
HP 9000 Success Stories

The Hacienda Story

The Customer

The Secretaria de Hacienda y Credito Publico, called Hacienda, is the Mexican equivalent of the U.S. Department of the Treasury. Hacienda is responsible for collecting all taxes and customs duties for the government of Mexico.

Business Objectives

In 1989, the World Bank made raising Mexico's per capital tax base a condition for helping Mexico lower its huge national debt. At that time, a large percentage of personal income taxes, sales taxes, and import duties that were owed the government went unpaid due to an ineffective collection process.

Hacienda's first major project was to improve collection of business and personal income taxes.

The second major project was to provide their customs agents with tools to effectively enforce customs regulations and collection of customs fees. Previously, customs agents were not able to get accurate and timely information on tariffs due, import duty payments, or restricted produce and quarantined items.

MIS Strategy

Hacienda wanted to network together its regional federal centers with the central agency headquarters in Mexico City. And it wanted to download and upload information to and from the regional centers for faster and more flexible access.

Competition

For the tax collection project, AT&T, which had 2000 installed UNIX based workstations at Hacienda, and Unisys both offered their open system solutions. AT&T, however, at the time lacked the high-end systems needed for this project nor did it have a Mexico City office. Unisys proposed a Sequent machine that did not meet the price/performance requirements of Hacienda. Although IBM was installed at Hacienda, the benchmarks on its RS/6000 placed it out of the running.

The Sale

The personal income tax project involved replacing two IBM 3031 mainframes and AT&T workstations. The HP 9000 Model 870S/100 was proposed to replace the IBMs, but because it was not immediately available, benchmarks were run on the HP 9000 Model 860S. The performance of the 860S so impressed Hacienda that they decided to buy the 860S as part of a bridge package offered them by HP until the 870S became available. Several HP 9000 Model 845S' were also sold to handle networking and regional data as a front end to the 870S. A total of \$15 million for hardware and software was spent over 18 months as the HP systems were phased in to replaced the IBMs. Hacienda wrote its own tax collection applications. The database was Informix.

The customs collection project involved placing sixty HP 9000 Model 8x7S systems in the customs agencies with customs application software from Integra. The full range of the Model 8x7S was sold, the size of the machine dependent upon the size of the customs office. The sale also included HP OpenMail, HP OpenView, and an HP private X.25 network based on fiber optic media (the first in Mexico). The total spent on this project was \$5 million.

Key Decision Makers

The key decision makers were the Chief Information Officer, the official in charge of revenue systems for the government, and the MIS director.

Why HP Won

These decision makers were impressed with the benchmark results performed during a factory visit. In addition, they were reassured by the stability of HP, by HP's complete product line ranging from workstations to multiuser systems to networking, and by the outstanding price/performance of the HP systems. The local support team, the divisions in Cupertino, and the sales team all worked closely together to make this deal possible. The sales team exhibited good teamwork, each member contributing to the team's extensive knowledge base of Hacienda's needs.

Effect on Bottom Line

After 18 months, the personal income tax program using the 870S/100 yielded Hacienda a 24% increase in revenues collected on a \$35 billion per year base. Hacienda expects the payback on its investment in HP equipment for customs to equal the increase in revenue collected in 3 days from a single customs station in Laredo, Texas.

Future Opportunities

Because of the sale team's good account management and HP's wide offering of products and good price/performance, further business with Hacienda is a very strong possibility. Automation of Mexico's 4000 customs brokers is a project for which prospects look good.

The TCI Story

TCI of Englewood, Colorado, with yearly sales of \$4 billion and 34,000 employees, is the world's largest cable TV operator with over 12 million subscribers AND the world's largest alternate access provider. TCI recently sold United Artists Theater Company, the world's largest theater company.

Business Objectives

TCI's goal was to reduce costs. Due to increasing competition and declining margins, management wanted faster time to action in order to maintain TCI's financial position. TCI felt that a move to open systems would help in this effort by yielding more flexibility and productivity, and ultimately decreasing MIS costs. Such a move will put the company in a position to benefit from the new products, technologies, and productivity gains that the trend to open systems will generate.

MIS Strategy

TCI wanted to move to an open systems environment which would tie together their IBM, DEC, Sequent, and Tandem systems into a decision support solution to be implemented at the corporate headquarters in Englewood.

