



HP Ushers in Second Chapter of the Internet

Cross-industry Alliances and E-Speak Technology to Fuel Creation of a New Generation of E-Services

Palo Alto, California. May 18, 1999

Hewlett-Packard Company today outlined its vision for a new generation of electronic services that will dramatically change the way businesses and consumers use the Internet. Additionally, a host of companies announced plans to create a range of e-services, from storage and software delivered on a pay-as-you-go basis to travel e-services that automatically rebook tickets and update itineraries. The company also unveiled e-speak, a technology designed to enable e-services to interact with each other -- spontaneously -- to meet a need, complete a task and conduct transactions across the Net.

Highlights of today's announcements include the following:

- a strategic alliance with Qwest Communications that significantly expands on the companies' commitment to fuel the development of the apps-on-tap market;
- plans with [Microsoft](#) Corporation and PSINet to deliver and host pay-as-you-go messaging solutions for companies ranging from small businesses to large multinationals;
- plans with Answer Financial, the Government of Sweden and Internet Travel Network to create a new generation of portals that deliver a range of e-services to citizens, businesses and consumers;
- pilot programs and endorsements for HP's e-speak technology from Andersen Consulting, Novell, [Oracle](#), PeopleSoft, SAP AG, Seagate Technology, USInternetworking and a dozen others to drive the creation of an e-services marketplace;
- and plans to drive the development and implementation of e-services with Andersen Consulting, EDS, and Ernst & Young; and strategic co-delivery relationships between HP Consulting and Internet consulting firms Sapient and Viant.

The Signposts

At its strategy briefing today, HP focused on how companies can capitalize on e-services to create new revenue streams and drive efficiencies across their organizations. HP executives outlined three trends that are driving the e-services marketplace:

- The rise of "apps on tap " -- business applications delivered as pay-as-you-go services on the Net, enabling companies to drive down IT costs. Companies can focus on building and deploying the applications that are uniquely strategic to their business and "rent" virtually everything else as apps-on-tap.
- An explosion of next-generation portals -- industry-specific, application-specific and company-specific portals that offer a collection of complementary, third-party services on their sites (for example, banks offering bill-payment, tax-preparation and accounting services -- in

addition to customer bank account information), as well as provide tight links between services (an Internet-based calendar service linked to a pager service so users know when appointments are changed).

- The emergence of a "dynamically brokered" e-services marketplace -- where requests for services are automatically brokered, bid and transacted on the Net on the requestor's behalf based on specified criteria, such as best price, most reliable, highest quality and so on.

"With the foundations of e-business and e-commerce now in place, we believe that businesses and consumers are ready to extract full value from the Net with e-services," said Lewis E. Platt, HP chairman and chief executive officer. "Companies are now looking for ways to extend their reach beyond Web sites and Internet storefronts. E-services offer companies new ways to reach customers, new ways to make money and new ways to manage IT resources."

"FDX Corp., FedEx and HP are working together as enablers for the Internet economy," said Rob Carter, chief technology officer of FDX Corp. "We consider e-services a critical initiative. The integration of Internet services with transportation offerings is FDX's core business. Electronic commerce needs practical and effective services to continue its dramatic growth. FDX and HP are working together to implement solutions that will significantly improve customer service and reduce costs."

The Rise of "Apps on Tap"

According to a January 1998 Forrester Report, *Packaged Apps Outsourcing*, by J. Thomas Gormley, III, "IT's full plate and the growing skills shortage will encourage companies to seek outside help in managing their packaged apps. Packaged apps outsourcing -- a branded service offering -- will emerge in 1998 as an attractive solution and grow to a \$21.1 billion business by 2001."

Today's announcements to fuel the apps-on-tap market include the following:

- A strategic alliance with Qwest Communications to fuel the development of the apps-on-tap market, including plans to jointly develop and implement an "e-services garage" incubation program to attract and support emerging e-service software companies;
- an announcement by Qwest to make HP its preferred information technology provider for both Intel and [UNIX](#) system platforms; and
- Qwest also said it would prototype services using e-speak that will be jointly marketed by HP and Qwest.
- PSINet announced an outsourced e-mail initiative, a family of fully managed messaging services targeting small- and medium-sized businesses hosted on HP hardware.
- Microsoft and HP announced plans to offer Microsoft Exchange on a subscription basis to large companies that want to outsource their e-mail systems management. HP intends to host the Microsoft Exchange e-mail service and offer it to business customers this quarter.
- EDS announced plans to work with HP on an ISP infrastructure "in-a-box" solution that enables new ISPs to be up and running fast with an infrastructure ready to support a range of e-business services.

