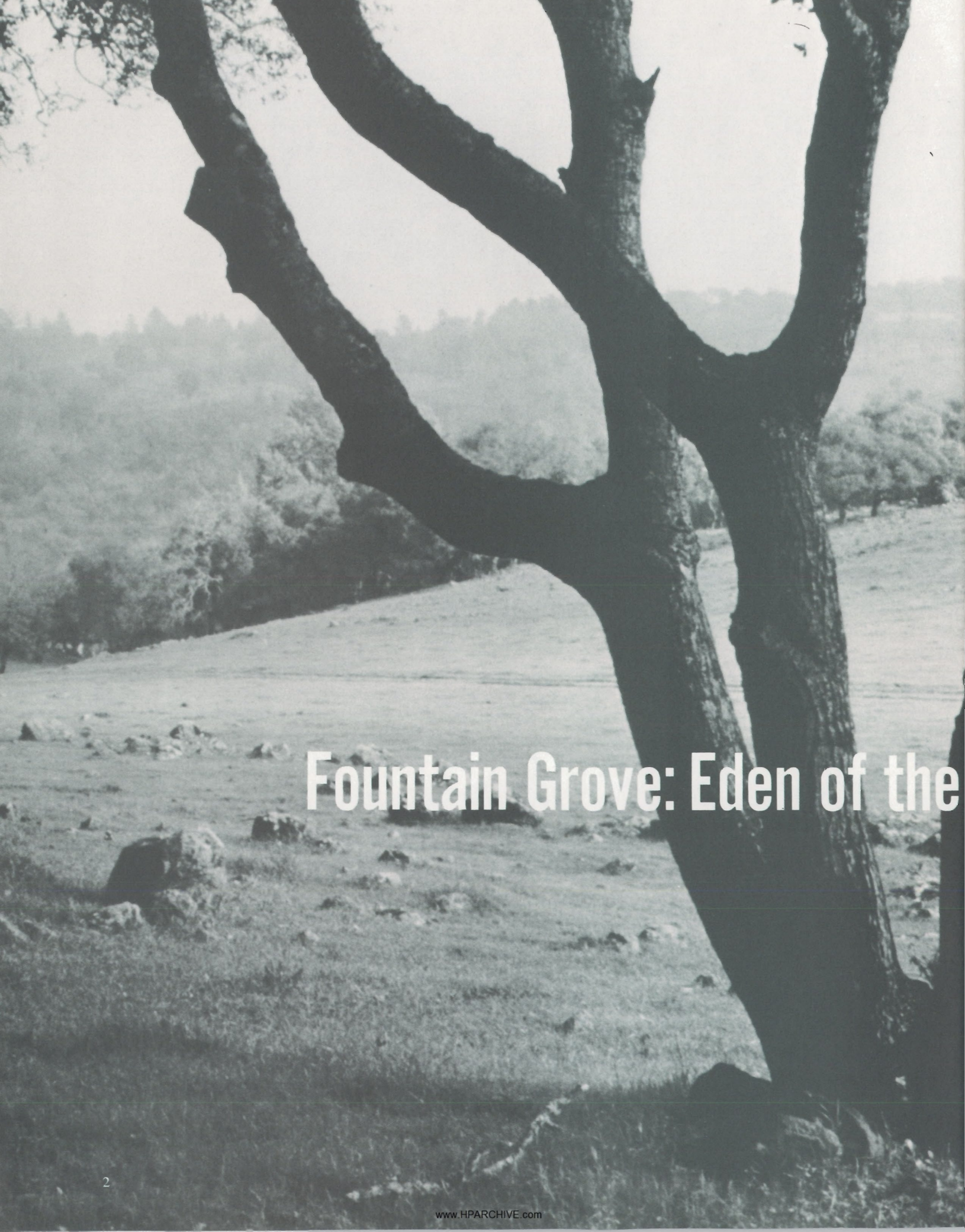


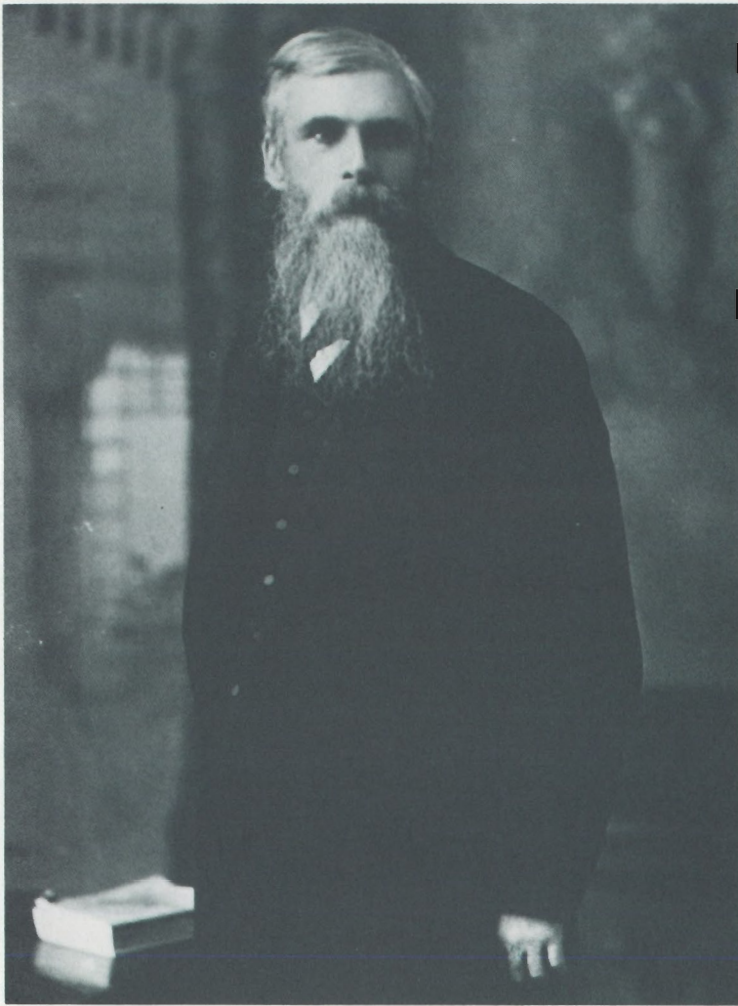


Measure

For the men and women of Hewlett-Packard/MARCH 1973



Fountain Grove: Eden of the



Thomas Lake Harris christened his Santa Rosa sanctuary "Fountaingrove" because of the plentiful supply of water that flowed from a hillside spring. Later his Utopia flowed with wine, worship—and a scandal that led to his exile from his Eden of the West. The records don't say what became of the Fountaingrove flowerchild pictured in the idyllic scene below. (Historical photos furnished courtesy of Gaye Le Baron.)



West lives again...

□ Officially they named it "Fountaingrove," and that is its name today as HP prepares to become part of a superb planned community within its boundaries in the hills above Santa Rosa, California.

But to "Faithful Father" Thomas Lake Harris and his flock of New Life converts, it was their "Eden of the West." Because indeed it was and still is a landscape of great pastoral perfection, a setting fit for Utopia. And in those early years following its settlement by the Brotherhood of the New Life in 1875, it flowed with biblical bounty—milk and honey, wines and avocados, flocks of game birds and herds of deer, groves of native oaks and springs of sweet cool water.

As it turned out, "Eden" was not only an apt name but also prophetic—the Faithful Father eventually was to be cast out of his Garden for alleged offenses very similar to those