TCI was looking for reliability, growth potential and adherence to industry standards. The new system had to be interoperable with ARPA, TCP/IP, and support SQL.

Computing Problems

TCI had two hosts running its financial applications, a Prime 9950 and a 6550, with approximately 200 terminal users averaging about 150 concurrent sessions. TCI wanted to increase the number of connects to over 400. The lack of the system's growth potential, reliability problems, plus Prime's financial problems concerned TCI.

Competition

Sequent was advocating the Sequent 12 processor; IBM was proposing the RS/6000; DEC proposed and then withdrew their multiprocessor system, the 5840, when it failed to live up to expectations.

The Sale

The total HP solution was \$950,000

and consisted of one Model 870S/200 with a Model 817S server. The 817S server has a subnet of 18 Series 700RX X-terminals in a host/terminal configuration.

A third party, VMARK, had a software bridge product, called Universe, which enabled applications written for the PICK operating system (Prime's operating system) to run on top of HP-UX. This gave TCI the opportunity to continue using their existing financial applications.

The support account team delivered UNIX consulting, performance consulting, and network consulting. In addition, TCI has an account assigned HP Customer Engineer. HP performance tools (HP GlancePlus/UX) were also purchased.

Key Decision Makers

The chairman of the high-level executive committee formed to make the purchase decision was formerly associated with United Artists where he had a positive experience working with HP. The MIS director became an HP coach after extensive education and relationship building by the sales team.

Sales Resources

TCI people were taken to Cupertino to learn more about HP's high-end direction, to see the Response Center, and to conduct a benchmark.

Why HP Won

Initially, TCI knew of Hewlett-Packard only as a LaserJet company. They were unaware of HP's commercial systems.

The HP sales team was able to demonstrate that HP both understood and had the ability to provide a standards-based solution meeting TCI's current and future needs for open systems. HP was also able to offer superior local support for TCI's 24-hour-seven-day operations.

Future Opportunities

Possible future sales include an intermediate upgrade to a Model 870S/300 or 400. After that, TCI will be a candidate for the HP 9000 Corporate Business Server. In addition, TCI's seven cable divisions are candidates for sales of networked Model 8x7S servers; the over 550 cable companies are candidates for HP Vectra PCs.

The GTE Telephone Operations Story

GTE Telephone Operations, is a \$15.7 billion a year telecommunications giant with 128,000 employees. GTE is the largest U.S. based local telephone company, providing local phone service through more than 20 million access lines in portions of 40 states, British Columbia, Quebec, Venezuela, and the Dominican Republic. GTE also markets telecommunication products and services, and supplies computer software and data processing.

GTE Telephone Operations, (GTE Telops) based in Irving, Texas, is the largest of GTE Corporation's business groups. HP recently was selected as a strategic vendor and is involved in several projects within GTE Telops.

Business/MIS Objectives

One of these projects involves GTE Regulatory and Government Affairs which must prepare tariff filings for toll and access rates. They use Separations and Access Costs Systems (SACS) database, with its 45 Gbytes, to develop revenue requirements and cost studies that support preparation of the tariff filings. All data required in the legally required reports to the FCC (Federal Communications Commission) come from the SACS database.

The Computing Problem

Since January 1989, GTE has employed the ORACLE relational database management system and supporting tools in a centralized mainframe (IBM 3090 Model 600J) and a fully distributed PC operations environment. When GTE purchased an independent telephone company, CONTEL, the CONTEL data had to be added to the SACS database. The additional data, plus the perpetual growth of existing Telops data, meant that continuing to operate in a shared mainframe environment would become very expensive. They are also experiencing unpredictable fluctuations in performance on the shared mainframe. Plus, seven days of production are lost whenever a database is reorganized.

Competition

GTE evaluated six alternatives including converting to DB2 on the mainframe, using Teradata with the host, using Teradata alone, and converting the application to Informix. GTE ultimately decided to go with a mainframe downsizing solution from HP.

The Sale

GTE selected an HP 9000 Model 870S/200 with the disk array product that will run an ORACLE database.

Key Decision Makers

GTE chose HP as a strategic vendor as they move to client/server computing and mainframe downsizing. The HP sales team cultivated a number of coaches within GTE who became impressed with HP's technical superiority. As they became more convinced that client/server architecture and mainframe downsizing is the direction in which they needed to move, they became more convinced that GTE should partner with HP. Those coaches were instrumental persuading the VP of Information Technology that HP was the strategic vendor to work with.

