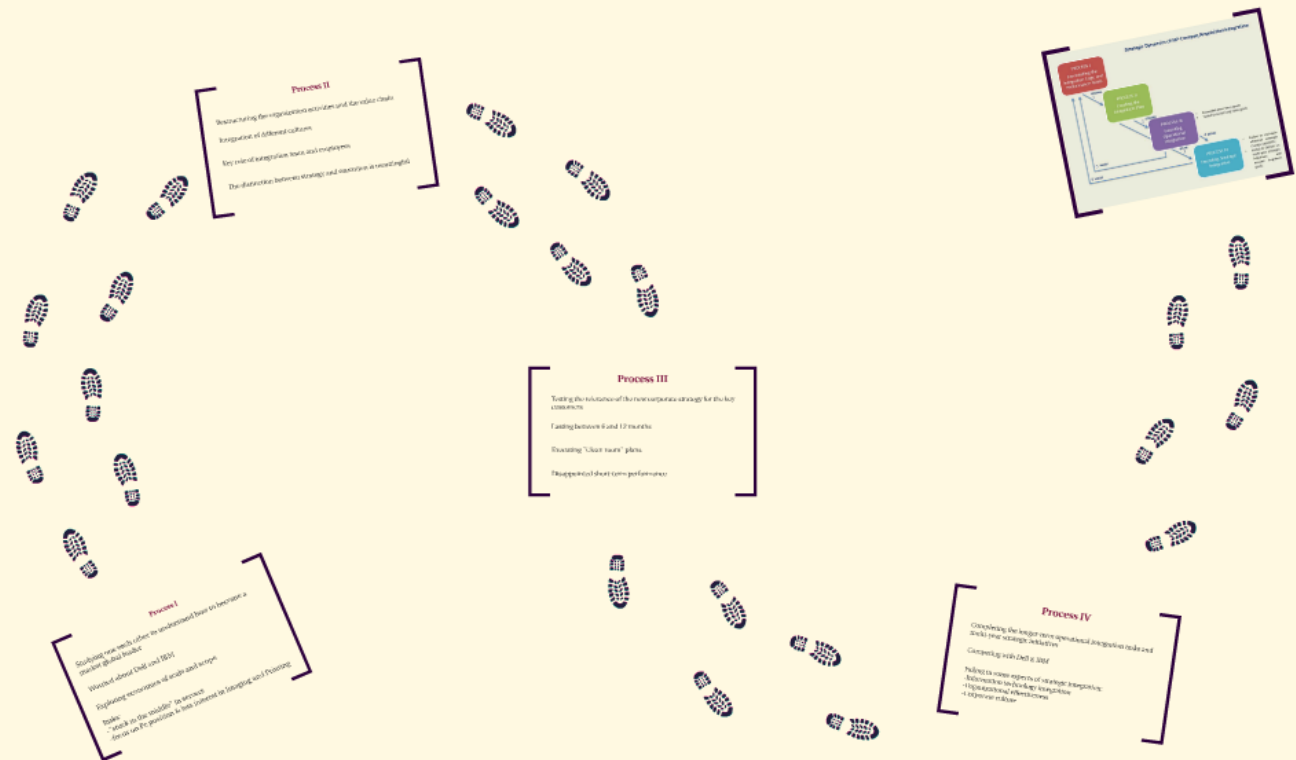
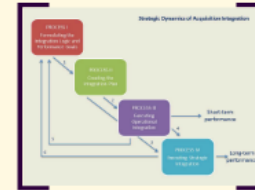




**Strategic Dynamics of Acquisition Integration
HP - Compaq**

- Published in 2006 in California Management Review by Robert A. Dughean and Webb McKinney
- The aim is to examine the operationally and strategically integration of two large high-technology companies, well established in an highly dynamic competitive environment.
- The field research involved interviews with more than 30 senior executives and the study of internal documents.



Managing the Strategic Dynamics of Acquisition Integration:

Lessons from HP and Compaq



TheCaseSolution.com

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Compaq was the leader of the market (mkt share 10.0%) and IBM was the follower

Dell and HP showed the same market share.

