was best about HP and reinvent the rest."<sup>8</sup>

Fiorina traveled more than 250,000 miles during her first year, visiting HP facilities worldwide and urging employees to step up the pace. She went to work overhauling the company's structure, consolidating operating units, and shearing away layers of bureaucracy. She pushed for more focus in the lucrative area of services. She also engineered a new marketing campaign featuring a simplified "hp" logo that dropped the founders' names. Overall, Fiorina worked hard to modernize HP's culture and to achieve her vision of the company's future.

### **The Company Struggles**

Even though stocks gradually rose to a peak of \$74.48 after Fiorina was hired from their value of \$54.43 the day before she had joined HP,<sup>9</sup> meeting growth targets proved difficult as both the company and the industry stumbled. As a result, HP was forced to cut jobs, to ask employees to take unpaid leave, and, in 2000, to scrap plans to buy the consulting arm of PricewaterhouseCoopers. By September 2001, HP's stock value had fallen to less than half of its level when Fiorina was hired. Consequently, many analysts speculated that Fiorina, who had initially won accolades both inside and outside the company, had so fallen from grace that she was in danger of losing her job.<sup>10</sup>

### **Fiorina Announces a Merger**

Convinced that turning the company around required more than just strategy from within, on September 3, 2001, Carly Fiorina announced HP's plans to acquire Compaq in a stock transaction valued at \$25 billion (see Exhibit A-4).

The idea for the merger with Compaq—a Houston-based PC maker founded in 1982—had grown out of a phone conversation between Fiorina and Compaq chairman and CEO Michael Capellas in late June of 2001. The original purpose of the phone conversation between the two CEOs, who had met at a policy meeting in Washington 18 months earlier, was to discuss a possible licensing agreement. However, their conversation led to a discussion of competitive strategy and the idea of a merger between the two companies was broached. By July the basics of the deal had already been

hammered out, and by the first week of September, the merger had been approved by the boards at both companies.

#### **EXHIBIT 1** Transaction Summary

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Structure:	Stock-for-stock merger
Exchange Ratio:	0.6325 of an HP share per Compaq share
Current Value:	Approximately \$25 billion
Ownership:	HP shareholders 64%; Compaq shareholders 36%
Accounting:	Purchase
Expected Closing:	First half of 2002

Source: <http://www.hp.com/hpinfo/newsroom/press/2001/index.html>, Press Release issued on September 3, 2001

### **The Merger Meets with Opposition**

As both HP and Compaq had been hurt by price wars in the computer industry, the merger seemed—at least to Fiorina and Capellas—the perfect way for the new company to differentiate itself and to become more competitive. However, the merger was initially met with skepticism by investors and employees of the two companies, causing stock prices for HP and Compaq to fall significantly in the months following the deal’s announcement.

Critics of the merger cited a long list of problems with the deal. Some opponents of the deal believed that rather than accelerating growth, merging the two companies would simply create a bigger company with bigger problems. As one analyst explained, “This is not a case of  $1 + 1 = 2$ . More like  $1 + 1 = 1.5$ .”<sup>11</sup>

Other opponents believed that competitors would try to swoop in and get solution providers and customers to switch allegiances and product lines. Some wondered how HP would hold onto loyal Compaq customers if the Compaq logo were to completely disappear. Still others worried about the difficulty of blending the two large organizations and their workers.

