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**President and CEO  
Hewlett-Packard Company**

**Address to  
The Canadian Club**

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**The New HP  
Preserving the Best -  
Reinventing the Rest**

Canadian Club Keynote  
Delivered by Carly Fiorina, President & CEO, Hewlett-Packard Company  
March 3, 2000

## Intro

Thank you, President Pankratz. And good afternoon to all of you.

It's a pleasure to be here in your beautiful city.

I appreciate the opportunity to speak to you today and am truly honored to be included among the distinguished group of speakers who've addressed the Canadian Club in the past—leaders from different parts of the globe, from different life experiences who have had the opportunity to share their particular messages with you.

So I stand here today not because of my title, but because of my topic. I think it's fitting that I'm going to talk to you about the spirit of invention near the location—Brantford, Ontario to be exact—where one of the world's greatest inventors created one of the world's greatest inventions. That invention, as you know, was the telephone.

An invention that changed our world forever.

I know there has been a friendly dispute between the United States and Canada over where Alexander Graham Bell actually did invent the telephone. In fact, 36 years after his invention Mr. Bell tried to settle this dispute when he addressed the Canadian Club of Ottawa in 1910.

Here's what Mr. Bell had to say,

"It was I who invented the telephone and it was invented wherever I happened to be at the time." He then went on to say, "Of this you may be sure, the telephone was invented in Canada. It was made in the United States."

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**Our countries may differ on this issue, but I'm certain we're in agreement that the telephone was the single most significant invention of the 20<sup>th</sup> century. Indeed, can you imagine a world without it?**

- **Imagine the only means of communication is through the postal service.**
- **Imagine if E.T. (the extra terrestrial) could not have phone home.**
- **And today, imagine life without the conveniences offered by the Internet.**

**Now, I'm sure like all of you, I have an active imagination, but I can't—maybe because my livelihood depends on it—I can't imagine a world without the Internet. The Internet has sent an electrical current to every geography in the world. At HP, we have a project underway to connect remote villages to the Net where no basic infrastructure for electricity exists.**

**The Internet, like the telephone, is changing the way we communicate forever.**

**Who would have thought we would one day be able to**

- **earn a college degree,**
- **trade stocks and**
- **read a newspaper—all online.**

**And as quickly as an IPO makes another billion, some one, some place is inventing new ways to do things to change the world even more.**

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**It's a change led by technology—a change that is taking all of us to a different level of commercial exchange, business productivity, and social awareness and connectedness.**

**Of course, I'm not just talking about another generation of technology replacing the old, with incremental increases in productivity.**

**I'm talking about the rapid emergence of a ubiquitous information utility that creates the possibility for worldwide communication in a personal, in a warm, in a friendly manner. Moving technology out of the halls of business and into our daily lives.**

**An opportunity for us to move away from the description of technology or the Internet as cyberspace, a word that suggests remote, alien, cold, hostile and to a world where technology is in fact, warm, personal, friendly, intimate.**

**Today we are in constant catch-up mode with the rapid and radical nature of our changing global environment. It's an environment that we should embrace, not because of the monetary wealth it promises, but because of the cultural riches a connected world brings.**

**The Internet has made it simpler for diverse communities to connect, to share, to unite like no other time in history.**

**In order to maximize the full potential of the future, we need to spark the creativity in all of us to meet the challenges of the next millenium. We need to make technology available and accessible so that people will have the tools to explore, to communicate, to collaborate, to invent.**

**That's what I'm here to talk about today.**

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**Since I came to HP, we've been talking a lot about invention—as we should be. It's how HP got its start 61 years ago. Two incredible minds—one incredible garage.**

**When Bill Hewlett and David Packard set up shop in a one car garage in Palo Alto, California, it was not to build an empire, a fortune, or a legend—it was to do one simple, irrepressible, humane thing: to invent.**

**Audio-oscillators—scientific calculators—inkjet printers—these are all descendants of the inventive spirit that ignited a \$40 billion company and indeed, ignited a valley. The Silicon Valley to be exact.**

