



Meeting the needs of midsize business customers

HP delivers simple, affordable and reliable technology for better business outcomes.





Midsized businesses are pressured to demonstrate tangible return on investment (ROI) that illustrates how technology purchases and implementation accelerate their business growth, lower costs and mitigate risks. Given their limited budgets and IT staffing resources, midsized businesses require simple, affordable and reliable technology solutions. These solutions need to address the key challenges of business continuity, security and efficiency that enable these customers to optimize their business outcomes.

HP has established leadership in the midmarket segment by recognizing and meeting these specific needs. No other vendor has the expertise, comprehensive and innovative portfolio, and world-class customer experience offered by HP, the leading IT vendor for the midmarket:

- “HP is the global midmarket server and storage leader.” — AMI Partners
- More than half of ProLiant sales go to small and midsized businesses.

HP systems are tested for optimum operability and performance with the leading applications for midsized businesses. HP is recognized as a world leader for its partner programs, and works closely with the five major global ISVs—Microsoft®, SAP, Sage, Oracle® and Citrix—that represent the bulk of applications deployed in midsized businesses. The HP Solution Alliances Engineering team works with these partners to develop sample configurations and reference architectures to help simplify the configuration and deployment process.

In addition, HP works with a host of local ISVs at the regional and country level to provide that midmarket needs are met, and offers world-class training for channel partners, enabling customers to buy with confidence.

Defining the midmarket

HP defines the midmarket as organizations having as few as 100 employees, and as many as 999 employees—but within that range, there are some marked differences.

Customers in the upper end of the midmarket tend to be found more in developed countries (although there are certainly a number of them in emerging markets). Generally, these organizations will have ten or more networked servers, and five or more full-time IT staff. But these upper-midmarket organizations are not truly enterprises—they do not have the full complexity and expertise of IT staff that a true enterprise organization would have, although they may have IT specialists on staff.

These customers really feel the pinch of budgets, so they pay close attention to the different available purchase options. They tend to make extensive use of volume, value and direct/online purchasing channels in order to hold costs down, and they are interested in what may be called advanced solutions—bundles of hardware, software and services—although they do not want to pay more than they have to.

At the other end of the spectrum you have organizations with fewer than ten servers, anywhere from zero to five IT staff, and generally (but not always) fewer than 500 employees. These organizations typically do not have a large percentage of their employees who would be considered “knowledge workers”—employees who are Internet- or e-mail-enabled all the time.

Organizations at the lower end make extensive use of volume channels, looking for very simple, pre-bundled package solutions. They generally find that these appliance-type solutions can meet most of their requirements. They may have one or two people who do the basics—take care of the PCs, plug in some cards, work with VARs, for example—but generally, the smaller midmarket organizations do not have the IT sophistication of the upper end.

The shift from IT to business technology

In meeting the needs of both ends of the midmarket, HP is the company that recognizes that technology is now viewed and judged as a business investment that must produce positive results.

For decades, technology has transformed almost every aspect of business—from the shop floor to the shop door. While technology was a fundamental enabler, it was often driven from an operational or cost advantage and was seen as separate from the business itself. Business people and technology people often spoke different languages in larger enterprise accounts—but that’s all changing.

The new reality is that technology does not support the business—technology powers the business. IT risks are now business risks and IT opportunities are now business opportunities.

Although business processes for organizations in the midmarket are not automated to the extent they are in large enterprise accounts, businesses in the midmarket have always been required to justify every penny invested in IT and show a direct relationship to business results and business benefits. Thus, for midsize businesses, technology has always directly impacted, and been influenced by, the business—now more than ever.

HP has everything in place to optimize this convergence of technology and business. HP offers the solutions that not only help customers manage and transform their technology environments, but deliver measurable business results by helping IT decision makers reduce business risk, cut business costs and generate new business growth. HP offers the solutions that meet the specific and unique requirements of midmarket customers, delivering technology for better business outcomes.

Perceptions of HP in the midmarket

Working with AMI Partners, HP conducted its “Talking to M” primary research that included in-depth interviews with 75 midsize businesses across the United States, Europe, the Middle East and Africa (EMEA), and Asia Pacific-Japan (APJ) regions. What we heard was, “We see HP as being reliable, excellent in technology and engineering, and having a track record of standards-based innovation.”