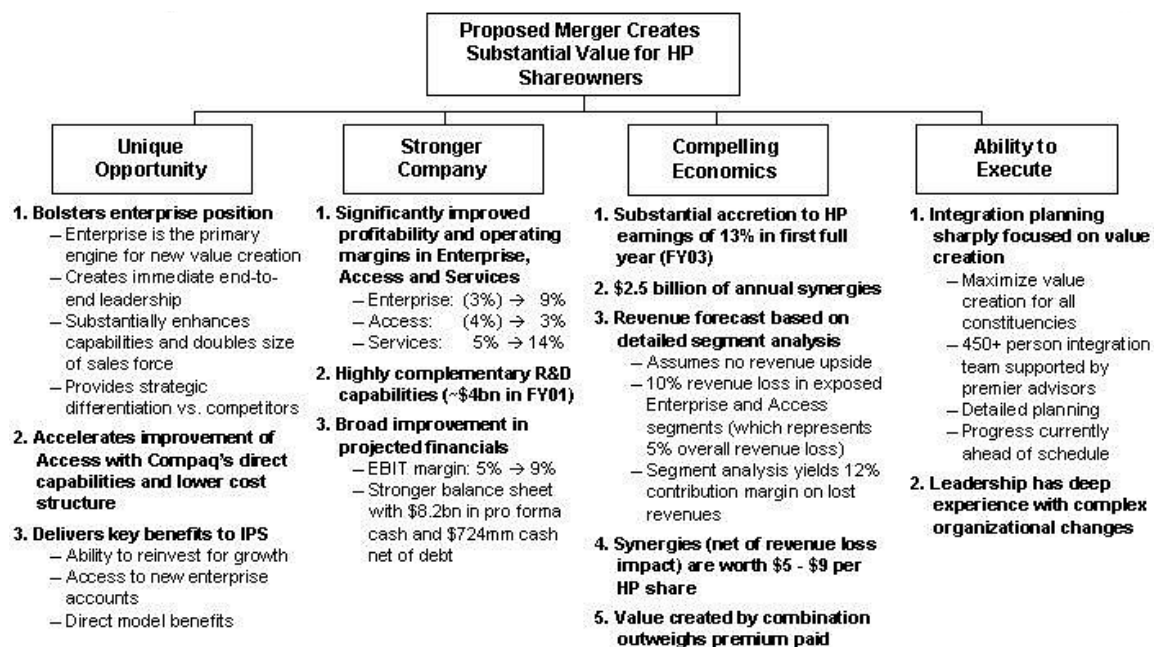
### **Fiorina Justifies the Merger**

Even with the poor reception of the merger from Wall Street and industry analysts, Fiorina did not back down. She argued that the merger would eliminate one player in an oversupplied PC marketplace. It would also improve HP’s market share across the hardware line and double the size of HP’s service unit—both essential steps in being able to compete with industry-giant IBM. In addition, Fiorina argued, the merger would create a full-service technology firm capable of doing everything from selling PCs and printers

to setting up complex networks. The merger would eliminate redundant product groups and costs in marketing, advertising, and shipping, while at the same time preserving much of the two companies' revenues.

To critics who questioned HP's motives for the deal, Fiorina emphasized that the chief driver for the HP-Compaq merger was competitive positioning. To those who questioned the chances that the merger would succeed, Fiorina pointed out that the distinguishing characteristic of successful mergers is the focus on consolidation, not diversification—exactly what HP planned to do after its merger with Compaq. To skeptics who resisted change to “The HP Way,” Fiorina countered, “The HP Way has always been about change. It's always been about innovation, it's always been about bold moves.”<sup>12</sup> Although she recognized that the HP Way had become something of a “gentle bureaucracy of entitlement and consensus,”<sup>13</sup> Fiorina emphasized that the important values of HP's culture (i.e., creativity, change, and innovation) were the very values that justified the merger.

**EXHIBIT 2** HP's Position on the Merger



Source: <http://investor.hp.com/edgar.cfm>, Form 425 filed by HP with the SEC on December 19, 2001