charged against the original Adam. One of the Fountaingrove commune's comely members, a Boston tomato with the exotic name of Alzire Chevallier, initiated Harris' exodus by accusing him of tempting her to earthly pleasures.

"I think," she wrote in a series of articles published by the *San Francisco Chronicle* during December, 1891, "that my experience will help others. I am satisfied that ninety-nine of every hundred girls who might be drawn under the spell of this unscrupulous hypnotist and mesmerist could by no means on earth escape from his power and they would be dragged down into ruin. Had not my dear mother been with me to sustain me during those awful times of trial, I know not what would have become of me, but this support, coupled with a will that is stronger than that of most girls, has been my salvation . . ."

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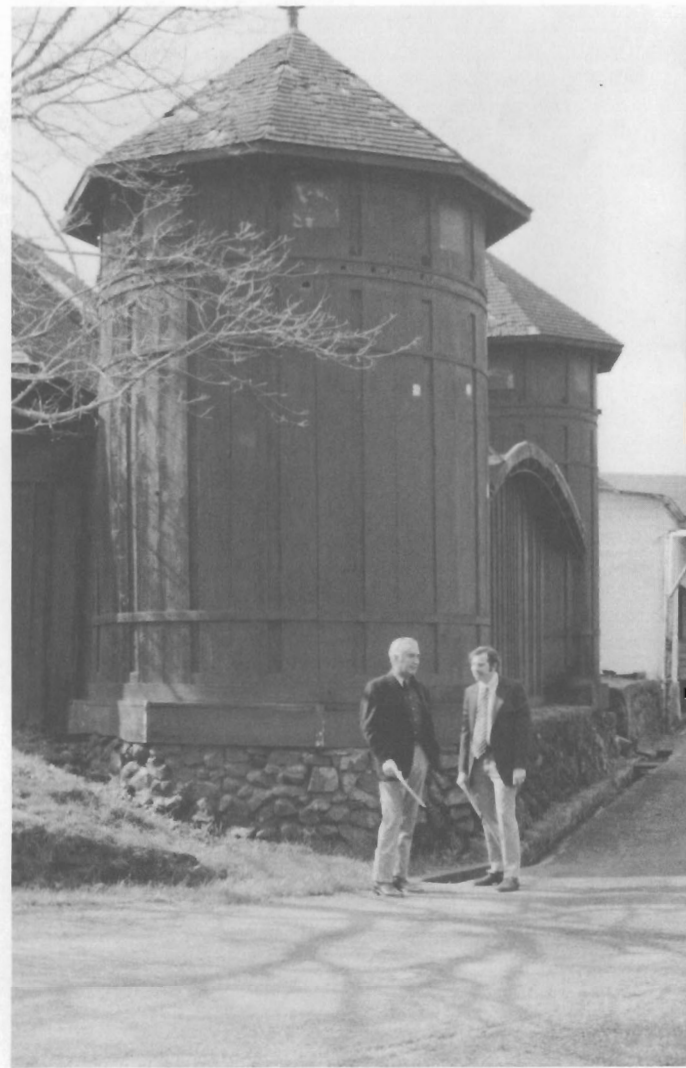
Eden of the West



"Roundup at Fountaingrove" is the title of this picture painted for a Christmas card published after the land had been converted from vineyards to cattle in the 1930s. Cattle raising continues to be an important activity at the ranch but is less and less a paying proposition due to rising land values and taxes brought on by California growth.