Those interviewed told us HP solutions tend to be easy to deploy, cost-effective and had the best quality-to-cost ratio. Working from this reputation for quality, HP can offer midmarket customers:

- The leading midmarket technology products and services
- The most extensive midmarket channel partner network
- Best-in-class midmarket ISV partnerships and solutions

This makes HP truly unique because Dell does not have the channel partner network, while IBM does not have the best-in-class ISV partnerships as it is in direct competition with most of the ISVs. In addition, after selling off its PC business to Lenovo, IBM does not have the full spectrum of midmarket products that HP can offer. And both IBM and Dell do not have the leading industry-standard server that is the basis for a simple, reliable and affordable midmarket IT infrastructure.

The HP leadership position in servers and storage, services and software is fundamental to business technology, and serves as the HP competitive advantage in the midmarket. These assets span the portfolio and so we are able to sell HP, the company: We offer our midmarket customers the HP brand, as well as our products, and we are easy to do business with through our channel partners who are trained and certified by HP on our solutions.

The HP midmarket strategy

The top-line objective is simple: Increase the HP share of the \$90 billion addressable market for global small and midsize IT infrastructure spend. In the midmarket, specifically, \$20 billion represents the estimated total opportunity available to HP in servers, storage and management software. That number—\$20 billion—is a clear statement about why HP needs to be very serious about this part of the market.

Strategic goals

To achieve this objective, HP must track closely to three strategic goals:

1. **Treat the midmarket as a unique and well-defined market segment**—It is clear from conversations with midmarket customers that they want to know that HP has clearly differentiated, customer-driven products, programs and services, and solutions for the midmarket.
2. **Deliver differentiated, customer-driven product programs, services and solutions**—HP offers the small and midsize business products in the server and storage space that meet the unique needs these customers seek to address.
3. **Create preference and demand with clear and compelling value propositions**—HP channel partners need to be able to articulate the value proposition of HP in the midmarket.

Strategic programs

To achieve these goals, HP offers two major programs to provide that customer needs are met. The foundation of any technology solution is the platform it runs on, so we offer leading server and storage portfolios:

- **ProLiant Business Advantage**—HP makes it easy for midmarket customers to choose the right server by providing a solution portfolio built around their distinct business needs. These comprehensive offerings provide a powerful combination of HP ProLiant technology, HP systems management and HP services to help midsize businesses compete more effectively by simplifying purchase decisions, reducing the complexity of their IT environment, and controlling costs associated with service and maintenance:
 - **Simple Affordable Computing**: HP helps business owners and IT decision makers understand how adding a first server or upgrading existing servers will improve information sharing and reduce the risk of data loss. Choosing HP ProLiant servers brings customers the right value at the right price.
 - **Rack Advantage**: The HP ProLiant Rack Advantage family of solutions includes the most comprehensive portfolio of rack servers, storage and management

software for customers in the midmarket. These solutions simplify the setup and management of IT environments—reducing costs and improving employee productivity.

- **Blades for Business**: A bladed IT environment helps midsize businesses lower total cost of ownership, increase operational efficiency and grow with ease. The HP BladeSystem seamlessly integrates modules of server blades, storage, networking, power and cooling, and system management within a shared infrastructure.
- **Simply StorageWorks**—Covering the industry-leading HP StorageWorks portfolio in three comprehensive programs, Simply StorageWorks delivers on the specific priorities of midsize businesses, and assists customers in selecting the appropriate storage technologies:
 - **Simply Consolidation** makes it easy for midsize companies to share and consolidate their storage investments—providing simple, affordable and reliable ways to bring greater efficiency and flexibility to our midmarket customers' growing business.
 - **Simply File Services** makes it easy for midsize companies to deliver and manage network storage that is optimized to help improve business performance—providing a more simple, affordable and reliable way for workers to find, share, save and protect more data, faster than ever.
 - **Simply Business Protection** makes it easy to protect the information our midmarket customers and their operations depend on, with simple, affordable and reliable data protection solutions to help keep the business running smoothly—from backup to disaster recovery to long-term archive.

These systems are tested for optimum operability and performance for midsize businesses. HP adds extra value to its offerings by delivering:

- A range of services together with its partners (e.g., break/fix, design and installation)
- Outstanding manageability and added productivity and cost savings through, for example, being the only IT vendor with consistent management tools across its entire portfolio
- Incremental infrastructure components, such as networking, hubs, routers and cables
- A host of options designed to help tailor solutions to specific customer needs, such as memory, backup devices or incremental disk storage

Addressing top midmarket pain points

With its partners, HP has invested in the IT solution areas that address the top midmarket pain points of continuity, security and operational efficiency. HP considers these needs when working with global ISVs, and has verified that these solutions are repeatable, scalable and deliverable through its certified resellers:

Continuity Build and maintain a highly available IT infrastructure	<ul style="list-style-type: none">• Manage IT and business operational risk.• Deliver against established service-level agreements.• Satisfy compliance requirements (finance, regulatory, legal, other).
Security Provide well-protected resources and data	<ul style="list-style-type: none">• IT resources are protected from external or internal attack and misuse.• Data is protected from internal and external unauthorized access.• Security is easy and transparent.
Operational efficiency Simplify management and reduce complexity	<ul style="list-style-type: none">• Reduce complexity and cost of infrastructure.• Reduce staff training requirements.• Improve responsiveness of IT organization.• Enable business to adapt processes to keep up with partner and customer priorities.

