



MAINSTREAM COMPUTE Q2 ALL-HANDS

Krista Satterthwaite

March 4, 2021

TODAY'S AGENDA

Welcome	Krista Satterthwaite
Shout outs & anniversaries	Krista
Finance update	Steven Bornstein
Bold goals	Krista
What we're proud of & excited about	Leadership Team
Career development	Krista
Team showcase	Krista
Q&A	All



WELCOME

Krista



TEAM MEMBER APPRECIATION DAY

**BECAUSE
YOU MATTER**

2021

SHOUT OUTS!



WE BELIEVE IN THE POWER OF 'BOLD MOVES'

COURAGE OVER COMFORT

SOFTWARE PRODUCT MANAGEMENT TEAM

Anastasia Saltabida, Anirban De, Brian Madina,
Chris Lynch, Doug de Werd, Eric Snowden, Ezhi
Nanmaran, Gary Stevens, John Gilmore, Keith
Martin, Michael Wojnar, Prashanth K E



Pivot to customer experience focus: Instead of planning software by product, the team has transitioned to focus on cross-cutting customer experiences like firmware management. Unsolicited feedback from WWAS shows the positive customer impact with quotes like “Bravo - Nice that someone gets ‘Customer First’.”

WE BELIEVE IN THE POWER OF 'ACCELERATING NEXT'

COMMIT AND GO

POORNIMA RAJESH
KUMUDA G R
MAHESHWARI MALLIKARJUN



The invention “Intelligent Documentation Model” has been submitted for a patent review under the Support and Advisory Services category. The team demonstrated innovative, out-of-the-box thought leadership in deriving a model.

WE BELIEVE IN THE POWER OF 'YES WE CAN'

PUSH FOR BETTER

JOHN GILMORE
PRASHANTH KE
UMA KURA



Congratulations to leaders of the Positano team for developing a new mindset when it comes to product and process.

The group has navigated obstacles, defined our introductory Cloud Management product, and crafted new collaborations and processes along the way... all with speed and agility at heart.

WE BELIEVE IN THE POWER OF 'BOLD MOVES'

COURAGE OVER COMFORT

COMPUTE KNOWLEDGE MANAGEMENT (KM) TEAM

Many thanks to the ENTIRE Compute Knowledge Management team for keeping documentation deliverables on track for our customers as the team transitioned through organization and assignment changes and established our new go-forward strategy.



WE BELIEVE IN THE POWER OF 'ACCELERATING NEXT'

COMMIT AND GO

ANTAR GUTIERREZ
BRADLEY SOBOTKA



The GTS (Guided Troubleshooting) team was successful in their bid to file a US patent to protect the innovative classification algorithms that enable GTS to quickly and successfully act on open HPE Customer cases in an effort to reduce warranty costs and improve quality of solutions delivered.

WE BELIEVE IN THE POWER OF 'BOLD MOVES'

COURAGE OVER COMFORT

SOFIA CASTELLANOS
DAPHNE WU
JOSEPH "JBK" KNIGHT
PAUL WIGHAM



Big Thanks to the WW Geo Engagement team for all the hard work deploying and implementing our new GTM model in the Geos, tailoring to their needs while driving our strategy.

Congratulations on getting out of your comfort zones, and striving to support your Geos hit their Compute goals.

WE BELIEVE IN THE POWER OF 'ACCELERATING NEXT'

COMMIT AND GO

BRAD MAYES
BOB NOLLER

LIFE 
INSIDE
THE
ELEMENT

Brand and Bob have jumped in to tackle what the future of our server architectures should look like to be successful both for aaS and to meet our traditional customer needs.

WE BELIEVE IN THE POWER OF 'BOLD MOVES'

COURAGE OVER COMFORT

SONDRA TANG
PJ LU

Within days of the first training on JTBD, both Sondra and PJ had included this in PLM checkpoints. They took a risk on applying this new concept and it was great!



WE BELIEVE IN THE POWER OF 'YES WE CAN'

PUSH FOR BETTER

ANKITA MISHRA
SCARLET GRAY



Scarlet has jumped in and driven Release Set Engineering towards Jira to ensure better efficiency, accountability, and understanding.

Ankita is working to untangle and fix all the Synergy specific OS complexity, a very painful customer issue.

CELEBRATING MILESTONE ANNIVERSARIES

Krista Satterthwaite

CONGRATULATIONS!

