

Measure

For the men and women

of Hewlett-Packard/AUGUST-SEPTEMBER 1974



HP'S UN- COMMON MARKET...

Looking back, it would be difficult to imagine Hewlett-Packard *not* having participated significantly in the great growth that has characterized Europe during the 60's and early 70's. But, in fact, the decision to establish its own manufacturing and marketing operations there 15 years ago represented a pretty big gamble for a company then only a tenth of its present size.

HP took this gamble in the belief that the 1957 Treaty of Rome in establishing the European Economic Community would succeed in knocking down the old tariff walls and permit the development of a true mass market in Europe.

How well that first big bet has paid off can be judged from the facts and figures shown in Table I.

Now, new risks and challenges are taking shape in Europe. Economic and political crises seem to be everyday events, with heads-of-state falling, economies slowing or overheating, and inflation everywhere. Among solutions proposed for these problems are suggestions that governments take a harder line on economic controls, including greater control of the way multi-national companies do business in the various countries of Europe.

What is the HP bet this time?

Essentially it is the same as before: namely, that the economic union of European nations will survive and grow, and that HP will continue to be valued as an important contributor to its technological development and enterprise.

For Hewlett-Packard, then, the question is whether its organization in Europe—the 4,400 people, the resources they work with, including their very important relationships with other HP organizations—are in shape to cope with such challenges.

There is excellent evidence that they *are*—and much of it comes straight from the people of HP Europe themselves. This issue, including Bill Hewlett's letter reminiscing (in four languages) about the early years of HP Europe, is intended to present a broad picture of that evidence by showing some of the works and ways of these people . . .

Headquarters (HPSA)—Meyrin (Geneva), Switzerland

People 4,400

Orders (1973) 28% of HP total

14 Sales Organizations

Austria, Belgium, Denmark, Finland, France, Germany, Italy, Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom, plus offices in Vienna and Athens serving Eastern European and Middle East regions.

Manufacturing Divisions

HP France—Grenoble	Computers and peripherals
HP GmbH—Boeblingen	EPG, Medical, Loveland calculators
—Grotzingen	Analytical
HP Ltd.—South Queensferry	EPG, telecommunication test equipment

From the president's desk

May of this year marked the 15th anniversary of the formal establishment of HP in Europe, a most important milestone in the corporation's history. But actually, one must go back to 1954 to really get to the beginning. Up to then, as a very small company, our overseas business had been handled in traditional fashion by an export company. However, with the growth in size of our company and the growing complexity of our product line, it became desirable to shorten the link between HP and our customers abroad. We therefore arranged to take over direct contact with most of the overseas sales representatives who had been handling our products.

In reminiscing with Bill Doolittle about this period, he mentioned that he transferred over to sales to help in this work, and that it took about two hours per day for this phase of his job. That is not surprising since our total foreign sales at that time were only about one million dollars annually.

I made a trip to Europe in 1957 and had a chance to meet many of our representatives for the first time. That trip, and another in early 1958 to attend a conference regarding the role of the newly formed European Economic Community, gave me a first-hand sense of the dynamic potential that existed in Europe and of the tremendous opportunity for us if we could properly couple ourselves to that market.

Following my second visit we were pretty much convinced that we should act. Bill and I sat down and, based on the size of the various countries' GNPs, their rates of predicted growth, and an estimate of a reasonable market penetration on our part, determined that Europe could indeed be of great long-term importance to HP. (I wish I had kept those calculations as it would be very interesting to see how they compare with what actually happened.)

However, the questions remained on how, when and where. In the fall of 1958 I returned to Europe, this time with Bill and our attorney, Nate Finch, to try and find answers to those questions.

I will not bore you with the details. Suffice it to say that after a few narrow escapes of making wrong decisions, we selected Geneva as the location for corporate headquarters in Europe, and the Stuttgart, Germany, area as a very favorable location for a manufacturing operation.

In think the rest is fairly well known. HPSA was formed in May, 1959, with Bill Doolittle as manager. That fall, Boeblingen (near Stuttgart) was picked and Fred Schroeder, along with Ray Demere, selected to establish the first HP plant outside Palo Alto.

No one in Palo Alto had any idea of the magnitude of the tasks involved in getting those two organizations established. It was as though the people that went to Europe didn't even speak the same language as their counterparts in Palo Alto. The level of frustration on both sides was incredible, but somehow we all lived through it. No small measure of credit for getting through this difficult period goes to individuals who were giving us local counsel and advice—people such as Max Gamper and Maurice Merkt in Geneva, and Carl Hauss in Germany.

As one looks back at the objectives we set for our operations in Europe, it is evident that they have more than been fulfilled.

Through our manufacturing operations, we wanted to be part of the European community. To provide better service to our customers through local manufacturing—to understand their needs and through product development meet those needs. This we have done.

Through our marketing operations, we wanted to get first-hand contact with our customers and in so doing more fully meet

their needs. We also wanted to establish parts and service programs that were as good or better than those of local companies. This I think we have done.

Through our headquarters in Geneva we wanted an organization that could effectively manage all of these operations on one hand, and, on the other, interface with the European financial community and with Palo Alto. This I think we have done.

We had hoped, through our indigenous R&D programs, to ferret out good ideas and reduce them to practical instruments. There are now many examples of such work.

None of these accomplishments came easily, and it has only been because of the absolutely outstanding people that we have been able to attract that any of this came about. In many ways, I think the HP European organization and the people that man it is our outstanding achievement.

In closing, I am reminded of a comment that was made to me a number of years back by one of our U.S. sales managers to the effect that "why was I spending so much time on a region that had so few sales?" Today, Europe is our largest sales region, and at least seven times larger in orders than that same domestic area currently.

Mai de cette année a marqué le 15ème anniversaire de l'installation officielle de HP en Europe, une étape de la plus grande importance dans l'histoire de la société. En fait, c'est à 1954 que remontent les débuts réels. Jusqu'à cette date nos ventes hors des Etats Unis étaient assurées par une société d'exportation, solution traditionnelle pour une très petite entreprise. Cependant, notre société s'étant développée et la gamme de nos fabrications devenant toujours plus complexe, il devint nécessaire de resserrer les liens entre HP et ses clients à l'étranger. Nous avons donc décidé d'assumer le contact direct avec la plupart des distributeurs de nos produits à l'étranger.

Nous remémorant cette période avec Bill Doolittle, celui-ci nous a rappelé qu'il était alors passé du côté "vente" dans ce but et que, cette phase de son travail l'occupait alors environ deux heures par jour. Ce n'est point surprenant, étant donné qu'à l'époque le montant total de nos ventes à l'étranger n'atteignait qu'un million de dollars par an environ.

Lors d'un voyage en Europe en 1957, j'ai eu l'occasion de rencontrer beaucoup de nos distributeurs pour la première fois. Ce voyage, ainsi qu'un autre effectué au début de 1958 pour suivre une conférence sur le rôle de la Communauté Economique Européenne qui venait d'être créée, me permirent d'apprécier sur le terrain le potentiel de dynamisme existant en Europe et les possibilités extraordinaires pour HP si nous savions rejoindre ce marché!

Après ma deuxième visite, nous étions effectivement convaincus qu'il fallait agir. Bill et moi nous mîmes au travail, et sur la base de l'importance respective des différents pays, de leur PNB, de leur taux de croissance prévu, et d'une évaluation raisonnable de notre pénétration possible du marché, nous déterminâmes que l'Europe pourrait effectivement prendre une très grande importance pour HP à long terme. (J'aimerais avoir conservé ces calculs, car il serait très intéressant de les comparer avec ce qui s'est réellement produit.)