Benefits to the customer

Unlike other technology vendors whose offerings are proprietary, rigid and/or prescriptive, HP, working with its trained partners, takes a modular, standardized approach and offers engagement flexibility that ranges from directly shipping industry-leading products, to helping customers design and implement an IT environment, to managing or outsourcing part or all of their IT for them. This enables midmarket organizations to find the solution that meets their needs and optimize their business outcomes:

Accelerate business growth	Lower costs	Mitigate risks
<ul style="list-style-type: none">• Speed time to market• Improve decision making• Strengthen customer relationships• Drive revenue• Capture market share	<ul style="list-style-type: none">• Reduce IT/business cost• Improve operational efficiency• Improve ROI	<ul style="list-style-type: none">• Minimize IT/business risk• Improve compliance• Improve decision making

No other vendor has the expertise, comprehensive and innovative portfolio, and world-class customer experience offered by HP. Thus, underlying the entire HP strategy in the midmarket is one key message:

HP provides the most comprehensive server and storage technology, services and expertise designed to meet the needs of midsize companies—providing simple, affordable and reliable ways for driving optimal business outcomes.



HP has the opportunity not to follow the market, but to shape the agenda for the midmarket. By helping midsize businesses reduce business risk, cut business costs and generate new business growth, HP—together with our partners—delivers the technology for better business outcomes that our midmarket customers tell us they need and expect from HP.

Example customer success story

CBE Technologies is one of the largest IT management consulting firms in New England. An HP partner, CBE has more than 225 staff members and eight offices spread throughout New England, with a ninth office in New York City. With 145 professional IT engineers and technicians who hold more than 1,000 industry certifications, CBE is a one-stop IT partner for small and medium-size businesses, educational institutions, and state and local government. Typical clients range from organizations with small IT departments to fast-growing companies that completely outsource their IT functions to CBE.

Over the past few years, CBE expanded its reach by purchasing IT services companies in new locations, and added depth to its offerings by acquiring an IT security firm and a database administration practice. Each acquisition brought its own IT and telephony equipment and applications to support, resulting in expensive-to-run, decentralized systems.

Realizing that this spider web of applications, hardware and networks put customer service and future growth at risk, CBE set out to find a solution that would reduce data center management costs, reduce space requirements, simplify cabling, reduce network connectivity costs, and increase system availability and redundancy.

In the end, CBE did what it advises customers to do and created a centralized data center based on HP technology. The result is an efficient, accessible HP BladeSystem data center that has improved business continuity and security.

“As we tell our customers, it’s important to consolidate IT around a single provider, and nothing can compare with HP for reliability and selection,” says Randy Becker, CBE’s CIO.

CBE’s new data center is less expensive to maintain, operate and support than the disparate systems it replaced. “The combination of reduced costs and improved efficiency makes our new data center a strategic asset that also makes sense on the bottom line,” adds CEO Peter Cowie.

Challenge	Solution	Business outcomes
<p>Create a reliable, accessible IT infrastructure to support both internal and external customers and promote continued growth.</p>	<p>Hardware</p> <ul style="list-style-type: none"> • HP ProLiant BladeServer • HP StorageWorks EVA3000 SAN with HP MSL6000 Tape Library • HP Compaq Business Desktop PCs • HP Compaq Business Notebook PCs • HP LaserJet and HP Officejet printers and multifunction devices • HP ProCurve Networking Solutions • Cisco LAN, WAN and VoIP connectivity technology <p>Software</p> <ul style="list-style-type: none"> • HP Rapid Deployment, HP Systems Insight Manager, HP Integrated Lights Out software • CBE Technologies' OneView • Citrix Access Suite • BakBone NetVault backup software • RSA Security's SecurID authentication services 	<p>Accelerate business growth</p> <ul style="list-style-type: none"> • Increased productivity • Improved access for outlying offices and customers • Improved image as an IT management consultant <p>Mitigate risk</p> <ul style="list-style-type: none"> • Improved security for CBE and its customers • Improved customer service <p>Lower costs</p> <ul style="list-style-type: none"> • Reduced IT management costs



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4AA1-2406ENW, April 2007

