

## **HP to cut 27,000 jobs to save up to \$3.5B annually**

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Hewlett-Packard Co. plans to jettison 27,000 workers as the growing popularity of smartphones, the iPad and other mobile devices makes it tougher for the company to sell personal computers.

The cuts announced Wednesday represent HP's largest payroll purge in its 73-year history. The reductions will affect about 8 percent of HP's nearly 350,000 employees by the time the overhaul is completed in October 2014.

HP hopes to avoid as many layoffs as possible by offering early retirement packages.

The company, which is based in Palo Alto, Calif., expects to save as much as \$3.5 billion annually from the job cuts and other austerity measures. HP CEO Meg Whitman plans to funnel most of the savings into developing more products and services that could help the company adapt to technological shifts that are driving demand for more mobile computing and software that is provided over high-speed Internet connections.

"While some of these actions are difficult because they involve the loss of jobs, they are necessary to improve execution and to fund the long term health of the company," Whitman said in a statement.

As part of shake-up, Whitman is also bringing in a new leader for HP's Autonomy division, which makes software for searching for information within companies and government agencies. Bill Veghte, HP's chief strategy officer, is replacing Autonomy founder Mike Lynch in an effort to boost the division's financial performance. HP bought Autonomy for more than \$10 billion last year before the company named Whitman as its CEO.

News of the cutbacks overshadowed the release of HP's latest quarterly results. The company's earnings and revenue were both better than analysts projected.

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