Toutefois, les questions quand, comment et où? restaient à résoudre. En automne 1958, je suis retourné en Europe, cette fois avec Bill et notre avocat, Nate Finch, afin de tenter de trouver des réponses à ces questions.

Je ne veux pas vous ennuyer avec les détails. Qu'il me suffise de dire qu'après avoir failli prendre plusieurs décisions erronées, nous avons choisi Genève comme notre siège principale en Europe

et la région de Stuttgart, en Allemagne, comme emplacement privilégié pour nos activités de fabrication.

Je pense que le reste est bien connu. HPSA a été fondée en mai 1959, Bill Doolittle en étant le directeur. L'automne de cette même année, nous avons choisi Boeblingen (près de Stuttgart) pour établir notre première usine en dehors de Palo Alto, sous la direction de Ray Demere et, en suite, Fred Schroeder.

A Palo Alto, personne n'avait idée de l'ampleur des tâches impliquées par la création de ces deux entités. Au point même que les gens qui étaient allés en Europe paraissaient ne pas parler la même langue que leurs collègues de Palo Alto. Des deux côtés, la frustration fut extrême; nous avons cependant survécu.

Nous devons beaucoup de reconnaissance, pour avoir traversé avec succès cette période difficile, à ceux qui, sur place, nous ont conseillés, comme Max Gamper et Maurice Merkt à Genève et Carl Hauss en Allemagne.

Lorsqu'on considère les objectifs que nous nous étions fixés en Europe, on constate qu'ils ont été pleinement atteints. Par nos opérations de fabrication sur place, nous voulions faire partie intégrante de l'Europe, fournir à nos clients un meilleur service, comprendre leurs besoins, et les satisfaire par la mise au point de nouveaux produits. C'est ce que nous avons fait.

Par nos opérations de marketing, nous désirions un contact direct avec nos clients et, pour ainsi, satisfaire plus complètement leurs besoins. Nous voulions aussi créer des services après-vente aussi bons, ou meilleurs que ceux des entreprises locales. Je pense que nous sommes également parvenus à ce but.

Par notre siège de Genève, nous voulions créer une organisation qui serait à même d'une part de diriger efficacement toutes ces activités et d'autre part de servir d'intermédiaire entre le monde financier européen et Palo Alto; cela aussi, je pense que nous l'avons réalisé.

Nous avions espéré, par nos programmes locaux de recherche et de développement, découvrir de bonnes idées et les traduire en produits réels. On trouve maintenant de nombreux exemples de telles réalisations.

Aucune de ces réussites n'a été facile et ce n'est que grâce au potentiel humain absolument remarquable que nous avons pu nous attacher, que nous sommes parvenus à ces excellents résultats.

A bien des égards, je pense que l'organisation européenne de HP et les gens qui en font partie représentent notre plus éclatant succès.

Pour terminer, on me rappelle un commentaire qui m'avait été fait il y a bien des années par l'un de nos directeurs des ventes aux Etats-Unis; il me demandait alors pourquoi je consacrais tant de temps à une Région dont le chiffre d'affaires était si maigre. Aujourd'hui, l'Europe est notre plus grande Région de Vente et représente actuellement un chiffre d'affaires au moins sept fois plus que cette même Région de Vente aux Etats-Unis.

Im Mai dieses Jahres konnte die HP den 15. Jahrestag ihrer offiziellen Niederlassung in Europa feiern, ein wichtiger Meilenstein in der Geschichte unserer Firma. Unsere Tätigkeit begann eigentlich schon im Jahre 1954. Bis dahin hatten wir als sehr kleine Gesellschaft unsere Auslandsgeschäfte, wie dies üblich war, über eine Exportfirma betrieben. Mit dem Wachstum unserer Gesellschaft und einem immer vielgestaltigeren Herstellungsprogramm erschien es aber zweckmässig, zwischen HP und unseren Auslandskunden eine kürzere Verbindung herzustellen. Wir schritten daher zu direkten Kontakten mit den meisten jener Verkaufsvertretungen, die damals unsere Produkte im Ausland vertrieben.

Kürzlich kamen wir mit Bill Doolittle auf jene Zeiten zu sprechen und er erwähnte, dass er damals wegen dieser Aufgaben in die Verkaufsabteilung übergewechselt habe. Dieser Arbeit habe er aber nur etwa zwei Stunden pro Tag gewidmet. Das ist nicht erstaunlich, betrug doch unser gesamter Auslandsumsatz damals nur etwa eine Million Dollar pro Jahr.

Im Jahre 1957 machte ich eine Europareise und traf mit vielen unserer Vertreter zum ersten Mal zusammen. Diese Reise und, Anfang 1958, die Teilnahme an einer Konferenz über die Rolle der damals soeben gegründeten Europäischen Wirtschaftsgemeinschaft, ermöglichten mir einen direkten Einblick in die grossen Kraftreserven Europas und die gewaltigen Möglichkeiten die wir hätten, wenn wir uns richtig auf diesen Markt einspielen könnten.

Nach meinem zweiten Besuch waren wir überzeugt, handeln zu müssen. Bill und ich setzten uns zusammen. Aufgrund der Grösse der BSP der einzelnen Länder, deren erwartete Wachstumsraten und dem uns zugänglichen Marktanteil, kamen wir zum Schluss, dass Europa tatsächlich für HP von grosser langfristiger Bedeutung sein könnte.

(Ich wünschte, ich hätte jene Berechnungen aufbewahrt, da es sehr interessant wäre, sie mit der tatsächlichen Entwicklung zu vergleichen.)

Offen blieben jedoch die Fragen wie, wann und wo? Im Herbst 1958 kehrte ich nach Europa zurück, diesmal mit Bill und unserem Rechtsberater Nate Finch, um die Antworten auf diese Fragen zu finden.

Ich will Sie nicht mit Einzelheiten behelligen. Nur soviel: Nachdem wir um ein Haar eine falsche Entscheidung getroffen hätten, wählten wir Genf als Hauptsitz für Europa und das Gebiet um Stuttgart als einen sehr günstigen Ort für unsere Produktions-tätigkeit.

Der Rest unserer Geschichte ist wohl ziemlich bekannt. HPSA wurde in Mai 1959 gegründet, mit Bill Doolittle als Geschäftsführer. Im Herbst desselben Jahres wurde Böblingen bei Stuttgart als Produktionsort gewählt und Fred Schroeder zusammen mit Ray Demere mit der Errichtung des ersten HP Werks ausserhalb von Palo Alto beauftragt.

Niemand in Palo Alto hatte eine Vorstellung, welche grosse Aufgabe die Gründung dieser beiden Niederlassungen darstellte. Man hätte meinen können, unsere Leute, die nach Europa gingen, sprächen nicht einmal dieselbe Sprache wie ihre Kollegen in Palo Alto.

Die Aufregungen und Aufreibungen auf beiden Seiten waren enorm—aber irgendwie haben wir das alles überlebt. Ein grosses Verdienst bei der Ueberwindung dieser Schwierigkeiten kommt Männern zu, die uns an Ort und Stelle mit Rat und Auskunft zur Seite standen, wie zum Beispiel Max Gamper und Maurice Merkt in Genf oder Carl Hauss in Deutschland.

Ein Rückblick auf die Ziele, die wir unserer Tätigkeit in Europa gesetzt hatten, lässt ersehen, dass sie mehr als erfüllt worden sind.