**Plans for the New HP**

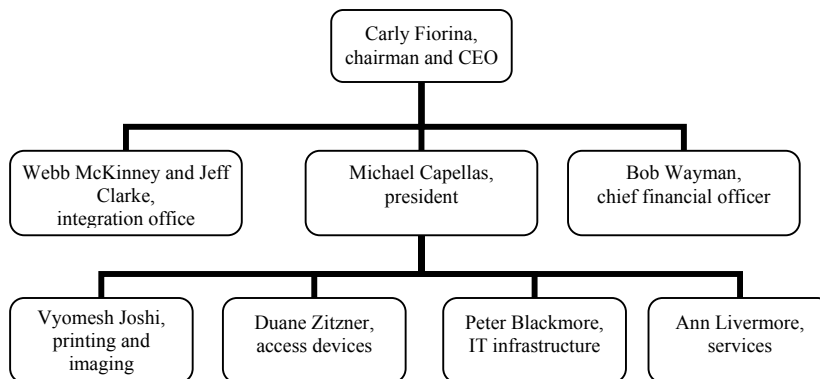
The proposed merger called for a consolidation of HP's and Compaq's product lines into four major operating groups: services, imaging and printing, access devices, and information technology infrastructure. Although the new company would remain

competitive in individual product segments, the merger would create a full-service technology firm capable of integrating hardware and software into solutions while providing services at the same time.

The combined company would have about 145,000 employees, which called for an initial workforce reduction of 15,000 employees, with further reductions likely. Carly Fiorina would be chairman and CEO of the new HP with Michael Capellas as president (See Exhibit 3 below). One of the new company's main strategies for growth would be to look for opportunities for acquisition in the lucrative area of services, especially consulting.

### **EXHIBIT 3 Leadership of the Combined Company**

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Adapted from: <http://investor.hp.com/edgar.cfm>, Form 425 filed by Compaq with the SEC on September 5, 2001

### **Stopping the Deal**

Despite the cold reception of the deal by many investors and analysts, once approved by the boards at both HP and Compaq, the merger could be stopped from going through in only a handful of ways. The deal could be terminated if the companies mutually agreed to cancel it, if either company experienced a material adverse change, or if regulators rejected it. In addition, either company could decide to break up the deal; however, it would have to pay the other company a \$675 million termination fee to do so.<sup>14</sup> Finally, and perhaps most importantly, as a stock transaction, the deal could be terminated if shareholders of either company rejected it.

### **Walter Hewlett's Vote as an HP Board Member**

Walter Hewlett, the 58-year-old son of one of the late co-founders, is a software developer who also teaches music at Stanford University. In addition, Hewlett is a trustee

of the William R. Hewlett Revocable Trust, chairman of the William and Flora Hewlett Foundation, and a board member at HP.

On September 3, 2001, Walter Hewlett voted with the rest of HP's board to O.K. the proposed merger. In the months leading up to the board's vote, however, Hewlett had expressed concern about the deal and its impact on his family's charities. But just days before the vote, he learned that the merger agreement called for unanimous board approval in order to ensure the best possible shareholder reception. Believing that the board would find a way to approve the merger regardless of how he voted, Hewlett reluctantly cast his final vote in favor of the deal.

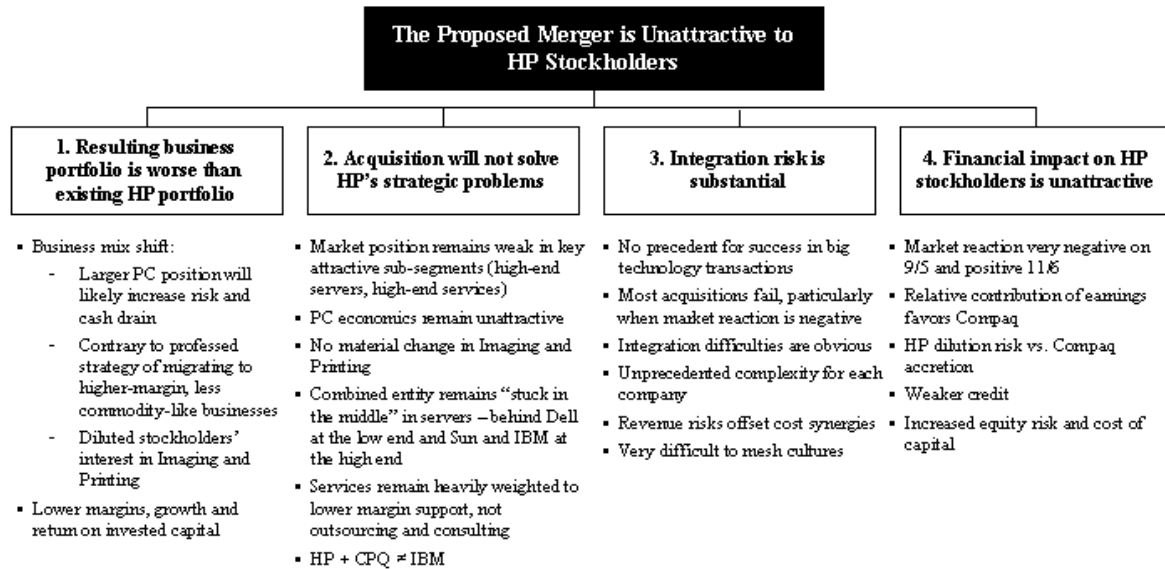
### **Hewlett Announces he will Oppose the Deal**

