

HP Labs says reorg paying off with new money-making technology

March 18 2009, By Brandon Bailey

If Hewlett-Packard hadn't reorganized its research efforts a little more than a year ago, according to Prith Banerjee, director of the world-renowned HP Labs, people on the business side of the company might be asking some hard questions today.

But a year after the giant technology company announced it would align its "pure" research more closely with its [business](#) priorities, Banerjee told reporters that the effort is paying off in both scientific results and business development.

Banerjee spoke at a media briefing a few days before [HP Labs](#) plans to release its first annual report since the reorganization. An appendix to the report lists hundreds of scientific reports published by HP researchers, along with 23 lab projects that produced new technology that, in the past year, HP began using in its own products or licensing to other users.

Those include enhancements to HP's high-end videoconferencing equipment, a high-speed wireless memory chip and a cloud-based publishing service.

Lab officials described current research efforts in areas ranging from voice and [facial recognition](#) to the use of lasers to transmit data between computers. They also described work that seems less "hard science," such as exploring [consumer behavior](#) and developing [software](#) that might tailor a retail shopping experience to the customer's previously expressed

preferences.

With about \$118 billion in sales last year, HP says it spends about \$3.5 billion a year on research and development. Most of that is development work carried out in the company's business divisions, with \$150 million going into pure research at HP Labs.

While HP Labs is well known, several other tech companies operate pure research centers in [Silicon Valley](#), including [Sun Microsystems](#), IBM, Microsoft and others.

Despite the recession, Banerjee said there has been no move to cut the budget at his labs, which employ about 500 researchers worldwide. He said HP views research as key to the company's future.

He acknowledged there were skeptics last year when the company announced a dramatic restructuring that reduced the number of lab projects, from about 150 to about 60 efforts aligned with key [business priorities](#). The priorities include cloud computing, digital commercial printing, sustainability, business analytics and "immersive interaction," or how people might interact with computers through voice or gestures.

But Banerjee said the reorganization makes it harder to question whether the company can afford "pure research" during an economic slowdown.

Under the new structure, he said, researchers no longer embark on projects and then look for ways to use the results in the company's business. Instead, he said research proposals are reviewed in advance by lab officials and company executives.

Some researchers worried that the executives wouldn't appreciate their work, he acknowledged. But the business-side managers understood "it's OK to do this crazy wild work," he said, giving the example of advanced

research in chemistry that could turn out to have valuable applications for the company's printing products.

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Citation: HP Labs says reorg paying off with new money-making technology (2009, March 18) retrieved 28 April 2024 from

<https://phys.org/news/2009-03-hp-labs-reorg-money-making-technology.html>

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