**It is this great legacy—this spirit of invention that provides the DNA for future technology.**

**True inventive spirits have the courage to take a chance and they never, never give up.**

**Here's an interesting story about another great inventor—Thomas Edison:**

**Two dejected assistants of Thomas Edison said:**

**"We've just completed our seven hundredth experiment and we still don't have the answer. We have failed."**

**"No, my friends, you haven't failed," replied Edison, "It's just that we know more about this subject than anyone else alive. And you're closer to finding the answer, because now we know seven hundred things not to do. Don't call it a mistake. Call it an education."**

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**By the way, Thomas Edison held more than 1,300 U.S. and foreign patents for his inventions. HP produced that same number of patent applications last year in the U.S. alone.**

**Invention is at the heart and soul of what HP has been about and must continue to be about.**

**I believed that when I walked in the door last July and I believe it even more today.**

**That's why part of HP's reinvention means we will go:**

- **back to our roots,**
- **back to our legacy,**
- **back to our founders, Dave and Bill, the original inventors.**

**Let me share with you some of the things we're doing as part of our reinvention efforts:**

- **Total customer experience—we're inventing a new customer-centric culture that will build customer loyalty.**
- **A more diverse workforce...I believe diversity is an important part of HP's reinvention—and I mean diversity in all its forms:**
  - **diversity in terms of the color of our skin.**
  - **diversity in terms of ideas**
  - **diversity in terms of style**
  - **diversity in terms of how we express ourselves**
  - **diversity in terms of perspective and our experience**
- **New brand campaign to renew the spirit of invention in HP.**

**Partnerships are also part of HP's DNA.**

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**Partnerships have always been an important part of HP's success and will continue to be as we reinvent the company.**

**Today, I'm excited to announce that HP and Sprint Canada have formed a strategic alliance to offer e-commerce solutions to small and medium-sized businesses in Canada.**

**Sprint Canada is the first Canadian company signed under HP's global commerce for the Millenium program.**

**This initiative makes it easy for service providers to bring new e-commerce offerings to their customers without having to devote resources to development, integration and testing. HP provides a pre-integrated solution that the service provider then makes available to its business customers.**

**The benefits of these solutions for Sprint Canada customers include:**

- **Increased speed to market—merchants can get online fast**
- **Easy implementation—merchants need only a PC, browser and an Internet connection to build their online storefronts**
- **Secure, real-time payment processing**
- **Customer support 365 days a year via the Web**
- **Ability to easily modify storefronts as the business evolves**

**And while we're talking about inventive relationships, let me tell you about a couple of other partnerships we have with Canadian companies.**

**Together Meridex Network Corporation, of Vancouver, BC. and HP are providing customers a leading-edge e-service solution for small and medium-sized businesses without the capital to invest in technology or the skill sets.**

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**With the help of HP, our business partners and a brand new business model, these businesses will get the infrastructure they need at a cost they can afford.**

**They'll pay for what they use in a fee-for-service environment.**

**Meridex has developed a Business-to-Business trading community for companies of any size to easily sell goods and services over the net. All that is required is an Internet connection and a browser.**

**In addition, they provide a Business-to-Consumer Web store solution; a service that allows the customer to shop at several stores and make only one payment.**

**From purchase orders to billing and shipping they provide the essential functions and tools an organization needs to conduct all their business online.**

**Our decision to partner with CIBC (Canadian Imperial Bank of Commerce) to form a joint venture—INTRIA-HP—a few years ago marked a major investment in the e-services Canadian market. Through this venture, HP has accelerated the growth of our services business in Canada, and INTRIA-HP now delivers high-availability data centre, network and remote management services to customers.**

**As I said before, HP is a company of inventors. That's why we're excited to partner with other inventive companies—companies like Nortel, SUMmedia and CIBC (Canadian Imperial Bank of Commerce) and the others I just mentioned.**

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**And as HP continues to reinvent itself, we will be looking for more ways to invent new ways of competing, new ways of reaching customers, new ways of doing business in this digital world.**

**So what will the new reinvented HP be like? The new reinvented HP will be:**

- **Customer-focused**
- **World-class (best processes, best products, best partners)**
- **Faster, more aggressive and inventive**

**The new reinvented HP will be ready to tackle the future—to tackle a new world.**

**The Toronto Star said in an article a few months ago:**

**“We know we are going to live in a world where technology will continue to drive change at a fearsome pace.” (Toronto Star, Dec. 1999)**