Durch unsere Produktionstätigkeit wollten wir uns an der Europäischen Gemeinschaft beteiligen, durch Fertigung an Ort und Stelle in der Lage sein, unsere Kunden besser zu bedienen, ihre Bedürfnisse zu erkennen und durch die Entwicklung unserer Erzeugnisse zu befriedigen. Dies wurde erreicht.

Durch unser Marketing wollten wir direkte Kontakte mit unseren Kunden herstellen und dadurch ihrem Bedarf besser entsprechen. Wir wollten auch Ersatzteil- und Kundendienstprogramme aufbauen, die denen der einheimischen Firmen ebenbürtig oder sogar besser sein würden. Ich glaube, wir haben auch das erreicht.

Durch unsere Zentrale in Genf wollten wir eine Organisation schaffen, die einerseits alle diese Tätigkeiten lenken und andererseits als Verbindung zwischen den europäischen Wirtschaften und Palo Alto dienen könnte. Ich glaube, das wurde erreicht.

Wir hatten gehofft, durch unsere einheimischen Forschungs- und Entwicklungsprogramme gute Ideen zutage zu fördern und aus

ihnen praktische Instrumente zu machen. Viele Beispiele bezeugen, dass dies gelungen ist.

Keine dieser Errungenschaften fiel uns leicht, und sie wurden nur Dank der hervorragenden Leistungen der Mitarbeiter, die wir für uns gewinnen konnten, möglich. In mancher Hinsicht scheint es mir, dass die Europa-Organisation von HP und ihre Mitarbeiter unsere stolzeste Leistung darstellen.

Abschliessend werde ich an eine Bemerkung erinnert, die einer unserer Verkaufsleiter in den USA vor einigen Jahren machte: er wollte wissen, warum ich so viel Zeit an ein Gebiet aufwende, das so wenig Umsatz aufwies. Heute ist Europa unser umsatzstärkstes Gebiet—mit einem Auftragsbestand der mindestens siebenmal so gross ist wie jener des betreffenden Gebiets in den USA.

Nel maggio di quest'anno, è ricorso il quindicesimo anniversario dell' insediamento della Hewlett-Packard in Europa. È questa certo una data importantissima nella vita della nostra Società, e, per conoscerne la storia sin dall'inizio, dobbiamo fare un passo indietro nel tempo fino al 1954.

A quell'epoca, eravamo ancora una piccola Società ed effettuavamo le nostre vendite all'estero tramite una società di esportazione.

Ma lo sviluppo della nostra Società e l'espansione della nostra gamma di prodotti, resero desiderabile un contatto più diretto con i nostri clienti esteri. Per questa ragione, cominciammo a prendere contatti diretti con la maggior parte dei rappresentanti esteri che avevano venduto i nostri prodotti fino allora.

Bill Doolittle, parlandomi di questo periodo, mi ricordava che all'epoca passava circa due ore al giorno alla Sezione Vendite Estere per dare una mano in questa nuova attività.

Non c'è da stupirsi: le nostre vendite all'estero ammontavano ad appena un milione di dollari l'anno.

Nel 1957 compii un viaggio in Europa ed ebbi la possibilità di incontrare per la prima volta molti dei nostri rappresentanti. Quel viaggio e una visita successiva che feci all'inizio del 1958 per partecipare ad una conferenza sul ruolo della Comunità Economica Europea, creata di recente, mi permisero di rendermi conto del potenziale che esisteva sul continente e delle enormi possibilità che avremmo avuto qualora fossimo stati capaci di inserirci in un mercato del genere.

Ci convinchemmo, dopo la mia seconda visita, della necessità di un'azione immediata. Bill ed io ci mettemmo allora a tavolino e, sulla base di calcoli che tenevano conto del prodotto nazionale lordo dei vari paesi, del loro tasso di sviluppo e delle possibilità di una nostra penetrazione commerciale sul mercato europeo, acquisimmo la certezza che, a lungo termine, l'Europa avrebbe certamente potuto rivestire grande importanza per la Hewlett-Packard.

(Rimpiango di non aver conservato i calcoli che facemmo all'epoca: sarebbe infatti interessante vedere in che misura le nostre previsioni si sono realizzate.)

Una volta presa la decisione, bisognava però stabilire "come, dove e quando." Ed è così che, nell'autunno del 1958, ritornai in Europa in compagnia di Bill e di Nate Finch, il nostro avvocato, per cercare appunto una risposta a tali quesiti.

Non voglio annoiarvi con i dettagli; diro solo che, dopo aver evitato di poco decisioni errate, scegliemmo Ginevra quale sede della nostra Società europea e la regione di Stoccarda, in Germania, quale luogo più adatto per costruirvi una fabbrica.

Il resto della storia è noto. La Hewlett-Packard S. A. fu fondata nel maggio del 1959 e Bill Doolittle ne fu nominato direttore. Nell'autunno di quello stesso anno a Fred Schroeder, insieme a

Ray Demere, fu affidata la responsabilità di creare a Boeblingen, vicino a Stoccarda, la prima fabbrica della Hewlett-Packard al di fuori degli Stati Uniti.

A Palo Alto, però, nessuno aveva un'idea chiara dell'importanza del compito inerente alla creazione delle due organizzazioni a Ginevra e a Boeblingen. Era un po' come se quelli che erano andati in Europa non parlassero la stessa lingua dei loro colleghi di Palo Alto.

Si giunse a limiti di frustrazione oggi difficilmente concepibili ma, in un modo o nell'altro, riuscimmo a superare questo periodo grazie anche a persone come Max Gamper e Maurice Merkt a Ginevra e Carl Hauss in Germania, nostri consiglieri ed esperti di questioni locali.

Se ci soffermiamo a considerare gli obiettivi che fissammo per la nostra attività in Europa, ci appare evidente come essi siano stati raggiunti e superati.

Come produttori, volevamo divenire membri della Comunità Europea, offrire ai nostri clienti un servizio migliore grazie ad una produzione sul posto, renderci conto esattamente dei loro bisogni e soddisfarli con l'evoluzione continua dei nostri prodotti. Tutto ciò è stato fatto.

Attraverso la nostra organizzazione di vendita, volevamo stabilire contatti diretti con i nostri clienti per poterli servire meglio. Desideravamo inoltre creare un servizio di assistenza post-vendita equivalente o migliore di quello offerto dalle altre società locali. Credo che abbiamo raggiunto anche questo obiettivo.

Stabilendo la nostra sede principale a Ginevra volevamo creare un'organizzazione che potesse veramente coordinare e dirigere tali attività e, al tempo stesso, integrarsi con la comunità finanziaria europea e con Palo Alto. Anche ciò è stato realizzato.

Con i nostri programmi di ricerca e di sviluppo condotti sul posto, volevamo trovare buone idee e trasformarle in realizzazioni pratiche. Esistono oggi numerosi esempi di successi anche sotto questo punto di vista.

Nessuno dei successi registrati è stato di facile realizzazione: è solo grazie alla qualità dei collaboratori sui quali abbiamo potuto contare, che il bilancio è oggi più che positivo. Il nostro più grande successo è appunto costituito dalla organizzazione europea della Hewlett-Packard e dalle persone che vi sono impiegate.

Per concludere, vorrei ricordare quella volta che, parecchi anni fa, uno dei nostri direttori commerciali negli Stati Uniti, mi chiese perchè passassi tanto tempo in una regione in cui le vendite erano così limitate. Oggi l'Europa è la regione in cui vendiamo di più; il suo volume d'affari è sette volte più grande di quello della zona degli Stati Uniti di cui quel dirigente era allora responsabile.



UNCOMMON CHALLENGES...