Bias

HP has had account reps assigned to GTE for a number of years. However, HP was never seen as a strategic partner; GTE did not feel that HP had given them sufficient account support. GTE felt that HP was difficult to work with.

In order to be successful in this account, HP needed to prove that:

- ORACLE was portable to HP
- HP's cost/performance was superior
- HP has the needed scalability and reliability
- HP's cost of ownership was acceptable
- HP's terms and conditions were acceptable

Why HP Won

On the SACS project, GTE was impressed with the tremendous potential cost savings of the Model 870S/200 over a mainframe and of the extremely clean port from ORACLE on the mainframe to ORACLE on HP.

Future Opportunities

The sale team is excited about the potential mainframe downsizing opportunities a successful SACS implementation could create at GTE.

The Acustar Story

Acustar is a \$300 million subsidiary of Chrysler, a \$30 billion company ranked number eleven among the Fortune 100. Acustar is headquartered in El Paso and has 9 automotive manufacturing plants in Mexico.

Business Objectives

In the internationally competitive world of automobile manufacturing, Acustar was looking to cut costs and improve productivity.

MIS Strategy

To meet these objectives as they affect information technology, the MIS department decided to offload their MRP II applications from the installed IBM 4300 mainframe (located in the Data Center in Detroit, Michigan) in order to give end users more timely and accurate information.

Competition

IBM and Honeywell both proposed mainframe upgrades as HP talked of savings that could be realized through offloading the mainframe.

The Sale

An HP 9000 Model 870S/100 was sold to run MRP II applications offloaded from the IBM. Connected via the network to the Model 870S at the Data Center are client PCs running Zenix. Located at the nine manufacturing sites, these PCs can access data from the database on the Model 870S, generate reports, and download schedules.

Acustar purchased 7 X 24 two hour Response Time support service and HP performance tools (HP GlancePlus/UX). Acustar has an account–assigned HP Customer Engineer.

Why HP Won

Two sales teams worked hand in hand to make this sale possible, one in Huntsville, the other in El Paso. Together they presented to Acustar HP's superior price/performance and the saving in maintenance and operating costs made possible by offloading to the Model 870S.

Future Opportunities

Recently, twenty–five Series 425e workstations and three Series 486 workstations were sold to an engineering entity within Acustar. Success

at Acustar of HP's high-end solutions and workstations will bring HP visibility throughout Chrysler.

The Rochester Telephone Story

Rochester Telephone, with annual sales of \$700 million and 4000 employees, is one of the largest independent telephone companies in the northeastern U.S.

Business Objectives

To increase customer support and reduce costs, Rochester Telephone wanted to improve its repair service, a function vital in an area plagued with severe winter weather.

MIS Strategy

To realize this objective, the field repair organization needed to be automated. The strategy was to create a new software application with improved dispatch functionality.

Prior to the HP purchase, Rochester used an IBM 3090 mainframe with all users on a LAN.

Requirements

It was very important to Rochester that their system remain up because it cost them \$75,000 per hour when down. Therefore, they needed absolute availability of data.

The VAB

A VAB, Intellicom Solutions, was selected to build Rochester a custom application to handle service requests.

Competition

IBM proposed an RS/6000, Model 550. DEC was eliminated early in the competition.

The Sale

Rochester bought the HP 9000 Model 845S to handle service requests. When a request for service is logged, the system does a grid search to locate a trained customer engineer available in the area. Before the system engineer is sent out to the phone line to do the repair, the system performs a pre-diagnostic on the problem to determine which parts the engineer will need to take with him.

Initially, Rochester bought the 845S with the knowledge that they would eventually be upgrading to a high-end system. However, as the

VAB, Intellicom Solutions, was building the application, the telephone company kept deciding to add on more features than initially envisioned. The 845S was pushed to its limits sooner than originally anticipated.

When an unusually severe ice storm struck town in which 80,000 people were left without power and phone service for up to two weeks, the volume of requests for service increased by over 500%. To handle the load, HP overnight sent Rochester a Model 870S to replace the 845S. Rochester rented the 870S for six months as they continued to build their application which was ultimately deployed on an HP 9000 Model 857S.