Walter Hewlett's call to Carly Fiorina on the morning of November 6 left executives at HP scrambling to do damage control. As stockholder rejection was one of the few ways to terminate the deal, Hewlett's announcement—that he, along with his sisters and the William and Flora Hewlett Foundation, would vote their combined 5% stake against the deal—came as a heavy blow to Fiorina, Capellas, and other proponents of the merger (see Exhibit A-6).

Although the HP board had gotten Hewlett's signature, they had failed to win genuine support for the deal. According to one of Hewlett's lawyers, "When Walter voted for [the deal] as a board member, I think he and everyone on the board understood that he might vote differently as a shareholder. Everyone knew his views."<sup>15</sup> With his name and the huge stake he and his family had as shareholders, Hewlett's disapproval of the deal posed a serious threat to the deal itself, as well as to the future of the main force behind the deal—Carly Fiorina.

### **Hewlett's Rationale for his Opposition**

According to Walter Hewlett, Carly Fiorina had exaggerated the importance of scale in the computer business. In addition, Hewlett believed that rather than make the company more competitive, the merger would expose HP to the brutal, low-profit PC business. Finally, Hewlett believed that the merger would significantly dilute the value of the company's lucrative printing business. (See Exhibit 4 below).



Source: <http://www.sec.gov/cgi-bin/srch-edgar>, Form DFAN14A filed by Walter Hewlett with the SEC on January 24, 2002

### David Packard also Opposes the Deal

Also on November 6—just hours after Walter Hewlett announced that he would publicly oppose the proposed merger—David Packard issued a statement siding with Hewlett in opposition to the deal. In his statement, Packard, chairman of the Packard Humanities Institute, stated that he would vote the Institute's holdings (1.3% of HP's shares outstanding) against the deal.

Although Packard emphasized that he was not speaking for other family members or for the David and Lucile Packard Foundation, his decision to oppose the merger left the deal on even shakier ground than before. With the Packard Humanities Institute opposing the deal, chances that the David and Lucile Packard Foundation would also decide to vote its 10.4% stake against the deal seemed more probable than ever.

### Packard's Rationale for his Opposition

Packard, the oldest son of the other late co-founder, claimed that Fiorina's high-handed management and her efforts to reinvent the company ran counter to the company's core values as established by the founders. Citing massive layoffs as an example of this departure from HP's core values, Packard argued that although the founders never guaranteed job security, "Bill and Dave never developed a premeditated business strategy that treated HP employees as expendable."<sup>16</sup>

## **Another Reason behind the Families' Opposition**

Family shareholders, who often have large holdings in the family's company, often dislike risk more than most other investors. For the families of HP founders William Hewlett and David Packard, the incentive to preserve wealth rather than to create it was especially strong, as their HP stocks finance donations to numerous worthy causes. These causes include the Packard Humanities Institute, the David and Lucile Packard Foundation, and the William and Flora Hewlett Foundation.