□ The visitor driving around Geneva soon develops a real appreciation for the native shrewdness of the Swiss people: With not much more in the way of natural resources than soaring terrain, thick topsoil and sound thinking, they have somehow managed to make a major industry out of management itself. World and European headquarters for all kinds of industrial and international organizations have taken residence in Geneva, including HPSA, the organization charged with the management responsibilities for HP in Europe.

Located in an attractive two-story building in the Geneva suburb of Meyrin, HPSA is less a hub than a home base for the multi-lingual tribe of administrators who wander far and frequently while keeping in touch with the HP marketing and manufacturing forces in the field.

Theirs is a complex and fast-growing domain: 14 sales organizations with sales offices or representation in 49 cities spread between the almost 4,500 kilometers from Madrid and Moscow, plus four factory organizations serving world as well as European markets.

In working with the sales organizations, Dick Alberding, director of European Operations, has set up a basically simple Geneva structure comprised of two regions. Tony Vossen, a bass-voiced Hollander who formerly managed the Netherlands organization in Amsterdam, heads the Northern region which includes Germany, United Kingdom, Scandinavia and Benelux countries. Doug Herdt, an American very much at home in Europe for the last 13 years, supervises the Southern region made up of France, Spain, Italy, Switzerland and Austria, as well as the Arab and Eastern European markets.

Two areas provide a special challenge to the Geneva managers as well as the other HP Europe organizations: uncommon languages and uncommon money.

It may seem to be stressing the obvious to talk about language differences. Everybody knows about *that*. And everybody knows that HP's technically sophisti-

cated European customers speak English—as do most of the engineering and professional people in the HP Europe organization. Don't they?

Dick Alberding puts it in personal perspective: "I speak French well enough to get by, but in meetings where French is spoken by Europeans I may get only about 50 percent of the meaning. There is always a loss of communications efficiency when you have to talk across borders and between different nationalities.

"Because of this I guess that HP people in Europe hold more meetings than U.S. groups, perhaps by as much as a 4 to 1 ratio. What I do after any decisions have been reached at such meetings is to confirm them right away in writing"

One department particularly concerned with language differences and difficulties is Marketing Communications (Marcom). Ralph Krelle, European Marcom manager, has made lengthy studies of such problems as preparing advertising in support of new U.S. products.

"Starting at Day One," said Ralph, "with an initial briefing by the U.S. factory representative, it can take as long as 22 weeks to get an ad produced and placed in the local language trade publications. Literal translations by home divisions are not only misleading in many respects but also can be embarrassing.

"The problem is not just in translation but also in the local laws and culture which in some countries here frown on comparative claims or other competitive approaches common in the U.S.

"The result is that we have to begin our advertising projects well before the counterpart U.S. organization"

In Milan, Tarquinio Prisco, advertising coordinator for HP Italiana, commented that the terminology used for many new product techniques and concepts often does not translate from English. "I think it would be helpful," he said, "if a glossary of such terms were included with new product descriptions..."

Language barriers really show up strongly in the area of training. The Management Training Centre, located at the South Queensferry plant, conducts courses such as Supervisory Development in English only but coordinates the HPSA programs in various languages.

English-language videotapes also run into difficulties when shown to office or factory people. Pierre D'Anthony, per-

Fifteen years ago HP made an important gamble on the new mass market of Europe by investing heavily in its own manufacturing and marketing organizations—with great success as the record shows. But today these organizations themselves face a real test: How well can they weather the severe economic storms that are sweeping Europe and the world?

In this special issue titled "Europe: HP's uncommon market," MEASURE presents evidence that the organizations, policies and—especially—the 4,400 people of HP Europe are strong and well equipped to cope with the future.

Il y a quinze ans, HP a misé gros sur le nouveau marché européen, en investissant énormément dans ses propres organismes de production et de vente; comme l'attestent les résultats, le succès a été complet. Mais aujourd'hui ces sociétés se trouvent elles-mêmes placées devant un test bien importante: seront-elles à même de résister aux tempêtes économiques qui balaient l'Europe et le monde?

Dans ce numéro spécial intitulé "HP en Europe: le marché peu commun," MEASURE témoigne que les installations, la politique et—surtout—les 4.400 employés de HP en Europe son forts et bien équipés pour faire face à l'avenir.

Vor 15 Jahren ging HP ein bedeutendes Risiko im neuen Massenmarkt Europas ein, indem sie sehr stark in eigene Fertigungs- und Vertriebsanlagen investierte. Wie sich erwies mit grossem Erfolg. Heute sehen sich diese Betriebe vor eine lebenswichtige Frage gestellt: Wie gut können sie die wirtschaftlichen Stürme, die über Europa und die Welt fegen, überstehen?

In unserer Sondernummer "HP Europa: Der ungewöhnliche Markt" zeigt MEASURE, dass die Betriebe, die Firmenpolitik und—besonders—die 4400 Mitarbeiter von HP Europa stark und wohlgerüstet sind, mit der Zukunft fertig zu werden.

Quindici anni fa la Hewlett-Packard, puntando sull'importanza che il nuovo grande mercato europeo avrebbe certo assunto, investiva somme notevoli per creare in Europa le sue proprie organizzazioni di produzione e di vendita. L'iniziativa fu coronata da un successo che superò tutte le aspettative—come del resto lo mostrano le statistiche.

Oggi però le due organizzazioni debbono sottomettersi alla prova del fuoco: come riusciranno a sormontare le tempeste economiche che stanno scuotendo l'Europa ed il resto del mondo?

In questo numero speciale intitolato "Hewlett-Packard Europa: un mercato non comune," MEASURE dimostra che l'organizzazione, la politica e, in particolare, i 4.400 dipendenti della Hewlett-Packard Europa sono maturi e ben preparati per affrontare il futuro.

At the very crossroads of HP in Europe, Geneva receptionists Ritia Martini (left) and Liz Hofmann meet and greet callers in a variety of languages.

(continued)



Communications including customer communications via news and advertising are constantly complicated in Europe by the need to reach customers via their own local trade publications in their own language.

challenges

sonnel manager at the Grenoble plant, said that even in carefully made tapes the commentators tend to speak too fast and to make too much use of slang or the idioms of business.

On the other hand, Andre Breukels, manager of HP Netherlands, said that English is a strong second language in the lowlands, and that good use is made of U.S.-made tapes along with other informational materials.

How about money? That may indeed be the thorniest management problem of all these days, thanks to inflation, floating currencies, fluctuating exchange rates, double-digit interest rates, and national financial and political dilemmas induced by the energy crisis.

Some indication of the risks involved in the money arena came in July with the crash of a large private German bank that apparently had "gone short" on the Deutschmark. Assuming that the monetary value would drop, it reportedly had committed itself to forward delivery of large sums of Deutschmarks, hoping to buy them back later for less and pocket

the difference. Instead, the Deutschmark moved steadily upward, putting the bank deep in debt.

Bas Van Leersum, finance manager for Europe, stated that it has always been HP's philosophy to be very prudent and conservative in the management of money:

"The problem is, of course, that we are an American company doing business in a time and place of considerable fluctuations in currency values relative to the dollar. Since these can have an effect on our dollar targets, we have to be very careful in evaluating monetary changes. A considerable amount of teamwork is involved in this—because it is an important problem for HP as a whole.

"Our principal goal is to avoid the losses that can result due to exposure to changing currency values. We do not speculate in currencies for profit as such, but we have never suffered losses in the process of consolidating our various country accounts."