Three months after this exposé, Harris was back in New York, never to return to Santa Rosa. Thereafter the commune slowly but surely dwindled down to its last member, Kanaye Nagasawa. On his death in 1934 the 1700-acre property was sold to a mining magnate, Errol McBoyle. Later, his widow, Gwendolyn, married Sigfried Behold who changed the character of Fountaingrove by pulling up the vineyards, closing the winery, and converting the land to beef cattle. (He also split the name Fountaingrove into Fountain Grove, and erroneously attributed its founding date to 1873.) In 1957 the present owner, Bob Walter, a Wisconsin cattle broker, purchased the ranch from the estate of Gwendolyn McBoyle Behold and made it his home. Even at that time he was well aware of the forces of growth moving closer to the ranch—residential developments on three sides and the freeway being paved just to the west. In the back of Bob Walter's mind was the thought that if Fountain Grove had to become part of that growth, through economic pressures, it would only be done in a first-class manner—a planned community in a park-like setting.

But of course it will be quite a different blueprint from that drawn up by the Faithful Father. Essentially, Cattleman Walter envisions a very gradual and careful conversion of



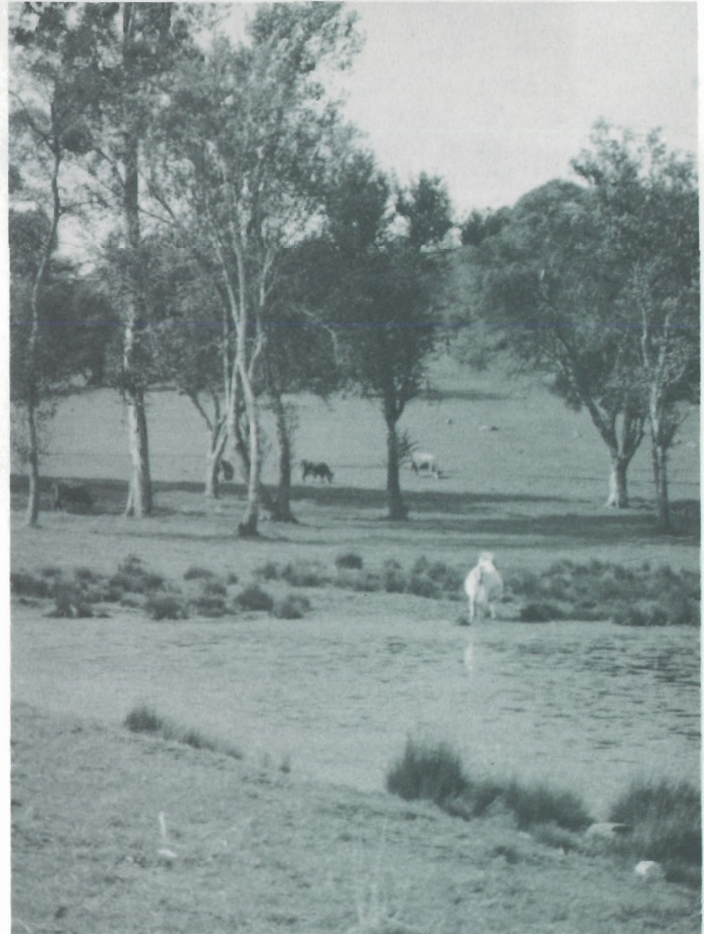
the ranch into a community offering a balance of residential, commercial, industrial, recreational and regional facilities. Thus 10, 15 or 20 years from now, Fountain Grove will contain a high technology complex that will include Hewlett-Packard's 190-acre project, a variety of homes and apartments, a shopping center, adult community, a wine fair built around the old winery, and a convention center with apartment hotel accommodations. Parkways, bicycle paths and horse trails will move through landscaped surroundings. In fact, emphasis throughout the entire project—which Bob Walter expanded to 2,000 acres so that he could provide better control of development—will be on retaining the naturalness and openness of the area, and designing facilities that are compatible with that approach.

It was in this context that HP's Microwave Division became interested, then involved in Fountain Grove, starting about two years ago when the division went looking for a plant site to accommodate future growth. The initial magnet was Santa Rosa itself—a town that has carefully taken its time in deciding whether it wants to be "country" or "city." Fountain Grove, in fact, for some time has been sitting on the very edge of that question. The Walters held out for years against the suggestion that they develop their



Park-like groves of oaks filled with moss-covered rocks adorn Fountain Grove hills. Vista at left is part of HP's 190-acre site. Lake below will be the centerpiece of a retirement community and golf course.

Bob Walter, owner and developer of Fountain Grove, at left, and Microwave Division's Doug Carnahan discuss HP project while passing site of brandy still at winery. The concept of a planned community was conceived as a means of putting the ranch on an economic basis in the future while controlling development to highest standards of aesthetics.



property. But the gradual encroachment of the town and the steady increase in taxes made a change of mind inevitable.

The mixed city-and-country character of Santa Rosa makes it very pleasant in most respects. One effect of this, however, has been a fairly high level of unemployment in the community—due mostly to the seasonality of farm crops, the mechanization of their harvesting, and the lack of new industry that could fill the employment gap.

Looking at the overall picture, HP felt that here was one of those situations in which everyone could benefit if certain decisions could be reached: Bob Walter's plan would preserve the beauty of Fountain Grove; HP would help solve the problem of unemployment; the city would acquire the nucleus of a clean, modern industry; Hewlett-Packard would become part of a community attractive to the people who will design and manufacture its products of the future.

