

## Book Reviews

*The HP Phenomenon: Innovation and Business Transformation.* By Charles H. House and Raymond L. Price. Stanford: Stanford University Press, 2009. xv + 638 pp. Figures, notes, index. Cloth, \$35.00. ISBN: 978-0-804-75286-2.

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Reviewed by Andrew L. Russell

*The HP Phenomenon* by Charles House and Raymond Price is the most thorough and insightful history to date of the Hewlett-Packard Company (HP). Neither author is a professional historian, but both draw on their decades of experience working in and observing HP. House joined HP in 1962 as an oscilloscope designer and eventually worked his way up to the position of corporate-engineering director; Price joined the company in 1982 after completing a PhD in organizational behavior from Stanford. Their book project began early in the first decade of the twenty-first century, when a “solemn” gathering of HP veterans urged House to document HP’s history (p. 540). The old-timers worried that their legacy was in jeopardy, given recent journalistic accounts that sensationalized Carly Fiorina’s controversial performance as chief executive officer. House agreed to the request, and recruited Price to help him sift through their personal notes and materials in the HP archives. Stung by criticisms of their early drafts in 2003 and 2004, House and Price decided to alter their approach and explore an underutilized historical resource—the memories of their former colleagues at HP. Three years and over 120 interviews later, House and Price had the makings of a new type of book that is an impressive synthesis and interpretation of the surviving collective memory of HP. *The HP Phenomenon* is thus a quintessential insider corporate history, one that exhibits many of the analytical advantages—and a few of the limitations—inherent in the genre.

*The HP Phenomenon* has an introduction, sixteen chapters, an epilogue (not a conclusion), brief appendices of statistics and key speeches, and no less than three indices—the first for names of people at HP and Agilent, the second for HP and Agilent topics, and a third, general, index. The presence of the first two indices indicates that the primary audience for the book is former and current HP and Agilent employees who, presumably, will immediately turn to the back to see whose names and products appear. The introduction and first chapter establish the central questions of the book: How did HP develop its innovation and

product strategies? And how did the famed “HP Way” fare as the company grew and struggled with new technology and new competitors? Subsequent chapters proceed chronologically through detailed histories of HP corporate strategy and products from 1938 to 2009. HP’s initial success came from its entry into niche markets for high-quality, high-margin, low-volume electronic test equipment; the firm stayed profitable over the medium term by nurturing numerous innovations within its decentralized divisional structure. This is not, however, an overly celebratory history: the book also lucidly recounts HP’s missteps and dark days, including a cogent analysis of why HP came late to personal computing and workstations, and an especially sharp chapter titled “Indigestion” that relives Fiorina’s tumultuous term as chief executive officer from 1999 to 2005.

One major contribution of the book is its close attention to the transformations in HP history—both planned and unexpected—where the company “cannibalized its roots repeatedly, replacing established products with bold new ideas” (p. 5). The bounty of Bill Hewlett and Dave Packard’s tendency (and ideological disposition) to favor individual “enterprise,” and to be “more apt to reward passion than careful planning,” was a constant stream of products developed by individuals and teams throughout a growing number of divisions, labs, and factories (pp. 248, 35). HP’s decentralized innovation strategy faltered in the 1970s and 1980s while the company embraced a greater degree of internal coordination and standardization as part of its strategic transition into scientific systems and business computing. HP eventually became an industry leader, thanks to its advances in printing and imaging, its reputation for quality and service, and the bold leadership of a few of its key “mavericks,” including House himself, the only person in HP history to be awarded a “Medal of Defiance” by Packard (p. 306). HP was transformed again in the years after 2000, but it is perhaps too soon to comprehend the full significance of the Compaq merger, EDS acquisition, and other decisions and scandals that took place under HP’s first “outsider” chief executive officers, Fiorina and Mark Hurd. *The HP Phenomenon* skillfully illuminates the human aspects of the company’s relentless transformations, including the assimilation of new employees, the “churn” in HP executives, and the unceasing demand to recruit and retain top talent. In one typically frank anecdote, the head of HP’s computer group, Joel Birnbaum, recalled, “I spent almost every lunch, most dinners, and every breakfast for twenty years recruiting or selling” (p. 366).

HP alumni and observers are already devouring *The HP Phenomenon* and admiring its depth, but readers who are less emotionally invested in the subject may be put off by the book’s length or may find the

最初的成功来自于  
它进入了高质量、高利润、  
小批量电子测试设备  
的利基市场；该公司  
通过在其分散的部门  
结构中培育大量创新  
在中期保持盈利

不断蚕食自己的根基  
用大胆的新想法取代已有的产品

转型中人性一面：  
包括新员工的同化  
惠普高管的“流失”  
以及对招募和留住顶尖人才的不需求

writing to be uneven and lacking in adequate transitions. Business historians who study corporate culture will welcome this new perspective on the social construction of HP's master narrative and animating spirit, known as the HP Way. House and Price successfully recast the HP Way not merely as a "soft, fuzzy" human-management strategy, but also as a comprehensive innovation strategy—"a constellation of practices of how to invent, develop, and produce products of value" (pp. 34, 36). Nevertheless, the HP Way they describe is fundamentally fluid, imprecise, and ever changing. Indeed, it seems as though all the people interviewed for the book have different notions of what the HP Way means and, more critically for them, of whether the company has veered off course or even abandoned the HP Way altogether. House and Price are unmistakably loyal to their vision of the HP Way, committed to its continued survival and relevance, and perhaps too deeply invested in their subject to contemplate the possibility that HP's past traditions may not be sustainable in the future. Scholars who take the time to engage *The HP Phenomenon* will find a rich and rewarding new source of evidence to bring to a familiar problematic: how can a company—or any institution, group, or imagined community, for that matter—pursue growth and diversification while maintaining a homogenous and distinctive identity?

一家公司或者任何机构、团体或想象中的社区：如何在保持同质性和独特性的同时追求增长和多样化？  
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描述是流动的，  
不精准的，断  
断续续的

The Origins of English Financial Markets: Investment and Speculation before the South Sea Bubble. By Anne L. Murphy. New York: Cambridge University Press, 2009. xiii + 283 pp. Illustrations, figures, tables, appendix, bibliography, notes, index. Cloth, \$99.00. ISBN: 978-0-521-51994-6.

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Reviewed by Ann M. Carlos

Most discussions of the origins of England's financial markets start with the arrival of William of Orange and his Dutch advisers in 1689 and continue with the subsequent creation of the Bank of England, which was modeled on the Bank of Amsterdam. Conventional wisdom holds that the bank's founding led to the blossoming of public finances in England and paved the way for the growth of private financial markets. This version of events, although incorrect, continues to dominate historical accounts, despite the best efforts of scholars of seventeenth-century English financial markets to revise it. One can only hope that

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