

[Back](#)

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HP to close Nashua site

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NASHUA – Hewlett-Packard is closing its Nashua site, sending all the jobs to Massachusetts and bringing an end to a quarter-century of computer development that goes back to the days of Digital Equipment Corp.

Company spokesman Ed Woodward said the move comes as part of an effort to cut real estate costs and does not involve a reduction in staff. Employees were notified in a meeting Tuesday afternoon, he said.

Woodward said the company plans to vacate the Spit Brook Road building by June of next year. On a case-by-case basis, some employees will be allowed to work from home rather than commute to Marlborough, Mass.

It is unclear how many employees will be affected. HP does not disclose the number of employees in each facility.

The decision doesn't come as a huge surprise. HP has made significant staff cuts at the facility in the last decade, and the three-building campus is far from fully occupied. The company recently sold the property to Boston-based real estate firm The Flatley Co. and began leasing back the space.

The HP campus is the former home of Digital, a company that helped launch the computer revolution with so-called minicomputers, which while larger than today's PCs were much smaller than the mainframes they replaced.

Minicomputers, launched in 1978, dominated the industry for years before being outpaced by the desktops, otherwise known as the personal computer.

Digital was the first nationally known computer firm to move to southern New Hampshire, connecting the state to the Massachusetts Route 128 corridor and helping to launch the region's high-tech reputation that persists today.

Digital was sold to Compaq in 1998 and Compaq merged with HP in 2002. However, ties between former Digital employees remain strong nearly a decade later, with a New Hampshire chapter of an organization designed to unite former employees launched this year.

Fred Kocher, president of the New Hampshire High Technology Council, said the end of Digital, which resulted in layoffs, actually turned out to have a positive impact on the local economy. Former employees went out and launched their own high-tech businesses, he said.

"It spawned what I call a golden era of entrepreneurs in southern New Hampshire," Kocher said. "That was, in a strange way, a healthy thing for New Hampshire."

It's possible that HP's move could also have a positive impact on the state, Kocher said. A research-based technology park is being planned for the land surrounding that site, and the more building space that's available, the better, he said.

However, Kocher said he would have preferred that HP close its Massachusetts facility and move those jobs up here.

"That's no short drive," he said of the 34-mile commute from Nashua to Marlborough. "At least the employees get to hold onto some jobs, but we lose those jobs in New Hampshire."

New Hampshire Division of Economic Development Director Michael Vlacich said HP's government relations representative told him the move has nothing to do with New Hampshire's business climate.

"I was told that it was not a reflection, obviously, on the state. The core of their operations is in Massachusetts," Vlacich said. "In the short term, we're obviously pleased to hear there will be no layoffs."

HP's last wave of layoffs at the site came in 2004, when 180 employees got pink slips. Nearly a year later, the company cut 10 percent of its workforce worldwide, or 14,500 jobs, to save about \$1.9 billion a year.

Barbara Langdon, who formed the New Hampshire chapter of DEC Connection, an organization of former Digital employees, said after all that's happened to the company over the years, she couldn't even manage to get riled up when she heard the news Tuesday.

The company began downsizing when it was still Digital and the pattern continued through the Compaq purchase, she said. Satellite offices have disappeared and now there are just a few groups of employees left in this region, Langdon said.

"It's already happened. The company's gone," she said.

Langdon stayed with Compaq about a year after it took over in 1999 but left shortly after because the company wasn't a good fit, she said.

She said former Digital employees are committed to staying together as an organization, even as the last piece of the company disappears from the state. She described Digital as a wonderful place to work, particularly because of the entrepreneurial spirit.

"Digital was the kind of place, you could come up with an idea for doing something and if you could sell it to your management, you could get the funding," Langdon said. "And it was a company that was revolutionizing computing."

DEC Connection is also interested in reaching out to current Hewlett Packard employees, she said.

Despite the news, Nashua still has a positive momentum when it comes to the high-tech industry Vlacich said. The state is spending a lot more time working with city officials on the future of technology in this region, he said.

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