Those goals are all now well underway. Fountain Grove has been approved as a "Planned Community," and a major portion annexed to the city. HP's plant-site proposal has been accepted and a use permit granted. Meanwhile the company is leasing facilities where it is hiring and training the local people who eventually will move up the hill to operate the Fountain Grove plant.

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Eden of the West

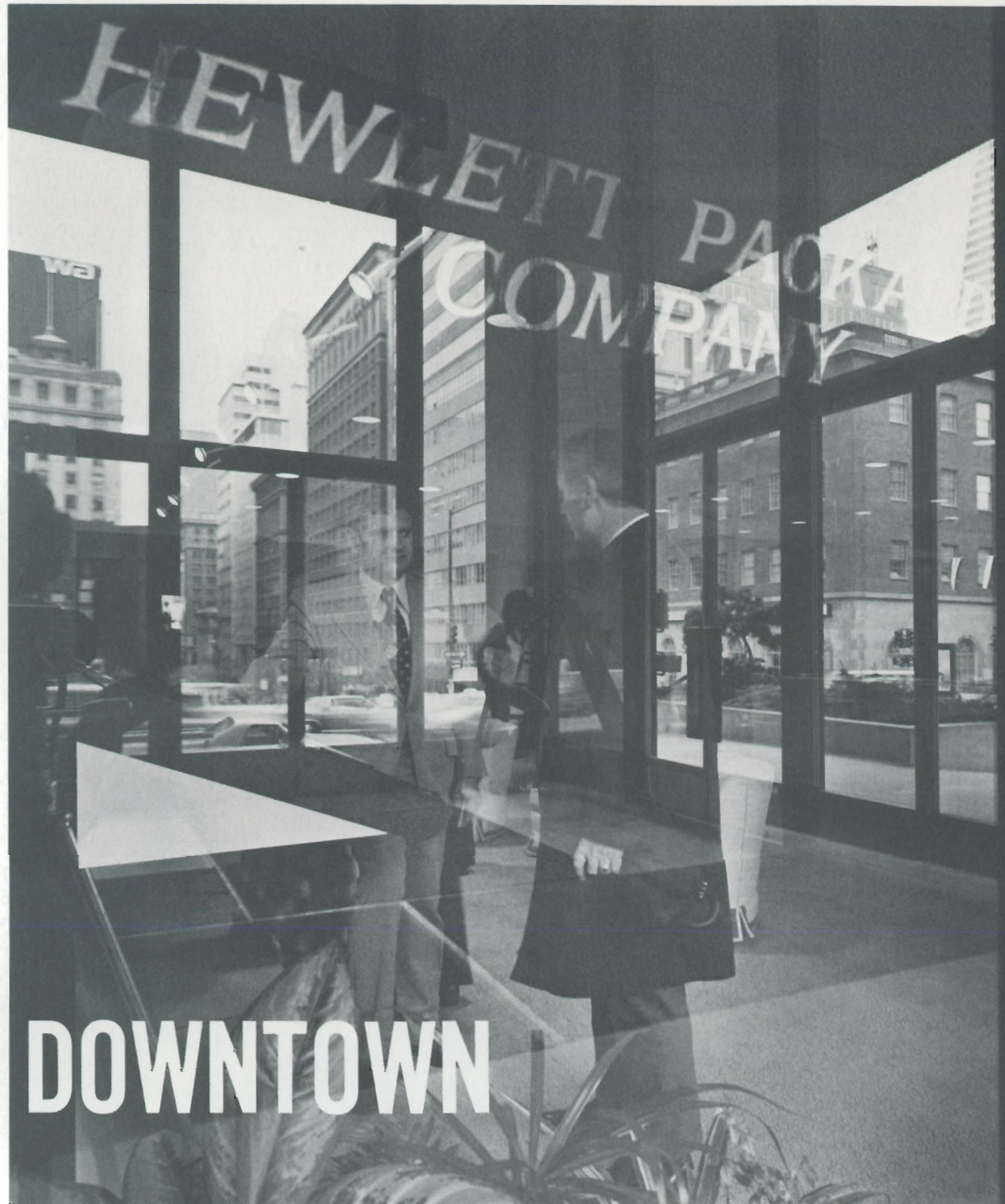
In the long run, the Santa Rosa plant will become a major HP facility, a complete instrument division with its own manufacturing, engineering and marketing organization of some 4,500 people. They will work in a complex of low-profile buildings “stepped” down the hillside to help preserve its contour, and in outdoor surroundings heavily landscaped where change has been necessary but elsewhere unchanged as much as possible.

They may even discover, as did the utopians of the New Life Brotherhood, the thermal belt that flows across the area as a by-product of the unique local topography. Because of its warming influence, exotic oranges and avocados as well as sub-tropic flowers flourish alongside the grapes and temperate-zone trees usual to northern California. There’s something to that “New Eden” bit, after all. □



Architectural model of HP plant at top shows how buildings will be stepped down hillside and heavily landscaped. Any trees removed for construction will be replaced on at least a one-for-one basis. Artist’s rendering gives view of building exterior. Total project will be built in increments over a period of ten years or so, and eventually may employ 4,500 people.

Downtown atmosphere of new HP calculator showroom in San Francisco lobby of International Building, California and Kearny Streets, is literally reflected in this view. The camera was aimed through glass front at demonstration being given to a visitor by Don Moore at left.