Hank Morgan, European administration manager, said that pricing is another area affected by currency fluctuations. He

pointed out that Europe has been experiencing the present high rate of inflation several years in advance of the U.S., and that allowance for this has had to be made in the local pricing of products.

The seesawing money market also distorts the targeting process. "In 1973 when the U.S. dollar was devalued relative to most other currencies," said Morgan, "our translated dollar costs increased tremendously. In fact they moved over planned targets in a gross sense, but fortunately we were able to offset the impact. Actually in terms of the local currency budgets we were on or even under targets. These are situations which we must continue to monitor and seek better solutions."

HPSA and HP Europe in general also experience their share of that all-purpose problem known as "communications." Part of their problem is language, part is distance, and part is organizational.

One solution to the formal portion of the communications program is now being installed in the form of the "Cochise" order-processing system. Cochise is the European version of "Heart," the elaborate and highly successful system installed in the U.S. during 1973.

Alex Woodtly, commercial services manager at Geneva, said that "Cochise will help us process a higher volume of orders more quickly and permit local

language invoicing. With the help of a better input terminal and HP 2100 computing system in each country, the countries will be able to do a certain amount of order editing and screening rather than having to do this in Geneva?"

But the continuing problem, as always, and the one that is probably never solved completely is that of keeping people informed about the general goals, activities and involvements of the company.

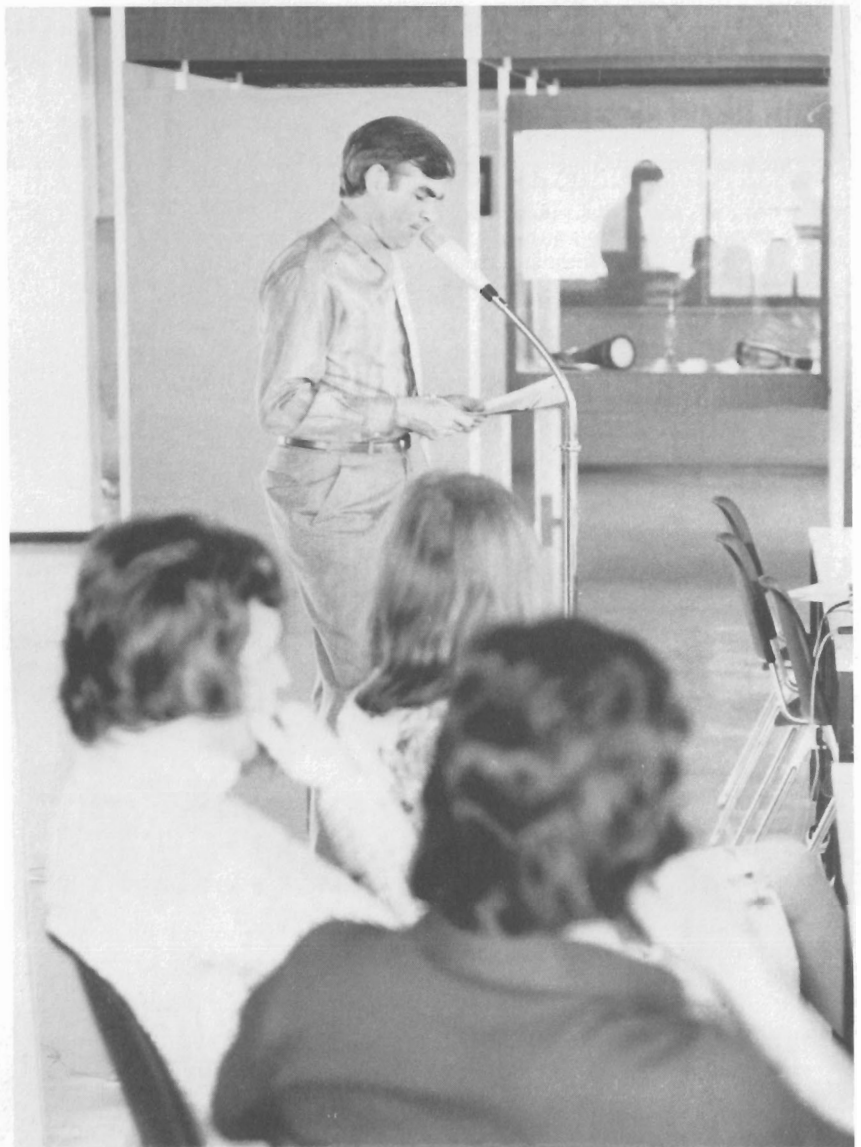
How do you, in fact, communicate a common message across more than a dozen languages, borders and organizations?

The broadest medium and the one used most often is the Friday or every-other-Friday briefing. In the Geneva office, for example, Friday morning coffee in the cafeteria is followed by an informal meeting at which the general HP news is presented and questions answered. Even the GmbH plant at Boeblingen brings all 1,200 people together each Friday morning for a report from the manager and others with something to communicate. Communications between the organizations probably can be said to begin with the HP European Operations Council. Made up of the sales region, factory and European managers, the Council concerns itself with broad policies and significant problems.

More detailed problem solving and communicating goes on during the Monday-morning management meetings held at all major HP Europe locations. In addition, Dick Alberding and other managers make a practice of getting together with the individual departments of their local organization.

But, over and above meetings and electronic systems, the most direct communication medium probably is the manager on the move. This takes its most apparent form in the Geneva office where, on any one day, you can bet that a high percentage of the management people will be out of the office—calling on HP locations or in transit between them. For example, European medical marketing manager Toni Polsterer visits all of the larger European sales offices about three times a year each, all of the sales offices at least once every 18 months, averaging three days of travel each week. In all, he estimates he makes about 60 calls of one to two days duration in Europe plus a four-week visit to the U.S. during the year.

□



Many HP offices and plants in Europe take the opportunity after Friday morning coffee, or other convenient time, to hear and discuss company news and plans. Shown is Karl Doering, country manager in Germany talking to the Frankfurt staff.

One of the most important aspects of selling in Europe—as elsewhere—is customer service. Exemplifying this is Silvano Bigarella, HP service manager in Italy for 14 years (including “rep” service). “The good thing is that there is no class distinction between the service and field sales teams.

Nor should there be since we require the same qualifications in most cases.” When Silvano started back in 1959 he was the only service rep. Now HP Italiana has some 95 service people, divided into Customer Service and Customer Engineering, the latter devoted to data products and systems.

Map shows dispersion of HP medical installations, a key market for HP Italiana, and a major service task.



Whatever might be said of an “HP Europe” and the people who see to its overall functioning, the fact remains that the basic unit for doing business in Europe is the HP country organization. In each case, the country organization is a legal entity, complete with its own board of directors, officers, managers, public accountants, attorneys and banking relations. Some 14 such organizations presently exist in Europe.

And lest it be thought that these are hollow corporate shells created for legal purposes only, the HP managers are quick to point out that corporate officers in Europe have full legal responsibility. This is nothing more or less than good citizen-

UNCOMMON SELLING...



New keyboard-controlled analytical products are demonstrated at customer seminar near London by Dennis Owens (right), sales manager for analytical products in the United Kingdom.

ship, and HP has found the country organization to be very responsive to the spirit as well as the letter of the law.

Some of that law consists of "legal" accounting—the figures which must be kept, in addition to the operating figures required by HP, in reporting to local governments for tax purposes. Other aspects of local law that internally flavor the HP country organizations are the labor laws along with all the other rules and regulations governing the conduct of business.

