Management Update: How Hewlett-Packard Used B2E as a Catalyst for Reinvention

Business-to-employee (B2E) uses e-business approaches and Internet technologies to enable a comprehensive set of services for an enterprise’s employees and managers. B2E also supports the management and optimization of work processes and relationships. Gartner presents a case study about how Hewlett-Packard (HP) used B2E as a catalyst in its reinvention program.

B2E and Its Enabling Services

B2E is the delivery of a comprehensive set of enabling services to an enterprise’s employees to support the management and optimization of their relationships and work. Gartner has identified eight enabling services for B2E (see Figure 1). Most enterprises have already built or are building those services in some form. However, few enterprises have integrated all the services into a coherent workplace solution.

Figure 1

The Eight Enabling Services of B2E
B2E provides a path for integrating the provision of the services into a comprehensive, integrated package. Before beginning the integration process, B2E requires governance and other mechanisms to bring the moving and disparate parts together. That will include a supporting architecture, a technical strategy for dealing with multiple established portals and linkage of the planning efforts around numerous individual services.

**HP Case Study Background**

In October 2000, HP launched B2E with @hp, its employee portal. Carly Fiorina, HP’s CEO, was leading a reinvention program focused on transforming the company by unifying the “band of HP tribes” into a single, nimble new venture and reducing global costs by a billion dollars over three years.

B2E was one of the catalysts in the reinvention. HP’s experience with B2E clearly illustrates best practices in governance, technical infrastructure and managing movement of work to the Web.

Note: This case study was developed in conjunction with PwC Consulting (now IBM Business Consulting Services), which worked with HP to develop its B2E program. A more complete description of HP’s experience is included in “A Thousand Tribes: How Technology Unites People in Great Companies” by Robin Lissak and George Bailey (John Wiley & Sons, 2002).

**HP’s Vision and Business Goals for B2E**

1. **Self-service.** Enables employees to perform transactions or processes and to access forms, policies and other content within their authority.

2. **E-learning.** Provides training and development of specific skills or expertise for work, and builds workforce competencies and expertise for personal, workforce and organizational development.

3. **Communication.** Enables executives, the “enterprise” and employees to inform or interact with customers and business partners and each other through multiple channels.

4. **Employee "contractual" relationship management.** Enables the enterprise to support formal “contracts” with its stakeholders, specifically between the employer and its employees.

5. **Community services.** Enables employees, customers, business partners or alumni to work or interact with, and develop or maintain content with others who share activities or interests.

6. **Knowledge management.** Provides access to the enterprise’s knowledge assets (e.g., digitized information, experts and expertise) and to the enterprise’s knowledge sharing and collaboration processes. Knowledge management may include business intelligence, competitive intelligence and innovation support.

7. **Access to applications.** Provides a single point of entry to work applications, personal or team productivity and collaboration applications, and, ideally, the ability to integrate tasks, processes and data from multiple applications through a single workspace.

8. **Personalized and value-added services.** Provides the ability for users (employees, customers or business partners) to personalize their workplaces (establish preferences and profiles), enable a balance of work-life issues (e.g., the ability to connect to family, friends or communities of interest), provide the means to manage work-life issues (e.g., flextime or choice of work location) and convenience or “concierge” services that enable users to take advantage of opportunities that are afforded them through their affiliation with the enterprise.

Source: Gartner Research
HP clearly articulated a vision and business goals for B2E. Its @hp was envisioned as the single “go to” place in HP for all company information and transactions. The B2E initiative was to facilitate five important business goals:

- Cost savings
- Company reinvention
- Global communication
- Increased employee productivity
- Faster rollout of new employee services

HP considered employees as “customers” of the portal. That view spurred creation of a customer advocacy team dedicated to a high-quality user experience and focused on user communication, training, feedback, monitoring and measurement of satisfaction. Generally, the customer advocacy team represented the voice of the customer and owned the design of the user interface and the content management program. Employees were allowed to blend their life activities with their work activities and use HP assets (e.g., PCs) to perform those tasks. For example, employees were encouraged to log onto the local department of motor vehicles Web site via the portal to renew vehicle registrations.