HP goes DOWNTOWN

□ Just when the rest of Urban American is said to be heading for the city exits, Hewlett-Packard for the first time is setting up shop in the heart of DOWNTOWN. Actually, three offices have been recently activated in prime business-oriented locations in New York, Chicago and San Francisco.

Their basic mission is to provide sales showrooms for the hand-held calculators—primarily the HP-80 business calculator and, to a lesser extent, the HP-35 super sliderule. The Model 30 desktop calculator is also on display, and various field sales people, especially systems analysts, have found the offices very handy when on the track of downtown business.

(continued)

DOWNTOWN



All told, early returns indicate fine success for the city offices, particularly when advertising is used to build interest and attendance.

Don Williams, manager of the Neely-operated San Francisco office, first of the three to open, reported land-office business following the appearance of a small newspaper ad drawing attention to the display at the new showroom in the ground floor lobby of the International Building: "For two or three days they flocked in all through the mid-day, and stood two or three deep waiting to try out the calculator. We gave demonstrations to more than 200 people one day."

Chicago's Phil Eder reported some interesting action in setting up the operation for Midwest Sales: "One thing we've been trying—while waiting to complete the showroom itself—is a booth located in the Northwestern Railroad Station. Thousands and thousands of people stream by it to and from the financial district all day. Before we'd even finished setting it up, on a Saturday, a commuter stopped by out of curiosity and placed a credit-card order. In the first day after we opened we gave out more than 2,500 pieces of sales literature. Some of the visitors had seen our advertising, but a number said they never knew anything like this was on the market. So the booth has given us extra exposure—good publicity."

The Chicago showroom, due to open late in February, is located on the 11th floor of the Hartford Building which has as a neighbor the giant new 125-story Sears Tower. Traffic studies show that more than 200,000 people circulate in this area daily.

Similar observations were reported by Stan Podaras from the 32nd floor of New York's Exxon Building in Rockefeller Center: "We've been getting a fine turnout and a good percentage of buyers. Reading about the '80' or '35' is one thing, but actually going through a hands-on demonstration is the best sales pitch we can offer. They love it. They really like Angie and Jill, too—Angie Kerre and Jill Marty—the girls who give the demonstrations." □

Dee Mitchell runs through a demonstration of HP-80 for San Francisco visitors. Many financial calculations are set forth on flip cards that interested visitors can run through on their own. More than 200 prospects crowded the showroom one mid-day.

Pending readiness of regular showroom in Chicago skyscraper, Midwest calculator team set up a temporary booth in railroad station where pedestrian traffic is very heavy. Two professional trade-show girls staff the booth. Interest and sales have been very encouraging—to the point where the New York office may import the booth for a similar showing.



Rockefeller Center, the world-wide epitome of "downtown", is site of New York office—actually on 32nd floor of Exxon Building. HP traditionally has located sales offices in areas outside city centers—but close to customers and favorable to air and highway transportation. Customers for the '80', however, are largely concentrated in the major business and financial centers.

□ To hear people talk you'd think the introduction of flexible work hours throughout most of Hewlett-Packard has gone over 100 percent unanimously peachy keen.

Not quite.

During a recent shoe-leather survey of participating divisions now embracing almost 14,000 employees, at least two people were heard to voice negative views—not total opposition, but nevertheless on the minus side:

Number one, a man, said it upset the long-standing car-pool arrangement he had with his wife who worked for a firm that did not share HP's enlightenment regarding work hours. "I like to start and finish early, so I guess she'll just have to find another ride," he said, Andy Capp-ishly.

Number two, a young married woman, stood up to display her obvious expectations: "Twins, the doctor thinks. That's what it's done for me."

The world at large learned of HP's flexible work schedule program this month. The news release noted that "HP people can begin work at any time (under the program) and leave after completing an eight-hour work day. Typically, an employee may begin working between 6:30 and 8:30 A.M. and leave between 3:15 and 5:15 P.M."

Commenting on this, President Bill Hewlett said the purpose of the program is to allow HP people greater flexibility in arranging their personal schedules: "They can plan their work-day to gain more time for family leisure, conduct personal business, avoid traffic jams or to satisfy other individual needs."

The concept of flexible work hours got its start in Europe and reportedly had its first big tryout in Switzerland. German industry was quick to adopt it, and the HP GmbH plant at Boeblingen in 1967 became the first HP division to employ it. Soon thereafter it spread to Great Britain and HP's plant at South Queensferry, Scotland. Last summer the Medical Electronics Division transported the idea to its Waltham plant for a trial run. Now, by their own choice, most other U.S. divisions have installed or are planning for it. In doing so, HP believes it became the largest company headquartered in the U.S. to implement flexible work hours on such a broad scale.

How is it working out?

Except for the interesting cases already noted, the consensus reaction has been "Great." Actually, some people had several words to say about it, as follows:

New wide window on the work day



“I think it’s one of the best things that ever happened at Avondale. I always say ‘If you treat people like adults they act like adults,’ and there isn’t anything more unadult than to be told when to come and go. Needless to say, people can plan their own day . . . make appointments, and the like without using sick time or vacation time.”