Era of huge investments in information systems and increase in the demand of technological products

The threat of Dell loomed

1996 1997 2000 2001 2003 2006 2013

MERGER

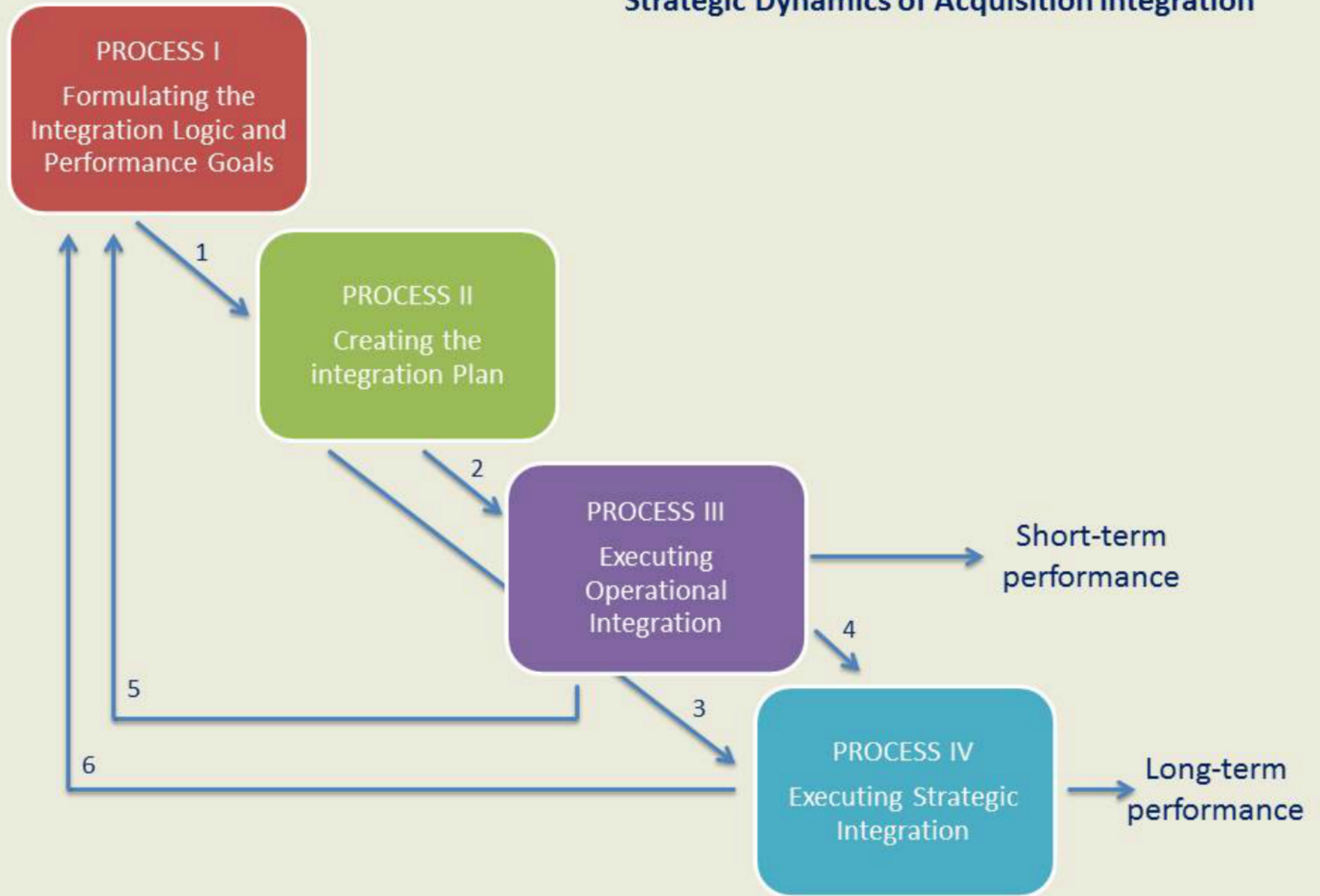
Compaq registered an increase of market share, while the one of IBM remained constant

Dell reached the third position, with a market share equal to 5.5%

Dell substracted the leader position from HP

Lenovo is the new leader

Strategic Dynamics of Acquisition Integration



Process I

Studying one each other to understand how to become a market global leader

Worried about Dell and IBM

Exploiting economies of scale and scope

Risks:

- "stuck in the middle" in servers
- focus on Pc position & less interest in Imaging and Printing

The distinction between strategy and execution is --



Process II

Restructuring the organization activities and the value chain

Integration of different cultures

Key role of integration team and employees

The distinction between strategy and execution is meaningful