**Let me repeat the last part of this statement: “...technology will continue to drive change at a fearsome pace.”**

**This statement of truth is the sole reason we must make technology available and accessible for everyone.**

**Just in the last few weeks we've announced partnerships with two companies—Ford Motor Company and Delta Airlines—who understand the importance of getting people connected not only at work, but also at home.**

**Both Ford and Delta are making computers and Internet access available to each of their employees so that they may interact with one another and the online community at home. The total combined number of employees effected in this partnership is close to a half million.**

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**The possibilities with connectivity like this are endless.**

**But we must not stop here. We also must make technology available and accessible for our young people.**

**Today, there are 2 billion children in the world under the age of 15. (United Nations world population statistics)**

**That's 2 billion children getting ready for the future.**

**If this future depends on today's youth—which I believe it does—then the more we expose them to technology...to computers...to the Internet—the better off we'll be—and the more inventive they'll be.**

**I think young people are by nature inventive and what we need to do is nurture that tendency.**

**We need to inspire the bright, passionate inventive young minds that will pursue a future as we will one day know it—where technology will literally transform our experiences and interactions with everyone around us.**

**We need to inspire a spirit of invention.**

**In order to foster this spirit—to produce many more Alexander Graham Bells—many more Bill Hewletts and Dave Packards—we must work toward the common good. In this case, the common good is the education of our young people.**

**Now education is one of HP's priorities and I know it's one of Canada's too.**

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**So I agree with Canada's Prime Minister Jean Chrétien who said, "The key to the future...lies with a nation prepared to give all children the best start in life." (Toronto Star—Oct. 6, 1999)**

**I believe this responsibility is not just up to one influential leader, but all influential leaders. It's not just up to one great nation, but all great nations.**

**It's up to all of us to empower young people so that can get prepared for a different world.**

**A world where we believe that three vectors of technology are converging. It's important to understand what's occurring at the intersection of these three vectors to fully understand the power of what's happening.**

**The vectors are:**

- **E-services—everything that possibly can be transformed into a digital service and delivered over the Net, will be. Any asset that can be delivered over the Net to drive new revenue streams, increase profits, or create new efficiencies.**

**Allow me to share a great example of this. For Bell Nexxia, one of their assets is billing. In partnership with HP, they are turning this asset into a service.**

**HP will provide Bell Nexxia with a cost-effective IP billing solution called IP-Billing-On-Tap to supplement their service delivery capabilities.**

**This latest "e-services-on-tap" solution is the first online "pay-as-you-go" billing utility.**

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### **Second vector:**

- **Appliances that use or will capitalize on these e-services. You know them today as PCs, PDAs, cellular phones and pagers. They're going to become anything and everything that can hold a small and increasingly much smaller microchip.**

Two weeks ago, HP formally announced its first e-PC appliance. This inventive—very inventive—eight-pound desktop computer comes with e-services tools, but also has the simplicity, the speed, the style of a PC. So it's true: "Good things do come in small packages."

### **Third vector:**

- **And of course the infrastructure that's necessary to support millions and millions of transactions and appliances.**

The convergence of e-services, appliances and infrastructure is promoting intellectual pursuit, commerce and exploration via the Net. Until recently, companies have pretty much focused on delivering technology through computers via the Net. That's changing.

On the educational front, we'll find appliances that will make learning fun and interesting at the same time.

Last month, I gave a community address where I shared with the audience a glimpse of the first handheld learning appliance. It was a prototype of an Internet-ready device that could easily take children on worldwide field trips while sitting in their seats. Are your children learning all they could in biology class? How about connecting with an eco-centre in a rainforest?

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**This appliance opens up new possibilities for how educators can teach.  
This appliance has the potential of creating a revolution in education.**

**Will the public respond favorably to this kind of tool—the first student Internet appliance? We think so. Reminds me of our first consumer product.**

**Pundits didn't think the HP35 calculator had a chance back in 1972.**

**It replaced the \$25 slide rule. What people said then was, "No one will pay more for a scientific calculator."**

**Our inventors said if we could sell 10,000, we'd get back our cost. So they decided it was worth the risk.**

**First year we sold 100,000, and continued to do so every year until the next generation came out. That was HP's first consumer product.**

**The fact is that technology can make learning fun, interactive and effective. And young people can be enthusiastic about new ways to learn.**