## **HP's Communication with the Families**

Many analysts wondered why, following the merger's announcement, more effort wasn't made to reach out to the families of the founders and to make sure they backed management. According to David Packard, the first time he heard about the proposed deal between his father's company and Compaq was at the end of Labor Day Weekend when he logged onto the Internet to read the news. His first thoughts were, he later recalled, "My God. Compaq—why Compaq?" He continued, "I couldn't quite figure out why they would do this."<sup>17</sup> Packard indicated that he didn't think that HP had contacted his sisters to try to win their support, and at least two of Walter Hewlett's sisters said that HP didn't contact them either.

In addressing the question of why HP didn't put forth more effort to ensure the families' support for the deal, one HP spokeswoman explained that the company "treated both families the same way we treat other shareholders."<sup>18</sup> Rather than receiving special treatment, for example, both foundations received a standard presentation by Fiorina and HP CFO Bob Wayman in a road show for investors in the weeks following the deal's announcement. In treating its large shareholders consistently, HP justified, the company was following SEC guidelines.

## **Fiorina Remains Confident**

After she announced the controversial deal between HP and Compaq in September, Fiorina traveled extensively around the country in an effort to win support for the merger from analysts, investors, and HP employees. On November 6, when she learned that both Walter Hewlett and David Packard would oppose the deal, Fiorina doubled her efforts and immediately went to work calling investors and planning a new round of meetings.

Even before the David and Lucile Packard Foundation had decided whether or not it would vote its 10.4% stake against the merger, Carly Fiorina expressed her confidence that the merger would succeed. "It's going to go through. It will," Fiorina said. She continued, "This company has never been about looking in the rear-view mirror."<sup>19</sup> In another speech, Fiorina stated, "Standing still is the path of greatest risk, because our customers and the technologies we market will not stand still with us. Standing still means losing ground. Standing still means choosing the path of retreat, not leadership."<sup>20</sup>

Still, Carly Fiorina knew that the road to the merger's success would be long and difficult. She also knew that if the merger were to fail, her career at HP would certainly be over. So even with her seemingly unshakable confidence in the deal, as Carly Fiorina drove home from HP headquarters on November 6, she surely couldn't help but wonder, "Can we still pull this off?"

### **Discussion Questions**

1. Pretend you are Carly Fiorina. What should you do now? What are the critical business communication issues facing you at this point in the merger's course? Who are your key constituencies? How should you communicate with each constituency?
2. Could Fiorina have used her business communication skills to more effectively persuade the Hewlett and Packard family members to back the deal before making it public? If so, how?
3. Considering the strong interest that founders' families might have in an organization, should HP have communicated differently with the families of the founders versus the other shareholders?
4. Explain the importance of business communication when a company announces and carries out a merger. Who are the key parties the top management must consider? How, and what, should management communicate to these parties?
5. Apparently, Fiorina, Capellas, and others behind the merger misjudged the reaction of HP's founders' children. Why might members of founding families have a strong interest in the activities of an organization, and therefore feel justified in becoming involved in the organization's proceedings?
6. One of Walter Hewlett's key arguments against the deal is that the cultures of the two companies will be very difficult, if not impossible, to mesh. What is culture? Why is a company's culture so important? What is the relationship between culture and business communication practices? What should top management and integration teams do to successfully integrate HP's and Compaq's cultures?
7. Consider mergers that have occurred or that have been attempted in any industry. What makes a merger successful? What causes a merger to fail?