But the HP country organization shows its basic strength in the way it builds its business—employing and developing local national people, serving national interests, finding its own way in the sometimes turbulent economic and political life of the country, and yet somehow managing to remain essentially an HP organization. At this point, let's hear what some of the marketing people have to say:

"In my pessimistic moments," said Bill Wilkes, general manager of the HP Ltd. sales organization in Great Britain, "I believe no other country has such a hideous economic situation as the United Kingdom. It's unique, because on the one hand as a mature industrial nation we have the most disturbed economic picture, yet with the prospect of tremendous change brought about by the development of oil and gas (see MEASURE, July 1974). Outside capital now has begun to look on the U.K. as a worthwhile investment. Through it all, however, Hewlett-Packard has risen above the turmoil!"

Pierre Ardichvili, general manager of HP France, said: "You can look at France and see plenty of problems—shortages of housing, too much traffic, inflation, and over-centralization of customers and government administration. But these are far outweighed in my mind by the positive aspects.

"To put it briefly, France is a big country with a big potential for our business, and has enjoyed a very stable market with a smooth growth curve. As everyone knows, it is also a very pleasant place to live, with a special culture and a wide diversity of physical aspects.

"The business environment is interesting—and a bit puzzling to visitors. As a native of Belgium, I see the French as a spontaneous people—not always careful, but when they are good they are very

(continued)

The key to HP's marketing success in Europe is the country organization—employing and developing local people, serving national interests, finding its own way in sometimes turbulent economic and political life, yet somehow managing to remain essentially "HP"

The high professionalism of the HP European field engineering and service force is evident in the many sophisticated customers served.

La clé du succès des ventes de HP en Europe réside dans son organisation par pays: la société emploie et forme du personnel local, sert les intérêts nationaux, se frayant son propre chemin dans un environnement économique et politique parfois agité, tout en parvenant à demeurer essentiellement "HP"

Les hautes qualités professionnelles de l'ensemble des ingénieurs de vente HP en Europe sont amplement démontrées par le nombre de clients de choix que compte la société.

Der Schlüssel für den Marketingerfolg von HP in Europa ist die Organisation nach Ländern: Einstellung und Fortbildung einheimischer Kräfte, Handeln im Dienst der nationalen Interessen, Auffinden eines eigenen Weges im bisweilen stürmischen wirtschaftlichen und politischen Leben. Und bei all dem soll das Wesen von "HP" gewahrt bleiben.

Der hohe berufliche Standard der technischen Mitarbeiter im Aussendienst von HP in Europa zeigt sich an der eindrucksvollen Zahl anspruchsvoller Kunden, die sie bedienen.

La chiave del successo commerciale della Hewlett-Packard in Europa è rappresentata dalla sua organizzazione a livello nazionale la quale impiega e sviluppa personale nazionale, serve gli interessi del paese e cerca la propria strada, operando in un ambiente economico e politico a volte agitato, pur restando essenzialmente "Hewlett-Packard"

I numerosi qualificati clienti che la società annovera, provano l'alta competenza professionale della forza di vendita della Hewlett-Packard europea.



With departments scattered on five floors of a seven-story building in Milan, country manager Kleber Beauvillain, at left, arranged coffee breaks to be held in only one location—as a means of encouraging people of HP Italiana to meet and communicate regularly.

good. On the other hand, and contrary to the national spirit, French industry tends to be quite conservative and formal in its conduct."

Karl Doering, manager of the HP sales organization in the Federal Republic of Germany, is quite pleased to talk about business these days: "It is going very well. We had a very big year in 1973, and I don't see any significant drop this year—but there is a different situation as to where the business will come from.

"In the past, German economic growth here has been based on the auto and building industries. To my mind, the slowing down of the growth rate in these industries has been healthy. It's given us a chance to catch up after growing 57 percent in orders last year versus 1972. At the same time, the auto companies are investing in fundamental changes that mean business for HP in the future."

Kleber Beauvillain, formerly EPG manager in France and now manager of HP Italiana in Milan, recognizes the rarity of his role: "It is very exceptional to have someone of another country or culture as a manager in Italy. I find the people here so sharp, so intelligent and so hard working—it is a challenge to me.

"On top of everything, the economy

is going through a big crisis.

"The bright spot is that certain industries vital to our business go on in spite of the crisis. Health care programs, for one, have not slowed, and medical-analytical sales have been outstanding, though we will need to try some new approaches to this market to compensate for the ending of some programs."

In 1968 the HP Scandinavian country organizations—Denmark, Finland, Norway and Sweden—pooled certain management responsibilities as a means of giving big-country support to four small-country markets. John Beyerholm, with the dual role of country manager for Denmark and general manager for Scandinavia, remarked that the arrangement has worked very well and "we have had only minor conflicts over nationality. In fact, we have each gained a lot.

"The relationship is interesting. Sweden, of course, is the biggest market centered around its natural resources and industry. Finland is similar on a smaller scale. Norway is quite different—with traditional agriculture, fishing and maritime industries on the one hand and then very big industry on the other. There's not much in between. Denmark is a big gravel bar left over from the Ice Age, and has no other natural resources to speak of. The country has adapted by importing materials and turning them into goods for sale. Consequently, Danes have won a

reputation for being good salesmen.

"One of the problems all of us in Scandinavia face is a shortage of people—that is, people who are willing to make the extra effort and who enjoy it. Taxation takes away a lot of the incentive: If you offer a person an additional \$1,000 and the government reduces this to \$300, then there isn't much financial incentive.

"HP must therefore continually seek ways to reward its people by creating an environment in which they see their contribution as worth the effort. In my mind, there is no motivator like being an accepted and appreciated member of a successful team."

Andre Breukels, country manager for HP Netherlands, said that growth in his country has been spurred by investment confidence in the local economy rather than in the Common Market. As a result, HP sales have jumped dramatically—in spite of the energy embargo (now lifted by the oil producers), inflation, wage and price controls.

"The business is coming not so much from government but from private industry, large and small, as well as hospitals. Scientific research is the largest single market followed by big industrial users.

"We are a one-office organization because our major markets are within an easy drive. In fact, you can drive any place in the Netherlands within two to three hours."

That there's a lot of the uncommon about the way HP sells its products in the Common Market is suggested by the following field sales reports . . .

- In Germany, Wilhelm Graffmann heads a special Government Sales group that works across discipline lines and specializes in big, long-range projects. It paid off recently by participation in RAMOS, one of the biggest electronic testing contracts ever let by the Republic of Germany. Says Wilhelm: "We learned that big-ticket selling is very much a matter of having a good public image plus professionalism in preparing contracts as well as technical know-how."
- In Great Britain, EPG sales manager Derek Smorthit noted some basic differences between U.K. and U.S. selling:



New headquarters for U. K. sales near completion at Winnersh, south of London, an event eagerly awaited by country manager Bill Wilkes.



Off for a day in London, EPG field engineer Peter Finney sets out from Slough office complete with briefcase and demo scope.

"Here the average order is one quarter the size, but requiring the same sales effort. For example, while our top customer spent about \$500,000 this year, the 30th on the list will spend only \$30,000. Yet EPG sales here will be very substantial this year. Therefore, to achieve that total our guys have to be somewhat more opportunistic. Also, another difference is in the relative maturity of the various markets. We are probably at least a year behind Germany and the U.S. in maturity—that is, acceptance of new ideas and products—because there apparently is less risk-taking here. Yet we still have a fast-growing business?"

- At the Orsay (Paris) office, calculator sales manager Serge Daniel described the test of a new calculator marketing structure being conducted in France: "This year we began to approach the market by way of five segments—structures (buildings), commercial (such as banks and insurance companies), life sciences including medicine, scientific and engineering, and low-cost markets for non-programmable pocket calculators. These are not necessarily permanent, but they will allow us to measure our own performance in these markets?"