Portals: The Next Generation

- Internet Travel Network announced it has selected HP 9000 Enterprise Server N-class servers to power its next-generation travel portal and intends to implement e-speak pilots to provide real-time integration across travel-related services.
- The Government of Sweden announced it has selected HP to build an information infrastructure for

the country that will enable Sweden to build an advanced information-service brokering system linking 300 government agencies through a single portal, and delivering a new generation of online business and government services.

- Answer Financial announced that it is working with HP and Sapient to create the first e-services portal for the insurance industry -- introducing competitive price/performance shopping for annuity, auto, life and homeowner insurance from 80 top-rated insurance companies.

"The focus of corporate Internet strategies is shifting from engineering to ingenuity," said Ann Livermore, president and chief executive officer of HP's Enterprise Computing business. "Companies are beginning to ask questions like, 'What assets do we possess -- a world-class business process, a library of information, excess storage capacity -- that we could deliver as a service on the Net? How can we get out of a Web-site-only world and make our e-services available everywhere? What if customers didn't have to go to the Web at all to access our service?' This is the kind of new thinking and new opportunities the e-services world provides. We're about to make the shift from you working the Web to the Internet working for you."

E-speak and Dynamic Brokering

To accelerate the creation of an open e-services world, HP has engineered e-speak technology. The e-speak platform provides a common services interface, making it easier and faster to create, deploy, manage and connect e-services. Through the process of dynamic brokering, e-speak lets an e-service discover other e-services anywhere on the Internet and link with them on the fly -- even if they were built using different technology. E-speak technology will serve as the universal language of e-services.

E-speak's open-services platform includes interface (open APIs), the composition environment (tools), a mediation environment (run-time) and pre-built service components (libraries). E-speak enables users to dynamically compose best-in-class service components and resources using standardized, nonproprietary interfaces. The platform accepts requests for e-services from people, businesses or applications; deconstructs the request into components; searches for independent bids; selects the best bid based on request criteria; and dynamically assembles the components.

Once powered by e-speak, an e-service can advertise its capabilities to other e-services, discover other e-services on the Net, and even ally with other e-services on the fly to create new e-services. The technology turns every e-speak-enabled e-service into a potential building block for other e-services.

"E-speak inserts an electronic mediator to bid, broker and build the right set of resources or services to complete a particular request," said Rajiv Gupta, general manager of HP's Open Services Operations and a lead architect of the e-speak technology. "Instead of a user having to go to a Web site to conduct all transactions, this approach enables the Net to come to users and work on their behalf to get tasks done."

The following companies have announced pilot programs based on e-speak: Comptel/Helsinki Telephone, Intelisys Electronic Commerce, Lexacom, Oko Bank, Oracle, Radiolingua, Seagate Technology, and Yomi Media.

The following companies have endorsed e-speak: BEA, British Telecom, GRIC, GTE, LPG Innovations Ltd., Novell, Qwest Communications, SAP AG and Sonera Technologies.

HP expects to make its e-speak core software technology freely available to the development community in the third quarter of this year and intends to introduce service-creation tools, support products and consulting by year-end.

Creating and Implementing E-services

HP announced it is working with Andersen Consulting, EDS, Ernst & Young, Sapient and Viant to help businesses develop and implement next generation Internet-based services.

- Andersen Consulting has agreed to train 100 personnel on HP's e-speak technology in the next year and the prototyping of new business applications at Andersen Consulting's flagship research and development center in Palo Alto.
- HP's consulting organization announced strategic partnerships with Sapient and Viant, two Internet consulting firms responsible for architecting many of the leading e-commerce and e-business systems, to co-deliver a new generation of e-services for companies. Both companies view e-speak as an important enabler for helping businesses link e-services together to establish next-generation e-services ecosystems.
- HP Consulting launched a program to sponsor e-services discovery workshops and solutions centers to help customers define their e-services vision and then quickly design, build, test and deploy e-services environments.

More information about HP's e-services initiative is available at <http://www.enterprisecomputing.hp.com/e-services>.

About HP

Hewlett-Packard Company -- a leading global provider of computing and imaging solutions and services for business and home -- is focused on capitalizing on the opportunities of the Internet and the proliferation of electronic services.

HP had computer-related revenue of \$39.5 billion in its 1998 fiscal year. HP plans to launch a new company consisting of its industry-leading test-and-measurement, semiconductor products, chemical-analysis and medical businesses. These businesses represented \$7.6 billion of HP's total revenue in fiscal 1998. With leading positions in multiple market segments, this technology-based company will focus on opportunities such as communications and life sciences.

HP has 123,000 employees worldwide and had total revenue of \$47.1 billion in its 1998 fiscal year. Information about HP, its products and the company's Year 2000 program can be found on the World Wide Web at <http://www.hp.com>.

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