Q1 milestone anniversaries

5 YEARS

Angela Wu
Erica Berry-Lozano
Chaitanya Gupta V B V
Andrea (Andy)
Hernandez
Maheshwari Mallikarjun

Kyle Shiue
Nicollette Boss
Richard Scruggs
Gezwan Hadi
Hugo Tuan

10 YEARS

Marcel Jankowski
Srinivasan R V
Jagadeesh
Kuppadakath

15 YEARS

Ashwin
Raghunath

20 YEARS

Joseph (JBK) Knight
Kumuda G R



FINANCE UPDATE



Steven Bornstein



(Finance slides removed for distribution)



SPECIAL TOPIC: EXCESS & OBSOLESCENCE



SPECIAL TOPIC: EXCESS & OBSOLESCENCE (E&O)

Definitions

Excess Inventory: Inventory on hand in quantities exceeding 12 months of expected demand



Obsolete Inventory: Inventory on hand that has reached the end of its product lifecycle



Excess & Obsolescence or E&O

What drives E&O?

Inaccurate Demand Forecasting:

Ex. 1: A demand signal is too high → **excess supply**

Ex. 2: A demand signal is sent to supply chain for material our customers don't want → **excess supply**

End of Life Challenges:

Ex. 1: Intel Generation transitions → demand shifts faster than expected to new Gen → leaving HPE with more old Gen material than customers demand → **obsolete inventory**

Ex. 2: NPI process launches new SKUs in accordance with Supplier product refresh → set old SKUs being replaced to end of life → old SKUs still have significant quantity on hand → **obsolete inventory**

Then what?

Material that is deemed **Excess or Obsolete** shall be **expensed to the P&L**, resulting in a **reduction in Net Inventory** with few exceptions.

Some exceptions:

Ex. 1: Material has been purchased as part of a **last time buy**. Does not need to meet the 12 month demand limit threshold as long as there is a reasonable expectation of future demand and consumption.¹

Ex. 2: Material with Broker Recovery opportunity → results in reduction to E&O exposure in the amount that is expected to be recovered on the Broker Market (generally significantly less than the inventory value) → **The remainder shall be expensed to the P&L.**

Why does it matter?

E&O is an **expense to the P&L**, which means it reduces the company's **Gross and Operating Profit**

HPE is judged based on our ability to generate **Operating Profit** (among other things), not to mention our **bonuses**

Unnecessary E&O is a **drain on the company's cash**, suggests that we're **not managing our operations effectively**, and can put us at risk of **not delivering what our Customer's expect.**

All of these things are bad!

¹The same rule can apply in certain other cases for material in excess of 12 months demand but for which there is a reasonable expectation of future consumption

SPECIAL TOPIC: EXCESS & OBSOLESCENCE (E&O) CONTINUED

Let’s look at an example of 6 imaginary parts and the current inventory and demand profile for each...

SKU	Cost Per SKU	Inventory Qty	Extended Inventory Value	Past 6 Mos. Consumption	3 Mos. Demand	12 Mos. Demand	Excess Qty	E&O Exposure
ABC123-B21	\$250	3,000	\$750,000	4,500	1,000	1,500	1,500	\$375,000
DEF456-B21	\$125	2,000	\$250,000	10	500	15,000	0	\$0
GHI789-B21	\$1,250	200	\$250,000	0	0	0	200	\$250,000
CBA321-B21	\$80	10,000	\$800,000	15,000	8,000	35,000	0	\$0
FED654-B21	\$300	5,000	\$1,500,000	6,000	3,500	15,000	0	\$0
IHG987-B21	\$1,500	400	\$600,000	500	500	3,000	0	\$0
Total		20,600	\$4,150,000	26,010	13,500	69,500	1,700	\$625,000

The majority of these parts seem to have enough demand to justify the current quantities held in inventory, however two parts don’t...

SKU ABC123-B21: Past consumption would seem to indicate healthy demand, but given the demand outlook, it looks like this part may have recently gone End of Life or **Obsolete**. Barring mitigating circumstances, HPE would need to accrue an E&O expense for **\$375,000** for this part, or 50% of the current inventory value.

SKU GHI789-B21: Why do we even have this part? There’s no consumption history and no demand forecast. How can this be? It’s possible HPE purchased a very specific SKU on behalf of a customer in the hopes that we’d close a deal. If we didn’t close that deal, and we have no other use for the SKU, then it’s entirely **Excess**. In this case we’d accrue an expense for the entire value of the inventory which is **\$250,000**.

While these are simple examples, they are not uncommon unfortunately. Careful inventory management and proper demand planning can help to lessen or eliminate some of these impacts.