Rochester also purchased 7 X 24 two hour Response Time support.

Key Decision Makers

The decision makers were Rochester's technical group as well as a middle manager from MIS, in addition to the end-users. Another important decision maker was a functional manager responsible for this territory and overseeing its budget.

Sales Resources

The factory provided the latest information about UNIX, while the competitive group provided the latest information on IBM.

Why HP Won

HP's commercial UNIX functionality won the day. IBM's RS/6000 could not offer comparable OLTP performance. In addition, HP offered superior performance and high availability through DataPair/800. Plus, Intellicom had a positive track record established on the HP 9000.

Effect on Bottom Line

The automatic dispatching of repair personnel has resulted in significant labor savings. Automatic line testing by the 857S has also reduced labor costs.

Rochester Telephone is thrilled with HP products and with the HP support team. The performance of the HP 9000 has exceeded their expectations.

Future Opportunities

Rochester will have need for workstations and different UNIX servers to be used as database engines in the future.

HP 9000 and HP 3000
Success Story
The 3M Story

3M, ranked number 29 in the Fortune 100, is a \$14 billion per year company with 88,000 employees headquartered in St. Paul, Minnesota. 3M manufactures adhesives, tape, film, chemicals, sand paper, optical disks, computer tape and other related products.

The Business Objective

3M was interested in reducing costs of computer operations for a large manufacturing plant in Iowa. Its computing equipment was aging, the company needed more computing power, and they hoped to reduce maintenance costs.

MIS Strategy

To achieve this goal, a decision was made to consolidate operations in a networked, open systems solution.

Prior to the purchase, 3M was using three DEC VAX 785s clustered together for process applications. The HP 3000 Series 48, 58, and 70 were used to run manufacturing applications.

The Competition

DEC proposed another VAX machine and later its Ultrix machine.

The Sale

A fiber optic network was installed throughout the entire plant. Over three hundred terminals were connected to the LAN via DTCs. Both HP 3000 and HP 9000 systems were placed on this network.

An HP 3000 Series 980/100 and a Series 947 replaced the Series 48, 58, and 70. The Series 980 runs the major mission critical applications for the manufacturing site. To keep the plant continually in operation, the 947 acts as a standby for the production reporting application on the 980/100. In addition, the 947 has X.25, SNA, and IMF for communications to the company wide area network and is used for application development. Additional purchases included optical disk drives, HP TurboSTORE/XL II with the on-line backup option, and HP OpenView network products. 3M received the first customer shipment of parity disk arrays.

An HP 9000 Model 870S/200 and a Model 857S were purchased to replace the three DEC VAX 785s running process applications. The VMS applications had been previously ported to HP-UX. The 857S serves as a standby for the 870S/200 and is also used as a development system. In addition, the 857S uses LAN Manager/X to manage 75 networked PCs. Additional purchases for the 870S/200 were HP OpenMail and HP OmniBack/Turbo.

Lastly, a Laser-ROM was purchased for on-line documentation of the new HP 9000 and HP 3000 systems.

One to two HP system engineers are assigned to remain on site.

Key Decision Makers

The manufacturing directors of the groups within 3M responsible for this manufacturing plant were decisive in this deal. CEO approval was also needed.

Sales Resources Used

The sales team and the local PSO worked closely with 3M's Information Systems and Data Processing central support group to make this sale to the manufacturing site.

Why HP WON

3M was looking for a single vendor for hardware and support. Both the high-end HP 3000 and HP 9000 offered mainframe-class performance at less cost than a mainframe. 3M also liked the DTC switching capacity of the HP solution.

Future Opportunities

Other manufacturing plants are looking at high-end HP systems. The HP Corporate Business System is a distinct possibility in those plants.

HP 3000 Success Stories

The FMC Story

FMC, a Fortune 130 manufacturing company with annual sales of \$3.7 billion, is a leading producer of machinery and chemicals for industry, agriculture, and government. It operates 92 manufacturing facilities and mines in 26 states and in 16 foreign countries.

Business Objectives

FMC's goal is to remain competitive by reducing costs. To realize cost savings, FMC's Dallas office wanted to consolidate field operations and data management into the Data Center.