**Strong Support and Leadership for B2E**

CEO Carly Fiorina demonstrated strong support and leadership for B2E:

- Ms. Fiorina personally advocated and used B2E as the primary communication channel with employees. That commitment increased user adoption. For some employees, B2E was the most obvious evidence of the company reinvention. Communication about the company came to employees via @hp. Distribution lists were displaced. E-mail “blastograms” from HP executives were reduced to a trickle.

- Ms. Fiorina named HP’s vice president of human resources (HR), Susan Bowick, as the first user of B2E. Ms. Bowick worked with the reinvention team and launched employee self-service using the Web as a single channel for the delivery of HR services to employees. B2E HR-specific goals were:
  - Enhance employee productivity
  - Reduce costs of employee services
  - Enable global communications to the 90,000-member workforce

**HP B2E Governance**

HP’s executive team established a governance council with senior representatives from HP’s global functions (e.g., HR, finance, procurement and IT) as well as the lines of business. The council
determined overall B2E strategy and set priorities for new services, the portal infrastructure and standards bodies. It also defined funding processes and oversaw implementation processes.

Change management was recognized as a critical success factor for user adoption, so the following was done:

- Dedicated staff members were charged with communicating and training B2E users (HP employees).

- User forums were scheduled to gather feedback on usability and navigation. B2E was “marketed” with posters and e-cards designed to help users ramp up on portal usage and learn the navigation to common transactions.

- Human factors experts were engaged to design the user interface and leverage best practices from established customer-facing portals.

Dramatic Change for Employees

Despite the comprehensive change management efforts, once launched, B2E was a dramatic change for most employees. An example was open enrollment for benefits. Although 90 percent of HP employees had a desktop or laptop computer, open enrollment was a very high-touch human interaction. Taking accountability for completing the transaction oneself was very different from depending on someone in the North American HR organization to help complete it.

Expectations for B2E usage and supporting executive actions were synchronized. All employees were expected to use @hp every day to do their jobs. At the same time, the manual, former methods of doing tasks were eliminated. Thus, the portal became the only vehicle for accomplishing those transactions. With the implementation of @hp in October 2000, roughly 150 transaction-based services were implemented. All company polices and documentation were made 100-percent paperless once posted to the portal.

Key Roles by Organizational Units

HP Business units collaborated to accomplish B2E. Importantly, the IS organization played two key roles.

- It identified IT services that could be provided on @hp.

- It built significant pieces of the technology infrastructure for @hp, including an enterprise directory, a global security framework, hosted infrastructure services and a global support model into the B2E technology infrastructure.

Corporate communication took on a major role in defining corporate information featured on the B2E portal. The portal was viewed as a low-cost method for the reinvented company to broadcast strategies, priorities and business goals.

Governance policies and processes were defined that enabled B2E teams to work quickly and consistently:
• Identified the roles and responsibilities for moving work to the Web
• Identified the decision-makers on portal policy
• Established a forum to set portal priorities and strategy
• Defined policies to balance business needs with user needs
• Established escalation procedures across HP for @hp

**HP Technical Infrastructure Management**

HP implemented a framework for managing the technical infrastructure. HP’s challenge was twofold: defining the process for building future B2E infrastructure while concurrently resolving issues around multiple established portals. At the inception of B2E, HP had approximately 4,700 internal Web sites for employee access to various company information, product data, best practices and processes.

Key practices that proved to be successful included establishment of a central portals team to lead the expanded development community (local business unit development teams) to develop shared approaches toward:

• Usability
• Common look and feel
• Help features
• Common processes for transactions (e.g., locate common functions such as “submit” in the same place for all transactions)
• Response times

New processes were created to support that collaborative development work. A new developer Web site was created and made accessible via the B2E portal. The site addressed seven levels of integration to ensure a consistent, high-quality user experience on the portal, regardless of service or application owner.

The expanded development community achieved more than 90 percent satisfaction rates for its efforts:

• Standards bodies were organized and charged with establishing integration standards for linking the many Web sites to the B2E portal. Standards ranged from simple integration (e.g., incorporating a hyperlink to an internal Web site from within the B2E portal), to complete integration (including navigation) of an established Web site into the B2E portal. The standards were created with, and approved by, portal stakeholders across HP. Conformance was required and increasingly stringent, allowing individual business units to phase in adoption of the new standards.