BOLD GOALS



Krista Satterthwaite





HPE LEADER FORUM : GROWING TOGETHER

FY21 Strategic Priorities – Krista Satterthwaite

Bold goals to support your top three FY21 strategic priorities	Measures of success
Achieve portfolio performance targets (revenue, margin and volume)	<ol style="list-style-type: none">1. Successfully ramp new platforms (Ice Lake, Milan, 1U vRAN)2. Transition remaining BladeSystem business to Synergy or other HPE platforms3. Activate channel to drive additional rack business in FY214. Drive Pointnext OS attach
Define options operational excellence to reduce E & O and ensure supply	<ol style="list-style-type: none">1. Successfully implement E&O improvement plans - Reduce E&O by 25% in FY212. Finalize SSD forecasting model and automate
Product Management End-to-End ownership – with “Jobs to be done focus”	<ol style="list-style-type: none">1. PM end-to-end ownership: measure by % of programs achieving POR financial commitments2. Financial training sessions – All Hands Financial content (Nov) Dedicated HPE financial training session (1Q) Financial Acumen (Jan)3. Complete ‘Jobs to be Done’ 4.5 hr workshop with 20 product management leaders4. Start regular business reviews in 1Q - review rev, margin, E&O, forecast accuracy, target workloads and competition by product area5. VOW action plan– primary focus areas 1) Pride in HPE/Compute 2) Fun at Work 3) Learning
Identify the best workload opportunities (market size, growth) and define competitive cost-effective portfolio to cover target workloads efficiently with AAS offers	<ol style="list-style-type: none">1. Finalize cost per workload assessment for top 5 workloads; establish go-forward targets2. Develop Project Monterey plan – finalize product offers and GTM strategy3. Launch Solution GTM model – sales training, positioning and sales assets4. Refresh ProLiant and SMB Value Prop

What we're proud of and excited about



Leadership Team



FY20

I'm most proud of...

- The business-wide pivot to solution-led selling
- The massive traction of Solutions in Greenlake
- Go To Market for Solutions has evolved rapidly and successfully

COMPUTE SOLUTIONS

Mark Nickerson

FY21

I'm most excited about...

COMPUTE SOLUTIONS

Mark Nickerson

- The engagement with hardware launches starting with Gen10 Plus
- The ability to quote solutions more easily
- New ways to track solution sales

FY20

I'm most proud of...

SERVER PLATFORMS

John Carter

- Team's enthusiastic shift to JTBD and WL focused approach
 - Focus on customer value
 - Use of new tools and processes
 - Lots of learning
- Better partnering between groups
 - More transparency
 - Identifying problems earlier

FY21

I'm most excited about...

SERVER PLATFORMS

John Carter

- Launches, launches, launches!
- Looking forward at new architectures
 - DPU
 - MPH design
 - Monterey/Armada/Alabama/etc
- Continuing to learn

FY20

I'm most proud of...

SOFTWARE PRODUCT MANAGEMENT

Frances Guida

- Coming together as an integrated team
- Pivoting to customer experiences
- Embracing more frequent delivery cycles and driving change across the value chain
- Delivering on key customer requirements and influencing wins

FY21

I'm most excited about...

SOFTWARE PRODUCT MANAGEMENT

Frances Guida

- Cloud-based management (Positano)
- iLO IDevID and platform certificates
- Continuing the customer experience pivot
- New firmware management experience
- Using cloud-based services to improve on prem tools
- Portfolio simplification

FY20

I'm most proud of...

OPTIONS PRODUCT MANAGEMENT

Darren Anthony

- Teamwork, camaraderie, and collaboration
- The team's drive to overcome obstacles and objections and challenge status quo
- Run to the fire approach
- Embracing Operational Excellence

FY21

I'm most excited about...

OPTIONS PRODUCT MANAGEMENT

Darren Anthony

- Seeing the progress of Operational Excellence and its impact on the business
- Taming the forecast accuracy beast
- Winning in the marketplace

FY20

I'm most proud of...

COMPUTE PLM & KM

Susan Blocker

- Our strong, resilient team
- Many process advancements and pivots
- Leading with NPI-Acceleration
- Increasing awareness through new communication paths

FY21

I'm most excited about...

COMPUTE PLM & KM

Susan Blocker

- Welcoming KM to Compute
- New territory led by Compute CBM
- Upcoming product launches
- Additional process streamlining
- Continued focus on team members

FY20

I'm most proud of...

- My Team's Professionalism and Endurance
- HPE's response during the harsh of Covid-19's Pandemic
- Our relentless path to transformation

GTM & ENABLEMENT

Javier Dominguez

FY21

I'm most excited about...

GTM & ENABLEMENT

Javier Dominguez

- Mainstream Compute corporate citizenship
 - leading by example
- GTM & Enablement impact on HPE's transformation
- Executing to the GTM & Enablement team's potential – becoming trusted advisors

FY20

I'm most proud of...