**These are not some distant possibility. They are either in production or being built right now in HP Labs.**

**We have an environment in HP Labs that we call Cooltown. Cooltown is an environment that helps us envision the possibilities where technology and e-services are accessible to everyone around the world. In Cooltown every thing, every place, every person, every context is connected to the Web and can communicate. We believe that's where the world is going. That everything will be connected and services can be ordered at anytime from anywhere by anyone just like in Cooltown.**

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**In fact, it's so cool...Jake Smith, the 13 year-old son of one of our employees, says he wants to head up HP Labs. Not later in life, but soon. Real soon—after he graduates from eighth grade to be precise. Jake is confident he can accomplish anything. After all, he just took the SAT and thought it was—in his words, “a cinch.” Jake’s heroes are Dave Packard and Bill Hewlett.**

**The mind of a young person...Isn't it a wonderful thing? Children pursue their passions; dream their dreams; have the belief they can perform great deeds. They seek to do the impossible. Yet not all children and young people get the same opportunities.**

**Now, I am deeply honored and deeply privileged to have become the CEO of a company like HP. A company, as I said, with a great legacy. And we also have a wonderful future in front of us.**

**But part of what created this great legacy and part of what will help build our shining future, is what I call the shining soul of this company. And yes, we at HP are very focused on a lot of reinvention. But we talk always about preserving the best and reinventing the rest.**

**And what I'm about to talk about are things that HP has been doing quietly for many years—that I believe represent the true shining soul of this company—that which is special and which must be preserved and built upon.**

**For decades, HP has been quietly providing technology, cash and employee volunteers to help improve the quality of education for everyone.**

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**70 percent of HP's philanthropic giving supports education. Over the last 20 years, our annual contributions have averaged about \$60 million. That's more than \$1 billion in philanthropic grants since 1980.**

**Last year (FY99), one-third of total contributions went to grant recipients outside the U.S.—the highest percentage ever. HP Canada contributed more than \$1 million to support K-6 education in this country.**

**Here are examples of just two more programs we've sponsored here in Canada:**

- **One of our longest relationships has been with YES—CAMPS, a youth and engineering science program that provides in-school workshops, day camps and year-round teacher training. The program reaches out to rural and remote communities with its traveling workshops and satellite science camps. HP has donated close to \$400K worth of cash and equipment during our four-year partnership.**
- **Science Now! – a professional development program for elementary school science teachers to ensure that all Canadian children experience a high-quality science education.**

**It's an initiative put forth by Let's Talk Science, a non-profit organization committed to developing a society that is scientifically literate and globally competitive through inventive educational programs, research and advocacy.**

**HP's support has subsidized 125 workshops for more than 3000 teachers throughout Ontario.**

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**These programs are just some examples of the way HP feels it can contribute to helping young people realize their full potential.**

**Through our efforts we hope to inspire an inventive spirit much like the one that was born in HP—and like the one we're nurturing again.**

**We believe it's crucial to provide an environment that will stimulate our younger generation to use technology in fun, in interesting, in inventive ways.**

**And our young people come in all sizes, all shapes, all colors, all backgrounds, and from all nations.**

**I believe diversity drives creativity. Creativity is at the heart of invention.**

**And since pictures speak louder than words...let me show you a 30-second video...a glimpse of what I mean.**

**Show "kids as inventors" video**

**This is the mindset we need to foster in children all over the world. We need to connect...we need to build a future.**

**I believe, and think you agree that the future of our success—here in Canada and throughout the rest of the world—will significantly depend on how prepared our young people are for the challenges this new millennium brings.**

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**So if we want the world to fulfill its real potential we have to make all our children truly prepared. It's not only our obligation; it's good business.**

**Right now, today, in HP educational programs, we are growing a quarter of a million new inventors—and we plan to do more.**

**Invention is a radically democratic idea. It aims to effect the greatest possible progress for the greatest possible number.**

**I believe that technology, and the benefits it confers, ought to be a basic universal right.**

**It is a simple one-word statement of purpose of one of the world's greatest companies. It is a promise and an exhortation to ourselves and to the world.**

**As we move further into the Internet Age—where reinvention occurs every nanosecond—inventiveness is the prime virtue.**

**It is a word to work by and live by.**

**It takes just one spark...of creativity...to build...an invention. One invention...to change the world.**

**Now: Invent.**