- In Milan, medical sales manager Carlo Benzoni is more interested in talking about HP Italiana's approach to new medical markets than about successes of the past: "A number of the programs that we participated in are now phasing out, including those in the south of Italy where

the central government has spent lots of money on needed health care. Now we have to concentrate on new approaches. Our best prospects appear to be in computerized ECG analysis and fetal monitoring. We now have several hundred fetal monitoring installations throughout Italy. Previously we had sought mainly the larger hospitals. Now it's our belief that many smaller hospitals will be interested!"

- "The only way HP is able to sell here in the United Kingdom—as well as elsewhere, I daresay—is to be technically ahead." Dennis Owens, HP Ltd. sales manager for analytical products, was referring to the effect of shipping and duty charges on the pricing of imported HP products. A local competitor has at least a 14 percent price edge on us, so we do run into trouble if we can't provide our customers with the most advanced solutions to their problems. I would say that the new HP analytical products should keep us ahead for some time?"

- As luck would have it, when Karl Bernd Vilter, EPG group leader in the Frankfurt sales district, called on Joseph Heinrichs of the Bundesanstalt für Flugsicherung (German flight control agency), a long-awaited new HP instrument was "down" for unknown reasons. So Karl put the instrument and its manual in his car, spent part of his evening studying the

manual, and first thing next morning got together with the service specialist at the Frankfurt office to initiate repairs. The big question was whether the fault was in a standard inventoried part or in one that would have to be ordered. First choice in the latter case would be the Parts Center for Europe located at the Boeblingen plant. If the part were unavailable there, the Frankfurt service specialist would telex or phone one of the International sales engineers in the appropriate U.S. division. "They have made a very big difference to us in getting the attention of the factories," Karl said. "We get to know each other and to appreciate the problem the other has. Service is a very important competitive sales tool. It used to take competitors here years to come up with a response to our product innovations. Now it's often only a matter of months."

- "It became very clear to us a few years ago how dependent we were on a few big customers. We decided to do something about it." Jan Schapers, sales manager in the Netherlands for EPG and Data Systems, then described a program for broadening the market: "We held 20 open houses for 1,300 people, presenting ourselves as Dutch people representing a Dutch/U.S. company doing business in the Netherlands. With the use of a Dutch-language booklet, we got across the point that HP has lots of low-cost, broad-usage instruments—not just expensive lab items. Sales increased while our penetration of the broad market went up and our dependence on the few big guys went down?"

□

The stimulus of investment abroad

When a U.S.-based company such as Hewlett-Packard builds plants and markets overseas, what happens to employment and investment at home?

Some groups claim that foreign operations "logically" reduce jobs at home. To test this, a worldwide research and counseling organization named Business International Corporation made an intensive study of 133 U.S. multinational manufacturing firms, including HP, exploring their job and investment experience since 1960.

The study found that the firms with the heaviest international investments hired and invested at home at a much higher rate than U.S. manufacturers as a whole. This resulted in part from their ability to avoid the ups and downs of any one economy, and from the strengthening of markets abroad due to their local participation there as manufacturers. In HP's case, the international plants draw heavily on the U.S. plants for manufactured parts and components, as well as technical support.

At the same time, HP's policy of encouraging the international divisions to develop their own product lines (as well as manufacturing transferred products), brings to them the same general operating benefits. These include world markets for their own products—and the growth and stability that flow from reduced dependence on strictly local markets.

...and uncommon customers



□ The most sophisticated European customer—in the general, not the technical sense—must surely be the 35-year-old German undertaker who purchased a Model 30 desktop calculator in order to figure out gambling odds. At swank casinos in Weisbaden, Bad Homberg, or Baden-Baden, he logs the results of long sessions of roulette, then returns to his hotel to use the powerful HP-9830A for analyzing the individual characteristics of each wheel. According to reports, his winnings are incalculable.

Indeed, Europe today abounds with customers who make very sophisticated uses of HP technology. In fact, there is a very general argument put forth by European sales managers and field engineers that the technical requirements of their markets are probably higher than elsewhere in the HP world. They claim that European customers by nature are more intrigued by the technological aspects of

their work, whereas Americans, for example, are more oriented to results. Because of that, the HP field engineer in Europe feels he must be able to give customers more assurance from a technical point of view than his U.S. counterpart. Another argument along these lines says that HP is really not that well known in Europe, so that customers judge the company more on the basis of its representatives than by public reputation.

Whatever the case, the demands of the European customer are high, as the following samples show:

- Telettra is a telecommunication company that sprang up in postwar Italy some 28 years ago, and has become a worldwide factor in microwave systems and equipment. Headquartered near Milan, Telettra is not only a very good customer for a wide range of HP equipment, and one that always wants the very best and latest, but it also operates on policies very fa-



What may well be the world's greatest animated exhibit of technology and the principles of science is housed in this giant saucer-like building at Eindhoven, Holland. Constructed by the Philips organization to celebrate its 75th anniversary in 1966, "Evoluon" attempts to give a view of a world in constant metamorphosis and to explore the consequences of technological change. Philips, with worldwide employment of some 400,000 people, is an important HP customer in Holland and elsewhere.

miliar to HP people. Management by objective, decentralization, emphasis on the individual's role, and a strong belief in the importance of R&D, are all part of Telettra's practices. Franco Colecchia, HP account supervisor, reports that Telettra was the first firm in Italy to purchase the HP network analyzer, because it offered very significant time saving in a variety of design and testing applications.

- Electronique Marcel Dassault is the name seen above a large building overlooking the Seine River in the Saint Cloud district of Paris. Owned and managed by Serge Dassault, son of the developer of the famed Mirage jet fighter, EMD is an aggressive and sophisticated competitor in a variety of high-technology fields: military systems, satellite communication and navigation systems, aerospace systems, data processing, and automatic testing modules, as well as large-screen TV, traffic control, and credit-card banking! M. Perron, a

capital investment analyst for EMD, recently told HP's Michel Fleys some of the criteria that EMD applies in its purchasing. He indicated that EMD is successful because it emphasizes fast and flexible response to its customers' requirements. He added that HP should be aware that speedy development and delivery of new HP products are often at least as important as their advanced technological content.

- When Charles Van De Nieuwenhof joined Philips in 1937 at the firm's Eindhoven headquarters in the Netherlands, total employment was about 35,000 people. Today the worldwide figure is some 400,000, including 100,000 employees in the Netherlands of which 35,000 are in Eindhoven itself. Charles, an instrument purchasing coordinator for the audio-visual lab, discovered HP equipment soon after World War II, and has since bought quite a few million dollars worth. More recently, automatic and network analyzers were installed so that Philips can check all parts of prototype TV sets in a matter of two hours instead of weeks as formerly—not so much to save the labor but more to shorten the development cycle.

- Groupe Fortune is the appropriate name of a large, private French insurance company based in Paris. In early 1973 it became concerned at the vulnerability of the big EDP departments in banks and other businesses to "industrial action" by strikes. Determined to avoid such potentially disastrous action, it sought a computer system of its own that would provide real-time, self-sufficient service—something they could use on their own premises when they wanted. According to M. Oliver Baudet, EDP manager for Groupe Fortune, an HP system based on an HP 2100 computer was selected in competition with the leading big computer firms. The choice was based on doing the job at less cost. For Groupe Fortune it was their first experience with mini computers. For HP it indicated a potentially good market—especially important in France where government policy virtually rules out the spending of public funds on non-French computer equipment.