Jan Bolden,
Avondale Personnel

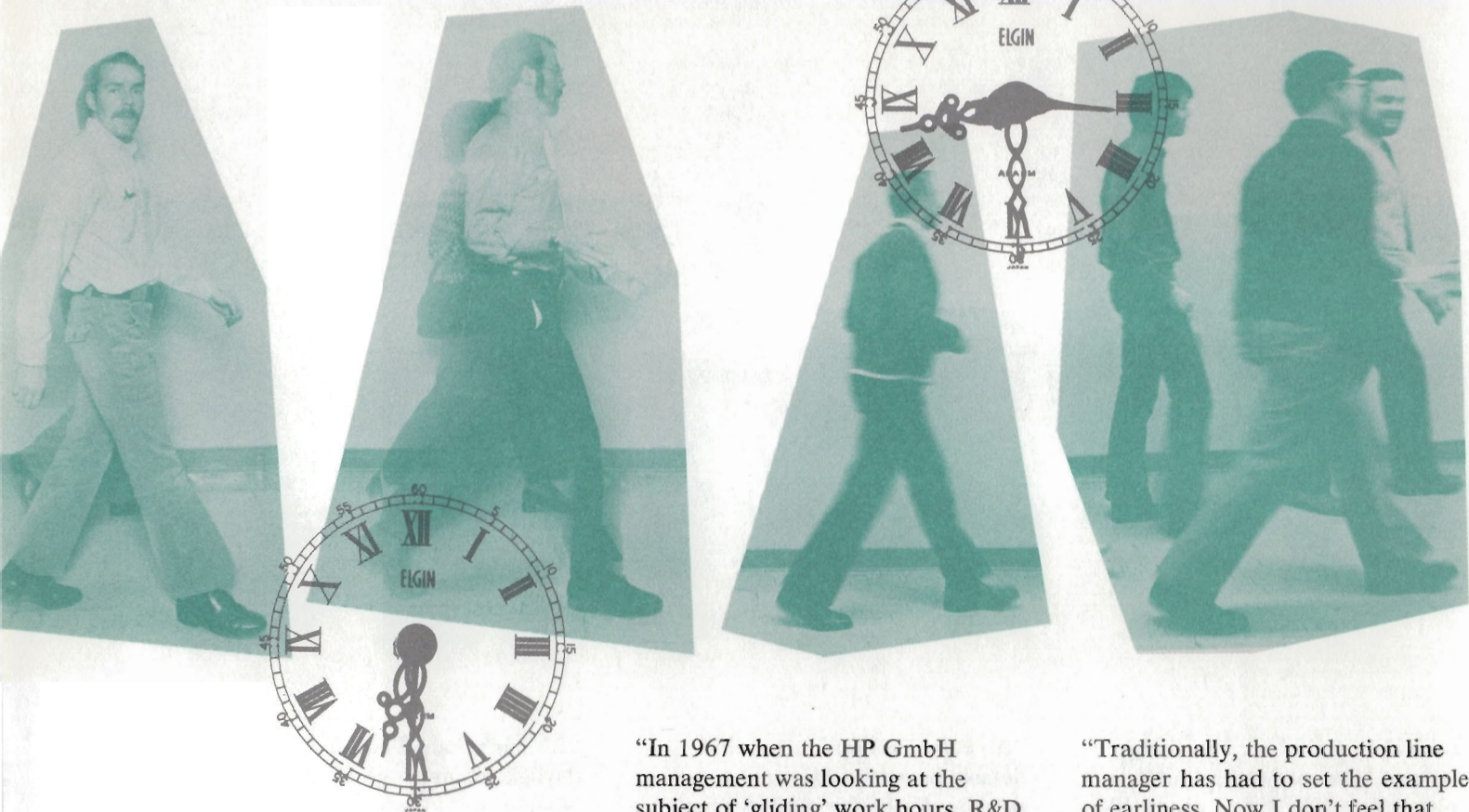
“An early assumption was that flexible hours would be most popular during the summer months. While this may be true to a certain extent, recent opinion polls among employees indicate that popularity and enthusiasm for the program has remained relatively undiminished throughout the entire six months period. During the trial period we consistently met or exceeded all shipment and production targets. Productivity continued in the same upward trend that existed prior to July, and in all other aspects of our operation that are measurable we saw no significant changes.”

John Flaherty,
MED Personnel Manager

“It’s marvelous! I now have good daylight hours to go to the beach. None of my friends will believe that a company would do such a thing for their employees—it really makes me proud!”

Marcia Higgins,
MED Stylus

(continued)



new work day window

“In 1967 when the HP GmbH management was looking at the subject of ‘gliding’ work hours, R&D engineers asked for a later starting time. ‘Who can be creative at 7:00 o’clock in the morning?’ they asked. On the other hand, our production people tended to start even earlier than 7:00. The answer to this conflict was ‘flexible hours.’ Our working hours are eight hours a day. People can start between 6:30 and 8:30 a.m. and finish after eight hours of work between 3:30 and 5:30 p.m. In a few areas such as telephone, telex, reception, and plant maintenance, the managers concerned came up with suggestions that amounted to shift plans so that someone would be on hand in these areas all during the day. The system is now in its sixth year of operation here, is well accepted by employees, and has proved to be a benefit to them and the company.”

Gary Speier,
*Personnel manager,
HP GmbH, Boeblingen,
Republic of Germany*

“Traditionally, the production line manager has had to set the example of earliness. Now I don’t feel that pressure. The big percentage of people come in at 6:30 a.m. My own preference is about 7:30. With this schedule, the line supervisors get their own things done early and then we get together to discuss any problems. One other benefit is the quiet hour after the early birds have gone. I can really get things cleaned up then.”