• A process was defined for prioritizing new services or new features. A joint planning process was designed for business teams and the portal team to assess business and user impact. HP’s
Plan-of-Record process included steps to map investments, analyze risk and gauge the business impact of each new service.

Prioritization helped the B2E support team to schedule critical path testing across multiple developmental teams and manage the impact of new services on the overall user community.

**HP’s Overall B2E Project Approach**

HP implemented B2E in stages, beginning with critical communication and self-service functions and building continually sophisticated support.

Release 1 of @hp included foundational support:

- Creation of an overall B2E governance program
- Development of standards for integration and content publishing
- A portal design and user interface model
- Standards for support, help desk processes and communication
- A change-management framework
- A Web site cleanup program
- An extensive business process re-engineering effort
- Rollout of the @hp portal with HR functionality

Release 1 efforts also included a server consolidation initiative with goals of reducing cost and improving content quality. That program was managed by global IT. The process was to register all Web site owners, issue best practices for cleanup and offer hosting services to site teams. The effort yielded solid results: HP reduced 4,700 sites by 2,000. Almost half of the 2,000 sites were eliminated, and the content of the others were integrated into @hp.

After the launch of Release 1, three specific actions were taken to support the employee portal and enable future work. Those actions included:

- Formation of a dedicated portal process team with responsibility for creation of comprehensive processes for:
  - Total employee experience
  - Quality
  - Move to production
  - Content management standards
- Synchronized planning with co-developers
- Portal development life cycle
- Services integration model and associated standards
- Global portal support
- High availability and reliability

- Formation of a dedicated global IT team to manage the overall portal as a tool for HP employees. The team is responsible for technology governance, developing and deploying the portal infrastructure, working with co-developers (e.g., business unit or services owners) and ownership of the user experience. This team established a distributed model for managing @hp.

- Definition of business user responsibilities for “moving work to the Web” and for managing investments, processes and release schedules within the overall governance model.

Later and ongoing releases of @hp extended the initial B2E functionality:

- Release 2:
  - Extended browser support
  - Improved navigation
  - Popular links

- Release 3:
  - Personalization
  - Global load balancing
  - Closed-loop feedback mechanisms

- Release 4:
  - New global HR transactions portfolio
  - Search enhancements

- Release 5:
  - Merger day 1 (with Compaq Computer)
  - My Dashboard (executive dashboard with real-time business data)
  - Creation of new blended services
HP Technology Infrastructure Component Details

HP’s portal design team created an overall B2E architecture and criteria for technology selection. Their design goal was an always-on, secure, trusted infrastructure that delivers services to employees in more than nine languages, across more than 150 countries, seven days a week, 24 hours a day.

HP’s technical infrastructure was constructed using these key components:

- HP’s own products, including HP 9000 K-class and L-class enterprise servers, HP OpenView for system management and HP MC/ServiceGuard for high availability
- Oracle database
- Epicentric portal builder software
- Netegrity for password security
- Inktomi for search capabilities
- Foundry Networks for global load balancing
- WebTrends for usage tracking
- Microsoft Internet Explorer

The Bottom Line: HP Business Results and Value on Investment

The initial value on investment, based on statistics from Release 1 and HR services, provided a $50 million return on a $20 million investment.

The major elements contributing to cost reductions were Web site consolidation, paperless employee services and specifically:

- Eliminating 2,000 Web sites
- Eliminating fax machines
- Reductions in printing costs
- Sizable reductions in the labor force required to manage the high-touch, pre-B2E solution processes

Other forms of value accrued with global implementation of the infrastructure and services to serve HP end users. Those services incorporated standard help desk capabilities, formal escalation processes, move to production policies, obsolescence processes and crisis management methodologies. The @hp team implemented the baseline set of those capabilities in Release 1 and
the entire suite of services in Release 2. The investment served to increase user satisfaction dramatically and ensure ongoing reliable processes for feedback, training and process improvements.

Written by Thomas Berg, Research Products

Analytical source: Kathy Harris, Gartner Research

For related Inside Gartner articles, see:

• “Management Alert: A Road Map for Defining a Business-to-Employee Strategy,” 21 August 2002

• “Management Alert: Business to Employee — A Key Element in Enterprise Strategy,” 14 August 2002