TECH ENABLEMENT

Chris Bradley

- Didn't miss a beat!!
 - EMEA Technical Solutions Summit
 - Aspire
 - Virtual Discover HOLs
 - TechPro Brazil
 - WW TechPro
 - Customer Engagement and Sales Pursuit

FY21

I'm most excited about..

TECH ENABLEMENT

Chris Bradley

- Support our peers with a customer/workload-in focus
- Empower the Gen10 Plus programs
- Technology evangelism in Gen 10 Plus, CBM and Platform Software
- Pursue new customer opportunities and enhance existing ones

FY20

I'm most proud of...

COMPUTE QUALITY

Scott T. McFarland

- Team focus and continued accomplishments during the Quality team realignment
- Success of the Guided Trouble Shooting support email system
- Mongoose Project progress to improve the quality of Gen10+ and Gen11 servers
- Completion of the AIR Report Automation project
- Get Fit 2020

FY21

I'm most excited about...

COMPUTE QUALITY

Scott T. McFarland

- Opportunity to broaden the Quality conversation within Mainstream Compute
- HPE inspired ECC changes coming in Ice Lake to improve the customer experience
- Enabling auto part dispatch via Infosight for connected servers
- Creating an automated process to provide customer representatives with a self serve customer quality report

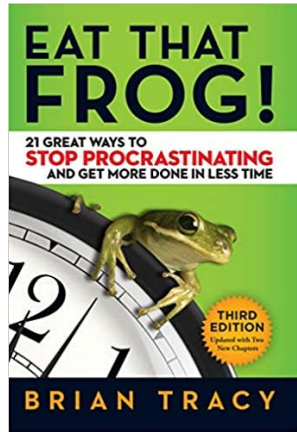
CAREER DEVELOPMENT



Krista Satterthwaite



BOOK: EAT THAT FROG – TOP TAKEAWAYS



PRIORITIZE

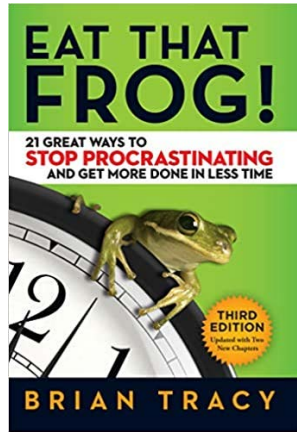
- “Your ‘frog’ is your biggest, most important task, the one you are most likely to procrastinate on if you don’t do something about it.” If you have two frogs, **eat the ‘ugliest’ one first**
- “The key to reaching high levels of performance and productivity is to develop the lifelong habit of tackling your major task first thing each morning.”
- How do I find my most important task? “The potential consequences of any task or activity are the key determinants of how important a task really is to you and your company”

SET THE TABLE

- “Think on paper.”
- “A major reason for procrastination and lack motivation is vagueness, confusion and fuzzy-mindedness about what you are trying to and in what order” Work with your manager so you understand
- “One of the very worst uses of time is to do something very well that need not be done at all.”



BOOK: EAT THAT FROG – TOP TAKEAWAYS



PLAN EVERY DAY IN ADVANCE

- “Always work from a list. You can increase your productivity and output by 25% or more – about 2 hrs a day – from the first day that you begin working consistently from a list”
- “Make your list the night before for the workday ahead.”

APPLY THE 80/20 RULE FOR EVERYTHING

- “Before you begin work, always ask yourself, ‘Is this task in the top 20 percent of my activities or in the bottom 80 percent?’”
- “Resist the temptation to clear up small things first.”
- “Your ability to select your most important task at each moment, and then do it quickly and well, will probably have more of an impact on your success than any other quality or skill you can develop”



BOOK: EAT THAT FROG – TOP TAKEAWAYS

QUESTIONS FOR MAXIMUM PRODUCTIVITY

1. “What are my highest value activities? (What makes the greatest contribution to the organization)”
2. “What can I, and only I do that if done well will make a real difference? (Why am I on the payroll?)”
3. “What is the most valuable use of my time right now?”
4. “What one skill, if I developed and did it in an excellent fashion, would have the greatest positive impact on my career?” Ask manager, co-workers

EXECUTE

- “An average person who develops the habit of setting clear priorities and getting important tasks completed quickly will run circles around a genius who talks a lot and makes wonderful plans but gets very little done”
- “Action orientation" is the most observable and consistent trait of people who promoted faster and earn more”
- "Failure to execute" is one of the biggest problems in organization. Many people confuse activity with accomplishment. They talk continually, hold endless meetings and make wonderful plans, but in the final analysis, no one does the job and gets the results required”



TEAM SHOWCASE: YOUR PETS!