Dick Shores,
*Microwave Division,
Synthesizer production line manager*



“Prior to installing flexible hours we spent a lot of time anticipating questions. For example: When does the work day actually start? We decided it does not start when you come in the gate, or park your car, or over a cup of coffee. It starts when you begin working. Flexible hours not only increase the freedom of employees but also their responsibility. What we ask them is to come in at any time convenient to them within the two-hour ‘window’—providing that it doesn’t impair the functioning of their department—and give us eight hours of good work. Basically, it’s the honor system. So far, it’s working very well.”

Ed Miller,
*computer systems
manufacturing manager,
Data Systems Operations*

“The flexible hours take away the pressure of having to race the clock to get to work on time. On the other hand, getting in early and going home early is more beneficial to my way of life. I have a young family and the early hours give me more time to spend with the children. However, the most important factor to me is that it makes an individual feel he can be trusted to put in his eight hours.”

Ralph Greenidge,
MED Marketing

“Mainly, I feel it is very consistent with HP policies—respecting the individual to do a job honestly and properly. It’s just one more vote of confidence in our employees. One problem might be in trying to get different groups together where they do not share the same ‘window’ in their starting times and lunch hours. But that’s minor. Supervision is not a problem. It turns out that the actual window seems to be only about a half-hour wide—more than three-fourths of our people are here by 6:30. They’re used to working on their own, anyhow.”

Elwood Barlow,
*Microwave Division,
Waveguide and coax
production line manager*

Palo Alto—Vice president Ed Porter has been elected to the company's board of directors.

Board Chairman Dave Packard also announced that two members of the HP board have retired. They are Fred Terman, vice president and provost emeritus of Stanford University, and John Fulenwider, retired vice president of Hercules Inc.

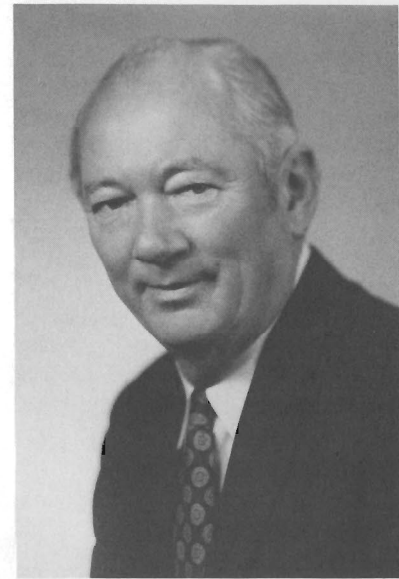
Dr. Terman, who will become a director emeritus of HP, has served on the board since 1957 and Mr. Fulenwider since 1968.

Ed Porter joined HP in 1946 as production manager. He was appointed vice president in 1957, has headed the company's manufacturing, eastern operations and operations activities, and presently

oversees a major segment of HP's business, including its medical and analytical instrumentation activity.

Porter has been very involved in community and industry activities. He served as mayor of Palo Alto from 1955 to 1960 and was a member of the Palo Alto City Council for 13 years. He was active in the League of California Cities and served as its president in 1964. He also was a member of the California governor's aerospace-electronics industries advisory panel and a member of the state advisory committee on atomic energy development.

A graduate of Stanford University with a degree in engineering, he is a senior member of the Institute of Electrical and Electronic Engineers.



News in Brief

Palo Alto—Hewlett-Packard has reported a 30 percent increase in sales and a 31 percent increase in earnings for the first quarter of fiscal 1973.

Sales for the quarter ended January 31 totaled \$126,966,000 compared with \$97,964,000 for the first quarter of fiscal 1972. Net earnings amounted to \$8,685,000, equal to 33 cents per share on 26,532,359 shares of common stock outstanding. This compares with earnings of \$6,629,000, equal to 25 cents a share on 26,187,282 shares, during the corresponding period last year. Last year's earnings included \$427,000 of gain from currency revaluations.

President Bill Hewlett noted that the 1973 earnings include no effect of the major currency changes that occurred in early February. He said the company expects these changes to have no adverse effect on its earnings statement or its financial condition.

The company's incoming orders for the first quarter totaled \$156,075,000, an increase of 42 percent from orders of \$109,852,000 booked in the first quarter of fiscal 1972. Domestic orders amounted to \$87,985,000, up 37 percent from a year ago. International orders rose 49 percent to \$68,090,000.

Palo Alto—Some 400 HP employees around the world are now—or soon will be—enjoying the ultimate in amplification by their stereo systems, thanks to an unusual project now nearing completion.

It involves the Barney Oliver stereo amplifier that the HP vice president of R&D designed for his own use several years ago. Interest in the unit grew to the point where a number of people pooled their time and talents to get it into limited production at Santa Clara Division for sale to employees at cost for \$325.

First deliveries were made late last year, but because regular instrument production has top priority, shipments of the amplifier will continue to be made on a "when available" basis, probably through the next two months. No additional production is planned.

Palo Alto—A substantial increase in the value of the HP Profit Sharing Retirement Fund has been reported as a result of favorable operations during the past year.

A contribution of \$7,407,051 was received from the company. Market value of the fund balance of 1971

went up 21 percent by the end of fiscal 1972. In all, the fund balance rose from \$42,568,412 to \$52,364,328 during the course of the year, including allowance for deductions of more than \$2 million paid to those participants who retired or terminated from the plan during that period.

The retirement plan is based on contributions from pretax profits that are invested in stocks, bonds, commercial paper, and real estate loans. Participation during the year increased from 8,215 to 9,645 U. S. employees who become eligible on November 1 following completion of three years of full-time employment.