## **EXHIBIT A-1** Hewlett-Packard: A Brief Timeline

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- 1938: William Hewlett and David Packard, both graduates of the electrical engineering program at Stanford University, start their own business in the garage behind Packard's rented house in Palo Alto, CA.
- 1939: Hewlett and Packard formalize their business into a partnership called Hewlett-Packard Co. (HP)
- 1947: HP is incorporated. Revenue: \$851,287. Employees: 111.
- 1957: HP stock is offered for public trading.
- 1962: HP makes *Fortune* magazine's list of the top 500 U.S. companies for the first time, entering at number 460.
- 1964: David Packard is elected chairman of the board and William Hewlett is elected president of the company. Revenue: \$126 million. Employees: 7,092.
- 1966: HP forms Hewlett-Packard Laboratories, which becomes one of the world's leading electronics research centers.
- 1972: HP introduces the first scientific, hand-held calculator and also enters the business computer market with its minicomputer. In 2000, *Forbes ASAP* will name the calculator one of 20 "all time products" that have changed the world.
- 1977: John Young replaces Hewlett as president of HP, and also becomes CEO in 1978.
- 1980: HP introduces its first personal computer. Revenue: \$3 billion. Employees: 57,196.
- 1982: Compaq Computer Corporation (which will merge with HP 20 years later) is formed in Houston, Texas. The company is started by three former Texas Instruments executives—Rod Canion, Jim Harris and Bill Murto. On November 4, Compaq introduces its first product, the first portable PC to run 100 percent compatible IBM software.
- 1985: HP introduces its LaserJet computer printer, which will become the company's most successful product ever.
- Compaq is listed on the New York Stock Exchange.
- 1989: HP celebrates its 50th anniversary and is in the top 50 on Fortune 500 listing. HP Revenue: \$11.9 billion. HP employees: 95,000.
- 1992: Lewis E. Platt succeeds John Young as president of HP.

- 1993: Compaq introduces its first all-in-one Compaq PC, the Presario family.
- 1995: Dave Packard publishes *The HP Way*, a book that chronicles the rise of HP and gives insight into the business practices, culture and management style that helped make it a success. HP revenue: \$31.5 billion. HP employees: 105,200.
- 1997: HP becomes one of the 30 stocks that comprise the Dow Jones Industrial Average.
- 1998: Compaq acquires Digital Equipment Corporation for \$9.6 billion—at the time the largest acquisition in computer industry history.
- 1999: HP's board of directors announces its decision to spin off a new company from the existing HP organization. Agilent Technologies consists of HP's former measurement, components, chemical analysis and medical businesses. HP retains its computing, printing and imaging businesses. Agilent has its initial public offering of common stock on November 18, 1999. HP retains 84.1 percent of common stock. It is Silicon Valley's largest-ever IPO.

In July, Lew Platt retires, and HP names Carleton (Carly) S. Fiorina as President and CEO.

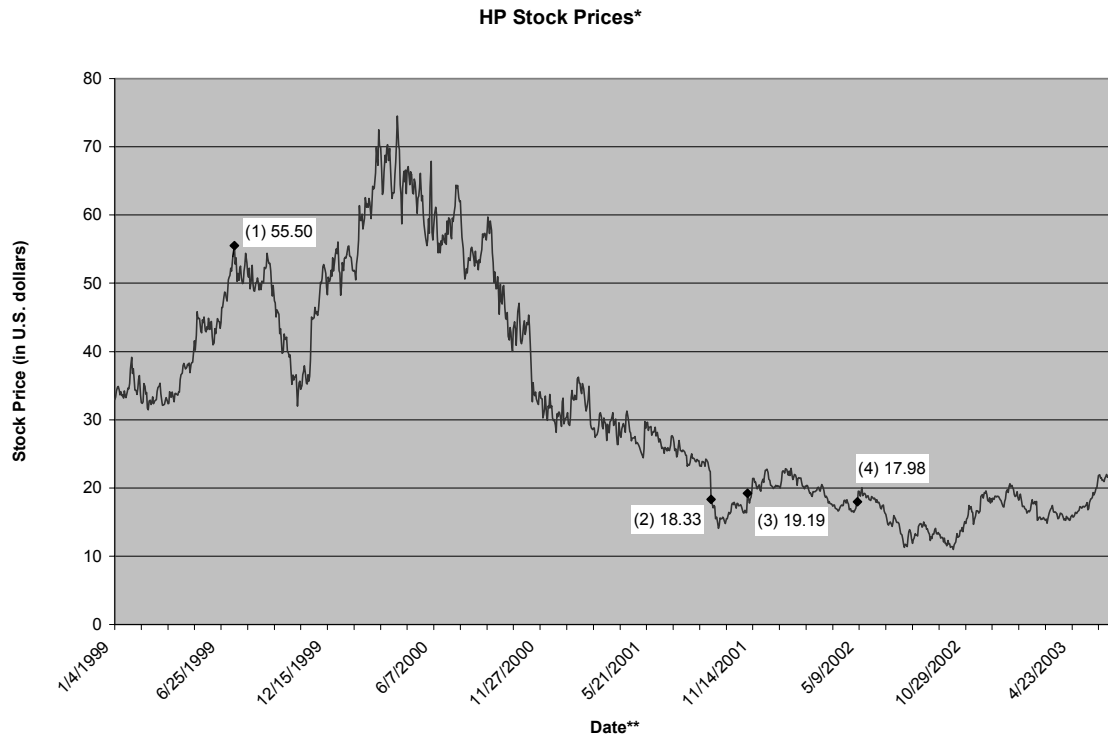
In November, HP begins a new brand campaign based on a single concept: invent. Print and television ads focus on the company's history of invention and innovation. The company also introduces a new logo.