Krista Satterthwaite



FEATURING YOU: YOUR PETS



BETSY (Phil McLean)



ELLIE (Nick Kosicki)



**BRUCE
OLLIE**
(Carlos Cuina)



SASHA
(Sarah Matos)



FEATURING YOU: YOUR PETS



DREW BREES & SAMANTHA (Sandra Birk)



PIERRE & ASH
(Rachel Shannon)



BAILEY & PENNY
(Andrea Riggerbach)



SAGE (Matt Thompson)

FEATURING YOU: YOUR PETS



WALLACE
(Andrew Fisher)



Kylo & Harry (Priscilla Martinez)



Figgy (Lynda Meyer)



ROCKY & MATTIE
(Mark Nickerson)

FEATURING YOU: YOUR PETS



GASTON & TUSK (Scarlet Gray)



SHADOW
(Kevin Spring)



Dillon, Trooper & Jax (Todd Acree)



BRODIE (Marcel Jankowski)

FEATURING YOU: YOUR PETS



BOO & AGGIE
(Cole Humphreys)



KONA & BILL (Khanh Cai)



ATHENA
(Christelle Tape)



MAX & FRANKIE (Steve Schall)

FEATURING YOU: YOUR PETS



ELLIE
(Rebekah Wehmeyer)



CHARLIE (Reza Soltani)



MOMO
(Ivonne Andrea Hernandez)



LUNA
(John Shields)

FEATURING YOU: YOUR PETS



LUNA
(Rebekah Nichols)



MATILDA
(Alejandra Rea)



BELLA, BLAZE & BEAU (Teresa Sonnier)



DAISY & ABIGAIL (Ralph Duncker)

FEATURING YOU: YOUR PETS



JACKJACK
(Karen Speed)



ASTRO & SNOOPY (Eddie Martinez)



NEVER KNOW

ANETH & AGLAE
Laurence Grizaud



BONGO (Antar Gutierrez Arriaga)

FEATURING YOU: YOUR PETS



VINA & NOVA (Paula Dandridge)



MAISIE & HARLEY (Scott McFarland)



KIAH & RASCAL (Bob Noller)

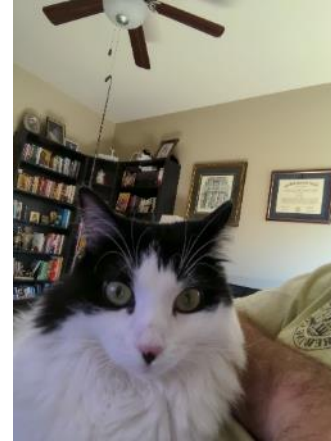
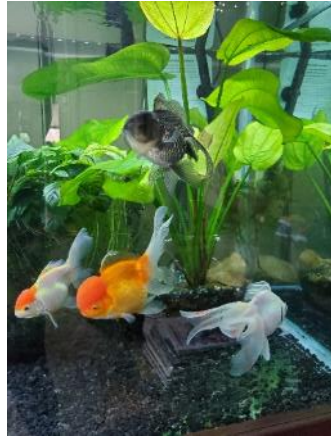


APOLLO & SUGAR (Erika Berry-Lozano)

FEATURING YOU: YOUR PETS



MARTINI & SCHOOL OF 5 GOLDFISH
(Tiffany Arterberry)



SOPHIE (John Reed)



BENTLEY
(Darren Anthony)



SAMMY (Chris Powell)

FEATURING YOU: YOUR PETS



Sherman
(Lisa Boyd)



NEWT
(Sondra Johnson)



PANCHO & TRIXIE (Stephanie Valdes)



TANGO
(Jim Hawkins)

FEATURING YOU: YOUR PETS



SOPHIE
(Matt Brown)



CHIPPER
(Javier Dominguez)



RILEY & ESI (Matt Stevens)



RAMBO
(Willa Anderson)

FEATURING YOU: YOUR PETS



OKIE & BELLA (John Carter)



LIBBY & SADIE (Chris Bradley)



SOCK (Jibril Newton)



PORRI & MUNECA & SUSY
(Sofia Castellanos)



FEATURING YOU: YOUR PETS



**REINHARDT
JIMI-CHONGA &
WILLY WONKA**
(Doug Dewerd)



CLYDE
(Andy Barnes)



LYLAH
(Naren Nuggehalli)



Spartacus
(Susan Blocker)

PLEASE GIVE US YOUR FEEDBACK!

Click the survey link in the chat box



Q&A



THANK YOU!

Before you go! Click the survey link in the chat box