MIS Strategy

A decision was made to upgrade and consolidate from the four HP 3000 Series 70s with over 300 users located at four plants to a single large system in Dallas. Instead of each factory running ASK/ManMan on its own system, information would be consolidated into a central machine in Dallas running ASK/ManMan for manufacturing and Cognos for software development.

The Sale

FMC's Data Center is dominated by IBM and its manufacturing is dominated by DEC. However, a factory visit to CSY for a strategic update convinced FMC that HP had both the networking and high-end computing capacity to meet immediate and future needs.

FMC carefully analyzed HP's 3000 product line and determined that they needed a single high-end system, but they wanted the price/performance of the midrange Series 9X7. Because the HP 3000 Series 992 had not yet been announced, a creative finance package was put together which enabled the sales team to sell FMC a 980/200 on a short term contract and an upgrade to the Series 992 when it became available.

Why HP Won

HP's creative financing, superior price/performance, and networking capabilities as well as good account management by the sales team produced this first sale of an HP 3000 Series 992. The account team participated in FMC's business planning process and provided network consulting.

Future Opportunities

Actual consolidation costs have established the HP system as the least costly computing unit in the Data Center. A fifth division is now being added to the system. The HP 3000 is now considered a viable alternative to traditional mainframe computing.

The Pilgrim Health Care Story

Pilgrim Health Care, Inc. is a Health Care/HMO, with sales in 1991 of \$290 million. Pilgrim is one of the fastest growing managed health care providers in the U.S. Managed Health Care is a new umbrella term that includes HMO, PPO, IPA, and others in the health care alphabet.

Business Objectives

As a very aggressive and fast growing HMO, Pilgrim wanted to offer additional lines of service to area employers, namely indemnity programs, Preferred Provider Programs, and Third Party Administration programs.

MIS Strategy

Increasing the number of services meant that Pilgrim's application would need additional software functionality. Since the existing business was already taxing Pilgrim's current configuration, new hardware would also be needed.

Computing Problems

Pilgrim's existing configuration consisted of two Series 950s. One machine handled on-line inquiries and updates while the other was used for batch processing and report generation. Early in 1991 response time became a problem.

The VAR

American International Healthcare (AIH) was the incumbent software VAR. American's new product, Amisys, met the business needs of Pilgrim. However, other vendors running on IBM also met those needs.

Competition

IBM had machines that could handle Pilgrim's anticipated growth but not with the price/performance available with HP systems.

The Sale

AIH successfully sold \$2.6 million worth of hardware and software over 12 months to Pilgrim. One HP 3000 Series 980/300 was installed to handle on-line processing needs. A Series 937 was ordered as a standalone development and test machine. One of the installed 950s was upgraded to a 960 and handles batch requirements and off-line reporting.

In addition, the use of HP-FL drives, HP OpenView DTC Manager, and NetBase by Quest enabled the 960 to meet the standby needs of the Series 980/300.

Sales Resources

Information provided by CSY Product Marketing and the Americas Marketing Center on future systems helped to assure senior management and MIS staff that HP could meet their current as well as possible future processing needs.

Why HP Won

When it was determined that Amisys would push the upper limits of the HP 3000 Series 980/200, the field team, armed with information from CSY Product Marketing and strategic information from the Americas Marketing Center, and a HP lab product manager made a Series of presentations to Pilgrim's senior management and MIS staff on the Series 980/300 and 980/400 under a non-disclosure agreement.

Pilgrim decided that by using Amisys on the Series 980, they could meet their business objectives, protect their investment in HP equipment and software, and meet their growth requirements. Pilgrim was impressed with HP's direction and was convinced that HP could meet their current requirements and grow with them.

The Granite School District Story

Granite School District, a growing public school district located in Salt Lake City, Utah, is the 35th largest school district in the U.S.A. Granite was looking to reduce costs and get improved functionality for its student scheduling and financial applications.

The Objective

Granite had outgrown its IBM 4361 in 1989 and replaced it with an HP 3000 Series 960. In 1991, the district realized that it had outgrown its in-house developed financial and student accounting software and started looking around for software applications to meet its needs.

In addition, the district became aware that computers could help them with more than financial applications. The district contains over 100 school sites widely scattered over a 20 mile wide area. Electronic mail was seen as a way to improve communications between administrators at headquarters and supervisory personnel at school sites.