Michael Capellas is named CEO of Compaq.

- 2001: In March, HP creates a new business organization, HP Services. The role of the new organization includes consulting, outsourcing, support, education and solutions deployment.

On September 4, HP and Compaq announce a merger agreement to create an \$87 billion global technology leader. HP revenue: 45.2 billion. HP employees: 88,000.

Data source: Timeline at <http://www.hp.com/hpinfo/abouthp/histnfacts/timeline/index.html>



Data source: <http://finance.yahoo.com>

\*Prices shown are prices at time of closing  
\*\*Each tick mark represents 30 days

**EXHIBIT A-3****Stock Price Table**

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<b>Date</b>	<b>Details about Dates*</b>	<b>Open</b>	<b>Close</b>
07/16/99	Day before Fiorina is hired	\$53.98	\$54.43
07/19/99	Monday after Fiorina is hired (1)	55.26	55.50
01/14/00	Six months after Fiorina is hired	54.87	53.71
04/07/00	High point	70.75	74.48
07/14/00	One year after Fiorina is hired	64.41	63.90
01/16/01	One and a half years after Fiorina is hired	29.25	29.13
07/16/01	Two years after Fiorina is hired	26.81	25.46
08/31/01	Before merger is announced	22.33	22.39
09/04/01	Day after merger is announced (2)	20.40	18.33
09/20/01	Low point after merger is announced	14.44	14.05
10/03/01	One month after merger is announced	14.53	15.50
11/06/01	Hewlett announces his opposition (3)	16.37	19.19
01/16/02	Two and a half years after Fiorina is hired	22.27	21.81
03/19/02	HP shareholders vote on merger	19.33	18.36
05/07/02	Combination day (4)	18.41	17.98
09/03/02	One year after merger is announced	12.77	12.31
10/04/02	Low point	11.87	11.30
11/07/02	Six months after combination day	16.92	16.50
05/07/03	one year after combination day	17.01	17.15
07/01/03	four years after Fiorina is hired	21.30	21.18

Data source: <http://finance.yahoo.com>

\*Numbers in parenthesis correspond with points labeled on the stock price graph (See Exhibit A-2)

**HEWLETT-PACKARD AND COMPAQ AGREE TO MERGE, CREATING \$87 BILLION GLOBAL TECHNOLOGY LEADER**

Will Offer Businesses And Consumers Most Complete Set Of Products And Services, With Commitment To Open Systems And Architectures

Will Have #1 Worldwide Positions In Servers, PCs and Hand-helds, and Imaging and Printing; Leading Positions In IT Services, Storage, Management Software

Companies Expect Annual Cost Synergies Of Approximately \$2.5 Billion; Transaction Expected To Be Substantially Accretive In Year One

PALO ALTO, CA and HOUSTON, TX, September 3, 2001

Source: <http://www.hp.com/hpinfo/newsroom/press/2001/index.html>, press release issued on September 3, 2001