Palo Alto—Employee Scholarship Fund drives are now getting underway in many HP organizations. Supported by employee contributions, the funds permit the awarding of \$750 cash scholarships to scores of sons and daughters of employees.

Applicants must be high school seniors who plan to attend college in the fall. Awards are based on a combination of academic achievement, educational objectives, participation in activities, and financial need.



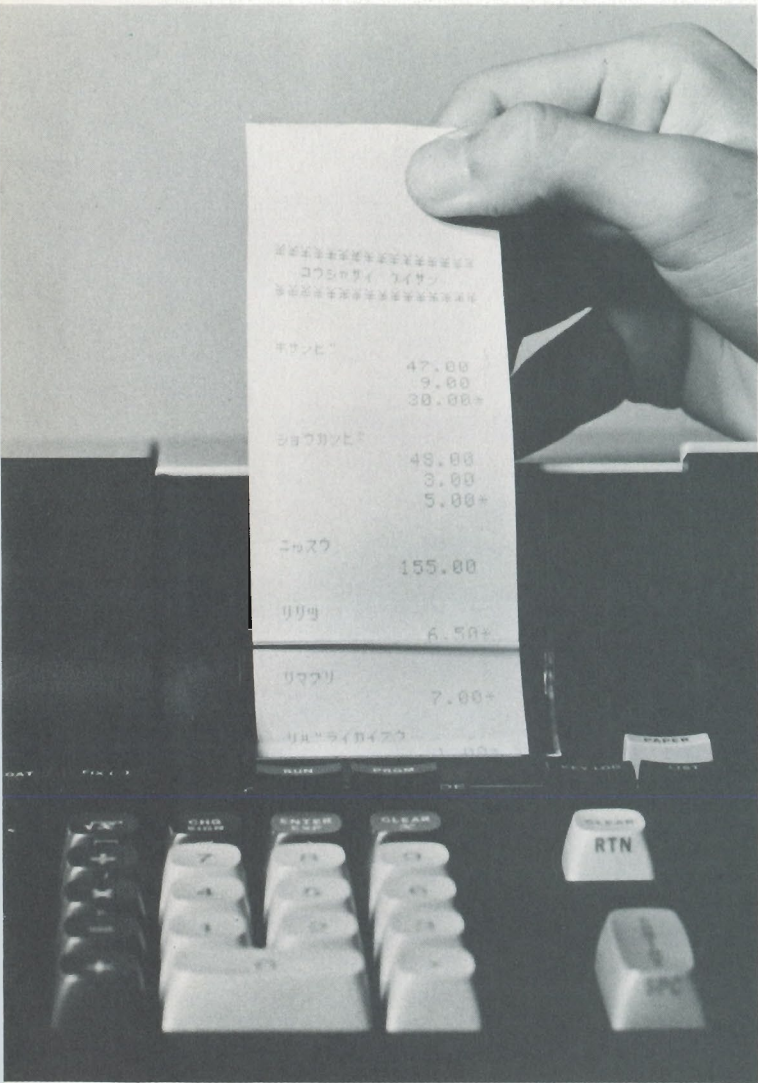
A major breakthrough for police investigators has been developed by California's Oakland Police Department utilizing an HP-2120 disc-operating computer system. The system holds and can quickly analyze vast amounts of data relating to criminal activity.

Captain Palmer Stinson, who designed the system, says "The investigative leads were sitting in the police files all along; the computer simply manages, organizes, and presents the information in seconds rather than weeks." This has greatly increased the effectiveness of the individual policeman and investigator.

In the first few weeks of the system's operation, for example, eight burglars were identified and arrested as the result of computer-directed fingerprint searches. At least six robbery suspects were identified from photos and another suspect was identified solely on his nickname. The system also handles all vehicle information that has come routinely to the attention of the Oakland police. They've found over the years that a statistically significant number of such vehicles will subsequently become involved in criminal offenses. The file information is now available almost instantly via radio to officers at the scene of investigations or accidents.



Readers of the March issue of the Hewlett-Packard *Journal* may recognize the photograph shown here. It represents six Microwave Division co-authors of a major article on the capabilities of the new HP 8660-series of synthesized signal generators. Their technical achievement is considerable—a system by which synthesizer applications can now be extended into the UHF range. But another interesting point emerges on reading their biographies: the international makeup of an HP product development-team. Reading clockwise from lower left, Dieter Scherer from the German Federal Republic, Young Dae Kim, a native of Korea, Charles Cook and Mel Humphreys of the U.S., Brad Stribling, a Canadian by birth, and Rolly Hassun from Italy.



Say Sayonara

Just over two years ago, at the year-end meeting of HP managers, a marketing executive pointed out that the best defense in world-wide competition for sales—particularly with booming Japanese industry—was a good offense. Get in there and sell in their own backyard—before they're able to saturate their home market in such a way as to create a combination of product, price and volume that makes domination of world markets possible. This kind of strategic thinking reached what must be a high point recently when HP introduced into Japan the first electronic calculator able to "speak" to the Japanese in their own language. What's more, the program that performs this was developed primarily in Loveland, Colorado. Jack Walden, above, engineering group leader at the Calculator Products Division, spearheaded the development in cooperation with engineers at the YHP plant near Tokyo. What they came up with was a plug-in program that works with the Model 9810A calculator to print out in Katakana, a Japanese phonetic alphabet, in addition to English or other Roman alphabet languages.

Measure

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