A committee was formed to evaluate software to fit the district's needs. Software by Carter–Pertaine was determined to be the best choice by far. Carter–Pertaine runs only on the HP 3000.

The Competition

IBM and DEC each tried to assure the district that their software and systems packages offered a one-stop shopping solution.

The evaluation committee was formed by two districts pooling their resources, the large Granite District and the smaller Salt Lake City District. IBM lost credibility when it proposed the same sized AS/400 for each districts, even though one district was larger than the other.

The Sale

Overcoming DEC and IBM competition, the sales rep with help from the Education Group in Cupertino, the SE, and Carter–Pertiane, initially sold the district a standalone Series 960 and HP TurboIMAGE database. As the district grew faster than expected and because they needed more power as they started using more and more features of the system, the district purchased an upgrade to a Series 980/100.

During the upgrade, they also purchased a Series 927 for application development.

Why HP Won

The evaluation committee, finding the HP sales team to be very knowledgeable, came to depend on them to act as consultants to help them determine their needs and evaluate equipment. The team spent 8 to 10 hours per week at the district doing research or answering questions. As a result, the team was able to propose a solution which meet the price/performance needs of the district.

The Resulting Benefits

The district is making full use of the features available with Carter–Pertaine software on the HP 3000. In addition, by using electronic mail, the district was able to reduce its use of expensive courier service and improve communications between district headquarters and its far–flung school sites. All schools in the district are now on–line and all printing is now done at the local school site, rather than at the district.

The Pleasant Company Story

Pleasant Company, a mail order house, specializes in fine dolls reflecting historical periods. Available with these dolls is an entire array of furniture, clothing, and even adult and child clothing to match that of the doll.

Pleasant is a privately held company with estimated annual sales of over \$66 million and growing at 30% per year.

Business Objectives

Due to rapid growth, Pleasant Company needed to improve customer service and expedite order fulfillment.

MIS Strategy

The decision was made to implement a new Order Management and Customer Service application to replace their overloaded home-grown package running on two RS/6000s.

The Sale

The application package selected was BSA which ran on the HP 3000. The customer's initial decision was to port the new application to their existing IBM RS/6000s. However, after the porting project was begun, the President of Pleasant realized that the schedule would not be met in time for preparation for their big Christmas season. Plus, the HP system could give them superior performance. Therefore, the two RS/6000s were replaced with a single HP 3000 Series 980/100. In addition, an HP 3000 Series 927LX was purchased for application development.

Future Opportunities

As Pleasant Company's business continues to grow, the sale of an HP Corporate Business System Series 992 is a strong possibility.

The R & B Enterprises Story

R & B Enterprises is a privately held property management company best known for its nation-wide chain of corporate apartments, The Oakwoods. Headquartered in Los Angeles, R & B is a \$1 billion company with 1000 employees.

The Business Objective

R & B Enterprises differentiates itself from other lodging companies by catering to executive business customers who desire medium term full-service residential hotel accommodations. Since the typical customer rents for months at a time, accommodations, are customized to meet the customer's specifications, ranging from bed size to the number of cable channels, to assistance with entertaining.

As the company expanded the number of sites, R & B needed to continually upgrade their hotel reservation system to handle the growing number of customers as well as the large number of reservation details per customer.

MIS Strategy

The MIS department needed improved batch performance as well as improved OLTP performance. They needed a solution which would offer efficiency and power, as well as the flexibility to quickly adjust applications to meet changing business conditions.

The Sale

Since R & B abandoned its IBM 370 several years ago in favor of HP systems, they have upgraded their HP systems as more powerful HP systems arose to meet their needs.

Most recently, R & B came to the point in their growth where they needed mainframe class performance. HP was there to meet that need. An HP 3000 Series 980/200 was selected as the production system with 500 terminals of which 250 sessions can be active at one time. A Series 947 was purchased for application development. The sale was for a total of \$1.5 million for HP hardware and software, including HP TurboIMAGE, DTC Manager, networking and high availability products.

R & B Enterprises runs its far flung \$1 billion business on the Series 980/200. The 980/200 gives R & B mainframe class

performance without the operating, maintenance, and staffing costs required of a mainframe. The 980 offers ease of management and the flexibility to quickly adapt applications to meet a rapidly changing business environment. Because of the scalability of HP 3000 system, their investment in software and hardware has been protected as they move to the more powerful system.