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# Gleanings

By Gerald R. Chester, Ph.D.

## Carly's Conundrum

This has been a busy month for business pundits analyzing what happened to Carly Fiorina, Hewlett Packard's highly visible CEO for the past five and a half years. There are numerous theories. Did she fail to understand the HP culture? Did the merger with Compaq prove to be her Achilles heel? Was it her management style—public glitz and private isolation? Did she just fail to deliver the earnings? Perhaps it was her extravagant compensation package? Did the company need an operational expert or Carly's marketing prowess? Was it a combination of these theories? Or were there other factors? Whatever the reason, it is clear that HP is floundering and Ms. Fiorina's performance did not meet the expectations of either the board or the shareholders.

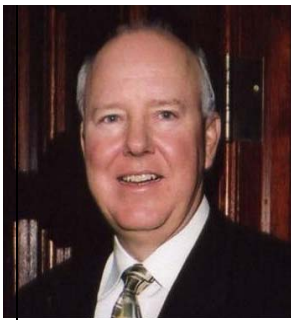
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So what does one make of Carly's conundrum? Note that Carly was the first CEO hired from outside the company; hence, she may not have fully understood the culture and history of HP despite reading David Packard's book *The HP Way* four times. Next, her experience was in telephony, hardly high tech, which means that she was most likely not fully knowledgeable about the dynamics driving HP's industry. She didn't seem to appreciate the importance of HP's reputation for and commitment to outstanding product quality. Anecdotally, the print quality of a five-year-old HP printer in my office is noticeably superior to a comparable, but new, Epson printer.



Shouldn't Carly's marketing expertise have provided a wonderful complement to the outstanding HP engineering prowess? After all, engineers are rarely gifted marketers. Surely someone with Carly's great marketing skills would be a wonderful asset to the company. Right?

Given that organizations function best as teams, unquestionably the addition of world-class marketing talent would be a plus. The question is, was Carly the right choice? And if so, was she placed in the right position? This is Carly's conundrum.

What can we learn from Carly's conundrum? Perhaps the most significant lesson is the importance of finding the right people for each job in an organization. For any team to do well, each player must be the right person and must be positioned correctly. This principle is easy to understand but enormously difficult to execute. Nevertheless, the reality is that organizations committed to finding the right people and placing them in the right positions will build excellent organizations.

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