



HP Reinvents Marketing and Reduces Spend by 15 Percent

HP is an \$80 billion company that serves a broad spectrum of customers from global enterprises to more than a billion consumers worldwide. Following its merger with Compaq, HP realized that it needed to improve its understanding of customers, as well as its ability to manage marketing efficiently and effectively. To do this, HP turned to Siebel Systems and its industry-leading suite of marketing and business intelligence solutions, including Siebel Marketing, Siebel Business Analytics, and Siebel Marketing Resource Management. By enabling HP to make marketing more segment-based and data-driven, the Siebel solution has helped HP get closer to its customers and gain key competitive advantages, while reducing its annual marketing spend by 15 percent.

HP is one of the leading technology companies in the world. With nearly \$80 billion in annual revenues, HP provides a wide variety of technology products and solutions—including powerful super-computers, servers, PCs, printers, and digital cameras—to customers ranging from the largest enterprises to individual consumers.

HP believes that delivering a globally consistent, high-quality customer experience is critical to its success. Yet given its size—the company employs almost 150,000 employees in 178 countries—maintaining its high standards for consistency and responsiveness is a challenge.

Shortly after HP completed its merger with Compaq in 2002, Mike Winkler was appointed as HP's first chief marketing officer (CMO), later taking on the additional role of executive vice president of HP's Customer Solutions Group. Winkler notes, "One of my first priorities as CMO was to use systems and analytics

to determine our marketing spend and how we could optimize it, with the goal of honing marketing to be a true long-term contributor to HP's success."

Sizable Post-Merger Challenges

At the time of the merger, HP had 86 different marketing organizations around the globe, each with its own resources, systems, and budget. In addition, the company's various marketing organizations relied on different processes, languages, and metrics for executing, tracking, and measuring campaigns.

Consequently, HP was unable to quantify the return on its marketing investment and struggled to align its marketing spend with its marketing budget.

"Continuity was poor," Winkler says. "Corporate marketing initiatives were not always aligned with field programs and campaigns. It was critical that we be able to build on all the customer touchpoints and present a common view of HP"

SOLUTION OVERVIEW

HP

Providing technology solutions to consumers, businesses, and institutions globally

Industry

High Technology

Geographies

Worldwide

Business Challenges

- Improve efficiency and effectiveness of marketing activities
- Align marketing spend to strategic priorities
- Improve ability to mine customer data and gain deeper insight
- Enhance the buying experience and respond better to customer needs
- Match planned marketing spend with actual spend

Solution

Deployed Siebel Marketing, Siebel MRM, and Siebel Business Analytics to more than 2,500 users worldwide

Benefits

- Streamlined and unified global marketing processes
- Improved visibility and optimization of marketing spend
- Increased forecasting accuracy
- Improved ability to plan, execute, track, and measure marketing activities
- Transformed customer data into actionable intelligence that enhances customer relationships
- Reduced annual marketing spend by 15 percent

Solution Components

Siebel Business Analytics
Siebel Marketing
Siebel MRM

Database: Oracle
Hardware: HP
Back Office: HP

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—Mike Winkler,
CMO and Executive VP,
Customer Solutions Group,
HP

Marketing as the Analytical Voice of the Customer

At HP, marketing has always been chartered with the task of understanding the customer. Together with the field sales organization, marketing is supposed to be the “voice of the customer” throughout the company. But Winkler looked at the vast HP enterprise and wondered whether marketing really knew its customers well enough.

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In 2002, HP began implementing Siebel’s customer relationship management (CRM) solution. A year later, Winkler selected Siebel Marketing, Siebel Marketing Resource Management (MRM), and Siebel Business Analytics to change the marketing orientation at HP. According to Winkler, these solutions gave the company the ability to mine its customer data and understand what customers “think, perceive, and believe.”

“Marketing can and should function as the analytical voice of the customer,” Winkler says. “This transforms marketing into a data-driven, customer-driven, segment-based enterprise that allows it to play a far more important strategic role for the corporation.”

Research demonstrates that an analytical marketing orientation produces significant payoffs. The Gartner Group, in a 2003 Research Note, declares, “By 2007, marketers that devote at least 50 percent of their time

to advanced, customer-centric marketing processes and capabilities will achieve marketing return on investment that is at least 30 percent greater than that of their peers.”

The Science behind the Art

What exactly is Siebel MRM? In short, it is a complete solution for planning, budgeting, executing, and measuring the impact of global marketing efforts. It provides HP with a common marketing language, powerful analytics, and time-tested business processes to improve communications and enhance the efficiency and effectiveness of campaigns and programs.

The solution supports HP’s entire “marketing wheel”: starting with planning and budgeting, and continuing through customer segmentation, direct and e-marketing, event execution, response capture, lead qualification and routing, lead follow-up, and reporting and analytics.

As in most large enterprises, HP has an abundance of market and customer data in its various applications and systems. Historically, however, this information was not always effectively applied. The Siebel solution has helped HP unlock the information value hidden in its systems, leading to direct improvements in forecasting, program and campaign effectiveness, and marketing ROI.

“Today, marketing planning and spending is conducted through our MRM system,” says Winkler. “It has really helped improve our marketing discipline.”

HP chose Siebel MRM because it believes that it is the most functionally complete, reliable, and flexible solution on the market. The company also likes the fact that the

Siebel suite of solutions provides a 360-degree view of the customer, supporting HP and its “One Voice” initiative. Moreover, HP has been a Siebel Alliance Partner since 1997, providing the infrastructure to support more than 2,600 Siebel deployments.

More Than 2,500 Users Worldwide

Today, HP is the largest Siebel MRM customer worldwide, with more than 2,500 end users. Siebel MRM has enabled HP to build more effective customer relationships and enhance the payback from its marketing and “feet on the street” sales activities. The solution also supports HP’s personalized e-communications with customers, which reach more than 42 million customers each month. At the same time, HP has broadened its use of Siebel Business Analytics, deploying the solution to thousands of users across its marketing, sales, and service functions, as well as its partner ecosystem.

HP’s marketing organization has earned a new level of respect across the company as it can finally demonstrate its contribution to HP’s growth. In fact, HP’s three-year plan is now driven by marketing, rather than by the company’s planning or finance organizations—a direct result of the marketing team’s discipline and track record of performance.

“We have achieved the efficiencies and effectiveness that we had hoped for,” Winkler states. “Our annual marketing spend has been reduced by 15 percent. At the same time, we’ve been able to double our spend in advertising for brand and demand generation.”

HP is using Siebel solutions to change the way it is perceived as a company—to be seen as more human, more adaptable, and less traditional. The company is now able to offer better answers to customers’ needs, whether those customers are enterprises, small to medium-sized businesses, or individual consumers.

“Siebel has played an important role in this journey,” remarks Winkler. “HP has partnered with Siebel to implement high-quality solutions and business processes. Siebel Marketing, Siebel MRM, and Siebel Business Analytics are effective platforms that have helped transform our marketing function and turn data into insight, so we can personalize our communications and build more meaningful relationships with our customers.”

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**Customer’s
Implementation
Advice**

- Simplify and optimize business processes before automating them with technology
- Design globally consistent business processes
- Use out-of-the-box functionality wherever possible
- Focus on adoption and usage



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