HPE Software Spin-Merger with Micro Focus

FAQs for Indirect Procurement Suppliers

Created by HPE Global Procurement (GP), HPE’s indirect procurement organization.

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Global Procurement (GP) manages the procurement of non-production goods and services that HPE uses to both operate our business and support our customer accounts. GP scope includes managing suppliers, contracts and purchasing activities for goods (like Hardware and Supplies), services (such as Contingent Labor and Marketing), and programs (like Travel and Fleet).

Definitions:

- Contract: legal agreement that governs the relationship between the supplier and HPE
- Statement of Work (SoW): defines the services and timelines to be delivered by the supplier
- Purchase Order (PO): initiates the transaction and authorizes the purchase of goods and/or services by indicating types, quantities and agreed upon prices

Please note that the implementation of the HPE Enterprise Services and Software spin-mergers at a country level require consultation with HPE works councils or other HPE employee representatives in certain EMEA countries. With respect to such countries, final decisions are subject to prior consultation with HPE works councils and other HPE employee representatives, as required, and in compliance with local laws.
**Background**

**Q: I heard HPE is spinning off its Software business. What does that mean?**

A. Hewlett Packard Enterprise Company (HPE) announced plans for a tax-free spin-off and merger of its Software business with Micro Focus. After the spin-merger of the Software business with Micro Focus, a new stand-alone and independent publicly traded company will be created. HPE will not have any ownership stake in the new organization nor will this be a joint venture. For further information, please refer to the news release.

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**Q: What changes will take place at the country level prior to the close of the spin-merge transaction?**

A: Until the spin-merger is complete, which is currently targeted for August 31, 2017, HPE including the Software business will remain a single organization. To prepare for the spin-merger, HPE will undergo an internal reorganization and will begin to separate the Software business from HPE at the country level. In the United States and certain other jurisdictions, HPE and the Software business (operating as a wholly owned subsidiary of HPE) will begin operating separately beginning in March 2017.* In other countries, the Country Implementation (Operational Cutover) will occur in June 2017 or later.

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**Q: If I am a supplier for HPE today, will I be a supplier for both HPE and the new company going forward?**

A: At this time, we cannot provide any assurances of future business with either company. HPE is working to ensure business continuity for the new company, including our supply base.
**Contract, Statement of Work (SOW) and purchase order (PO)**

**Q: What is the difference between a contract, Statement of Work (SOW) and purchase order (PO)?**

**A: The differences are:**

- **Contract**: legal agreement that governs the relationship between the supplier and HPE
- **Statement of Work (SoW)**: defines the services and timelines to be delivered by the supplier
- **Purchase Order (PO)**: initiates the transaction and authorizes the purchase of goods and/or services by indicating types, quantities and agreed upon prices

**Q: HPE has one or more purchase orders (POs) with my company. What will happen to those open POs and when?**

**A: To prepare for the spin-merger, HPE will undergo an internal reorganization to begin to separate the Software business from HPE. In the United States and certain other jurisdictions, HPE and the Software business will begin operating separately beginning in March 2017. In some countries, the Country Implementation (Operational Cutover) will occur in June 2017 or later.**

Prior to the Country Implementation (Operational Cutover), open/active purchase orders will be aligned to the appropriate future company and will continue to be open. Purchase Orders migrated to the Software business will have a prefix change from either SBB or HPE to MBB or MPE, respectively. The prefix change will be the only change to the PO number; the rest of the PO number will remain the same.

Other changes to migrated Purchase Orders include but are not limited to company name, financial billing information, and address changes, as required. In some cases and to accommodate special situations, the scope of current POs may be modified and/or new POs may be initiated – to ensure proper company alignment and appropriate service level requirements for each company.

**Q: What changes do I need to make to ensure that my invoices for current and future purchase orders (POs) are processed and paid for?**

**A: To prepare for the spin-merger, HPE will undergo an internal reorganization to begin to separate the Software business from HPE. In the United States and certain other jurisdictions, HPE and the Software business will begin to operate separately**
Please note that the implementation of the HPE Enterprise Services and Software spin-mergers at a country level require consultation with HPE works councils or other HPE employee representatives in certain EMEA countries. With respect to such countries, final decisions are subject to prior consultation with HPE works councils and other HPE employee representatives, as required, and in compliance with local laws.

beginning in March 2017. In some countries, the Country Implementation (Operational Cutover) will occur in June 2017 or later.

**To ensure timely invoice payments:**

- All invoices generated prior to the Country Implementation (Operational Cutover) will continue to follow existing processes. We recommend you invoice HPE before the Country Implementation (Operational Cutover) date for all goods and/or services delivered.
- All invoices generated on or after the Country Implementation (Operational Cutover) date must reference the correct future company information and be sent to the correct postal or electronic address. In some instances the company name and/or remit-to information will remain the same.
- By early February 2017, HPE Suppliers will be able to access updated purchase order information related to the Software spin-merger with Micro Focus on the Purchase Order Search Tool. The tool is located on the [HPE Supplier Portal](#) where updated future company and bill-to details can be found.
- After the Operational Cutover, Suppliers will receive updated Purchase Order details if applicable.

*Please note: Invoices received without correct information may be returned unpaid.*

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**Q: Will there be changes to the HPE/Tungsten (OB10) invoicing process as a result of HPE’s spin-merger?**

**A:** For suppliers who currently use the HPE/Tungsten (OB10) invoicing process, there may be changes to the Tungsten account number and/or invoice submission process. By early February 2017, HPE Suppliers will be able to access updated purchase order information related to the Software spin-merger with Micro Focus on the Purchase Order Search Tool. The tool is located on the [HPE Supplier Portal](#) where updated future company and bill-to details can be found.

After Operational Cutover, Suppliers will be receiving updated Purchase Order details if applicable.

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More Information

Q: My question was not answered. Where can I find more information?

A: In order to help you with this transition, we have created a special section on the HPE Supplier Portal where you can find information related to HPE’s spin-mergers that is relevant to you. We will continue to update this site with new information, so please check back frequently.

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* Please note that the implementation of the HPE Enterprise Services and Software spin-mergers at a country level require consultation with HPE works councils or other HPE employee representatives in certain EMEA countries. With respect to such countries, final decisions are subject to prior consultation with HPE works councils and other HPE employee representatives, as required, and in compliance with local laws.

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