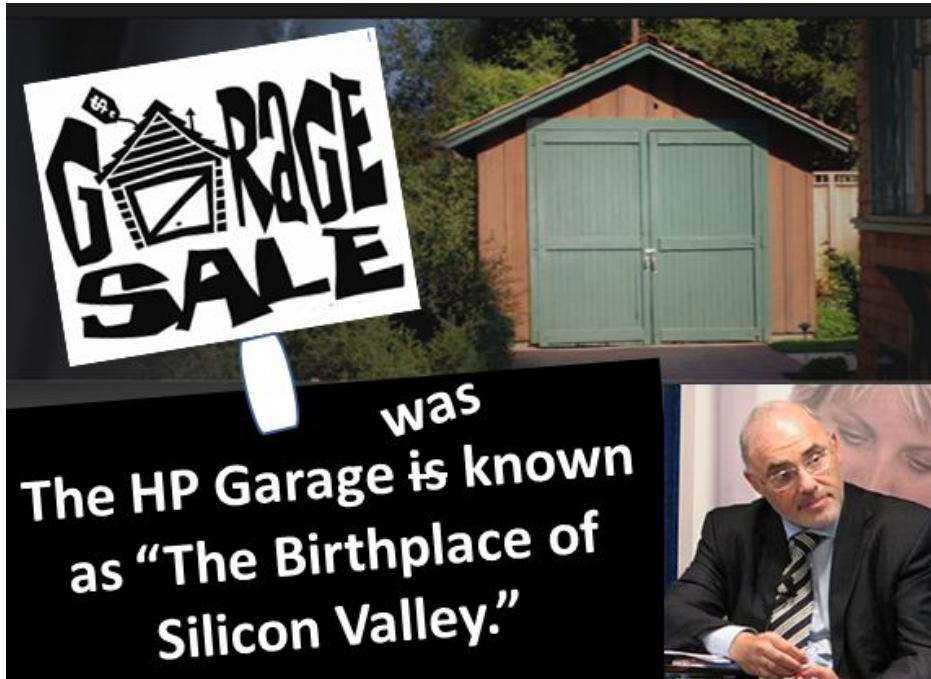


Out of the PC Business: HP's Garage Sale

Written by Bob Snyder
19 August 2011

It's true: even the leader of the PC business wants out. In a decision that makes competitor IBM look like it really is from a "smarter planet," Hewlett-Packard now confirms it wants to sell off its PC business, the HP Personal Systems Group. If it can't sell HP PSG, it may spin out the division.



Where is that line between being proud and being arrogant? HP is like last year's Prom Queen... It must grate on HP that the pissant Apple now is bigger and has more cash...that IBM looks smarter as it dumped PCs ages ago... and that Google came out of nowhere to become "The Company That Everyone Hates, I Mean Envies." Even Facebook gets more glory these days than the Number One in PCs and peripherals.

HP PSG at \$41 billion represents nearly a third of the company's overall revenue but only 13% of the group's earnings from operations. Yep, it takes home a pittance from all that work to face Wall Street each quarter and report on the roller coaster known as PC hardware.

The new CEO Léo Apotheker is the ex-CEO of SAP, and never a lover of hardware. His [new, announced plan](#)

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- Move HP into higher value, higher margin growth categories
- Sharpen HP's focus on its strategic priorities of cloud, solutions and software with an emphasis on enterprise, commercial and government markets
- Increase investment in innovation to drive differentiation

This also means **HP will kill the WebOS device business**. Their announcement says TouchPad and webOS phones are to die, but the implication is WebOS software may be sold while still alive.

In another strategic move, **HP is already in discussions to buy Autonomy Corp.**, the database search software company.

All these moves would seem **to reshape HP into an enterprise software and services company**. Just like IBM.

Oddly enough, HP's announcement to get out of hardware will probably add more pressure to Google's decision to acquire Motorola Mobility.

But one thing you can say: to hell with tradition. The famous garage that started it all for Hewlett and Packard now sports a **Garage Sale** sign. Clearly, the PC industry isn't afraid to make the Big Decisions.

Bill Gates used to claim the PC was not dying... just "morphing." Now it looks more like the PC is morphing into nothingness...

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In W. Europe, the PC market is down nearly 19% this quarter and the entire global economy is still shaky...Who will step up and buy this risky \$41 billion business?

Not No. 2 Acer who just lost its CEO-- its boat seems to be currently sinking in high water. No. 3 Dell? Doubt it. Asus, Apple or Lenovo? Unlikely...

Best Buy? Ingram Micro? A Chinese company like Huawei? While everything is possible, nothing is likely.

Maybe HP should talk to Google...

Go [HP's Own Press Release Announces a Garage Sale](#)