**EXHIBIT A-5** Projections for the Combined Company

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<b>Key Facts (last 4 qtrs):</b>	<b>HP</b>	<b>Compaq</b>	<b>Pro Forma Combined</b>
Total Revenues	\$47.0 billion	\$40.4 billion	\$87.4 billion
Assets	\$32.4 billion	\$23.9 billion	\$56.4 billion
Operating Earnings	\$2.1 billion	\$1.9 billion	\$3.9 billion

Source: <http://www.hp.com/hpinfo/newsroom/press/2001/index.html>, press release issued on September 3, 2001

PALO ALTO, Calif., Nov. 6, 2001

While we regret very much the Hewlett family's decision, we are not surprised. The HP Board of Directors and HP and Compaq remain fully committed to the merger and expect shareowner approval. HP's S-4 registration statement will be filed within the next several days and will serve as the basis for thoughtful shareowner evaluation.

Source: <http://www.hp.com/hpinfo/newsroom/press/2001/index.html>, press release issued on November 6, 2001

#### ENDNOTES

<sup>1</sup> Williams, Molly, and Gary McWilliams, "Family Affair: HP Deal's Fate Rests with Skeptical Heirs," *The Wall Street Journal*, November 9, 2001, p. A1.

<sup>2</sup> "Hewlett-Packard Co.," *Notable Corporate Chronologies, Business and Company Resource Center*, 2001, <<http://galenet.com/servlet/BCRC>> (February 18, 2003).

<sup>3</sup> Ibid.

<sup>4</sup> Hewlett-Packard Annual Report, 2001.

<sup>5</sup> Ibid.

<sup>6</sup> "HP Executive Team Bios: Carleton S. (Carly) Fiorina," *HP Home Page*, <<http://www.hp.com/hpinfo/execteam/bios/fiorina.html>> (February 18, 2003).

<sup>7</sup> Lohr, Steven, "A Family Struggle, A Company's Fate," *The New York Times*, December 2, 2001, p. C1, col. 2.

<sup>8</sup> Fiorina, Carly. "The Case for the Merger." Speech delivered at the Goldman Sachs Technology Conference on February 4, 2002.

<sup>9</sup> <http://finance.yahoo.com>

<sup>10</sup> Williams, Molly, "HP's Deal for Compaq Has Doubters as Value of Plan Falls to \$20.52 Billion," *The Wall Street Journal*, September 5, 2001, p. A3.

<sup>11</sup> "Compaq: Fiorina's Folly of HP's Only Way Out?" *Time*, Vol. 158, Issue 12, September 17, 2001.

<sup>12</sup> Williams, Molly, "As Merger Teeters, HP's Fiorina Faces the Sales Challenge of Her Career," *The Wall Street Journal*, December 12, 2001, p. B1.

<sup>13</sup> Williams, Molly, "HP's Deal for Compaq Has Doubters as Value of Plan Falls to \$20.52 Billion," *The Wall Street Journal*, September 5, 2001, p. A3.

<sup>14</sup> Williams, Molly, "Hewletts Reject Deal to Join HP, Compaq," *The Wall Street Journal*, November 7, 2001, p. A3.

<sup>15</sup> Lohr, Steven, "A Family Struggle, A Company's Fate," *The New York Times*, December 2, 2001, p. C1, col. 2.

<sup>16</sup> Lohr, Steven, "Disgruntled Relatives May Seal the Fate of HP and Compaq," *The New York Times*, November 8, 2001, p. C6, col. 1.

<sup>17</sup> Williams, Molly, and Gary McWilliams, "Family Affair: HP Deal's Fate Rests with Skeptical Heirs," *The Wall Street Journal*, November 9, 2001, p. A1.

<sup>18</sup> Ibid.

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<sup>19</sup> Lohr, Steven, “Hewlett’s Chief is in a Battle for Her Deal and Her Career,” *The New York Times*, December 10, 2001, p. A1, col. 2.

<sup>20</sup> Fiorina, Carly. “The Case for the Merger.” Speech delivered at the Goldman Sachs Technology Conference on February 4, 2002.