- Data Systems people in Europe are really beginning to get their teeth into the market for HP-3000 computer systems. The HP-3000 was introduced to the European market last Spring, with seminars and showings supervised by Fritz Joern,

manager of HP-3000 European marketing. Now reports of sales and installations are beginning to roll in. Among the first was a system now operating at the Institute Giulio Pastore in Turin, where it performs educational and administrative tasks. More recently, the first order for the new HP-3000 Model 100 minicomputer system came in from a technical college in Kongsberg, Norway. In addition to its own uses, the college will sell computer time to local secondary high schools.

- Fifteen years ago, Riyadh was a small village in Saudi Arabia. It was hot, baked, and barren except for some goat forage in the fields—and the vast oil fields beneath. Today, according to Cees Slenters, HPSA's medical support engineer working out of the Geneva office, Riyadh is on its way to becoming one of the major capitals of the world. One sign of this transformation is the new King Faisal Specialist Hospital, the \$75-million first phase of which is due for completion later this year. The plan, says Cees, is to create a facility that will attract the world's leading specialists in medical practice, research and education. HP's customer, the Royal Cabinet of Saudi Arabia, intends to install the very latest medical and communications technology, much of it operating from a central computing facility. HP's role is to provide a wide range of instrumentation involving all areas of the HP medical line including four medical computer systems. Said Cees, "The cabinet and the personal physician to King Faisal, Dr. Rifat Alsayed Ali, are quite dedicated to health care, and are very impressive people—very knowledgeable and intelligent in getting things done. Even while they are working to bring in high technology, they seek to retain traditional values and customs. That's not easy with the great rush going on here. Hotels are jammed in spite of their having five times more beds than one year ago. And the woman's face veil is seen less often, and prayer times are not as quiet as before. A tremendous change is taking place!" □

(continued)

customers

Data Products field engineer Graham Pobjoy, center, reviews wind test data that have been run through HP computer system with T. W. Everett of Bristol University Aeronautical Department. Actually, the tests concerned not aircraft but the design of a new civic center for Penang, Malaysia.



Karl Bernd Vilter, center, EPG manager in the Frankfurt program involving HP equipment with Joseph Heinrichs, project manager for the German government program.



Section of new King Faisal Specialist Hospital rises in Riyadh, Arabia. The hospital will make extensive use of HP medical equipment.



Highly sophisticated electronic test equipment is used by Electronic Marcel Dassault in Paris to test aircraft transponder units.

HP network analyzer anchors final testing of microwave radio systems produced for national and international markets by Telettra near Milan.

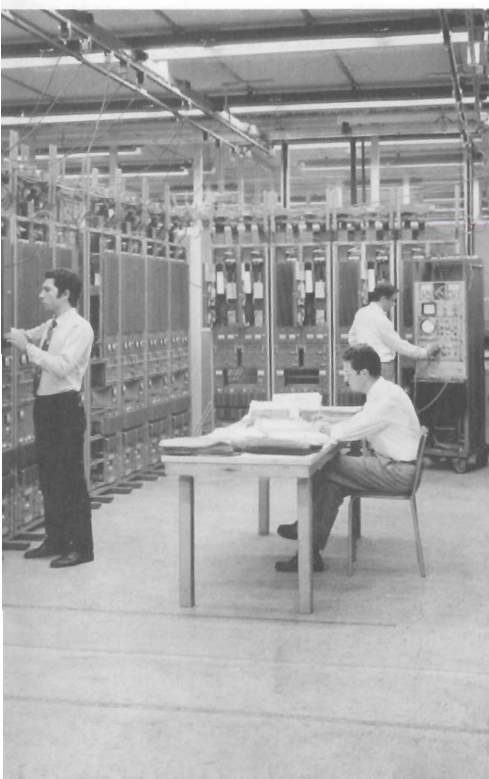




Frankfurt district, talks over flight test program
with project leader



Working in the desert lands of Riyadh, Saudi
Arabia, on medical products.



The big city market

Pierre Ardichvili, HP's country manager in France, is in many ways a conservative fellow. But when he leaves his Orsay office to call on a customer, he often climbs on his motorcycle and weaves in and out of the downtown traffic to get where he's going. He says he enjoys the open air and the aromas of the city—but most of all, the ease of getting through traffic jams. Beneath the dignity of a manager? Perhaps, but he gets around faster and avoids the frustrations of driving in congested Paris.

For in Europe, to a much greater degree than in the U.S., business and industry are concentrated in the big cities. In France, 65 percent of HP's sales are made in Paris; in Britain the situation is much the same, as most of our customers are in the London area.

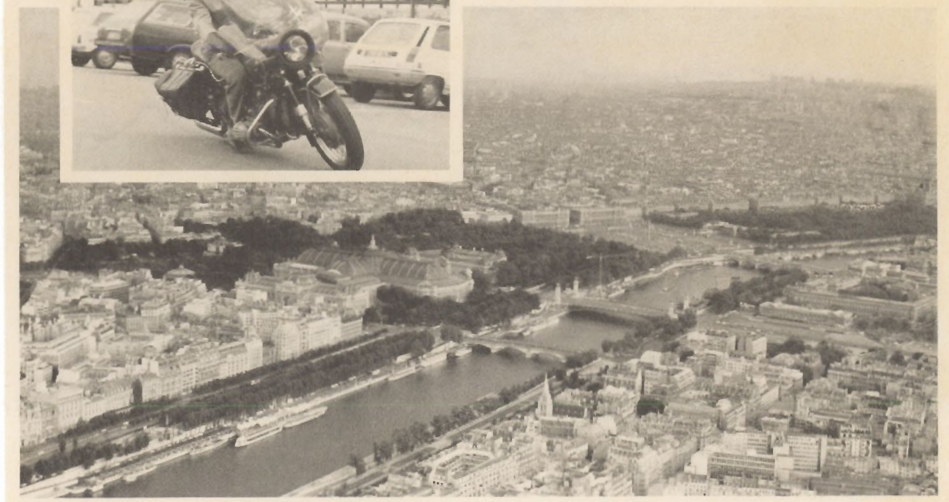
The HP sales offices are generally located near the cities, although out of the congestion. But the difficulties of getting from here to there—mainly in automobiles—adds to the time and expense of making a sale. At the very least, it causes some mild cases of “traffic neurosis” among HP field engineers. Beyond that, it also means loss of time and money. To make a sales call on a calculator customer, Jean-Paul Levieux may have to spend hours driving to and through Paris, pay a high price for parking, and push his way through a bustling crowd of pedestrians. In London, field engineer Phil Harrison may encounter the same delays and frustrations in the hope of getting a big order for electronic instruments.

Ardichvili feels that suburban Orsay, location of the only large sales office in France, is a good alternative to being downtown, where everyone wants to be but where office space is terribly expensive if it can be found at all. Orsay is a “clean” area with good communications and freeways into Paris. It is close to Orly Airport—although the new Charles de Gaulle Airport is 60 kilometers and as much as two hours away.

There are exceptions to the “capital-city syndrome”—particularly in Germany. Ironically, World War II led to the beneficial spread and growth of industry to other areas. One factor, of course, was the isolation and partitioning of Berlin. The other was the Allies' confiscation of Germany's industrial machinery and its removal to the U.S.S.R. and Great Britain. Among other things, this created a market for replacement parts to keep the aging equipment running, a market that became the beginnings of Germany's post-war industrial revival—based on efficient, all-new factories. The result is that Frankfurt, Munich, Hamburg and many other smaller West German cities are now important and modern industrial areas.



Pierre Ardichvili

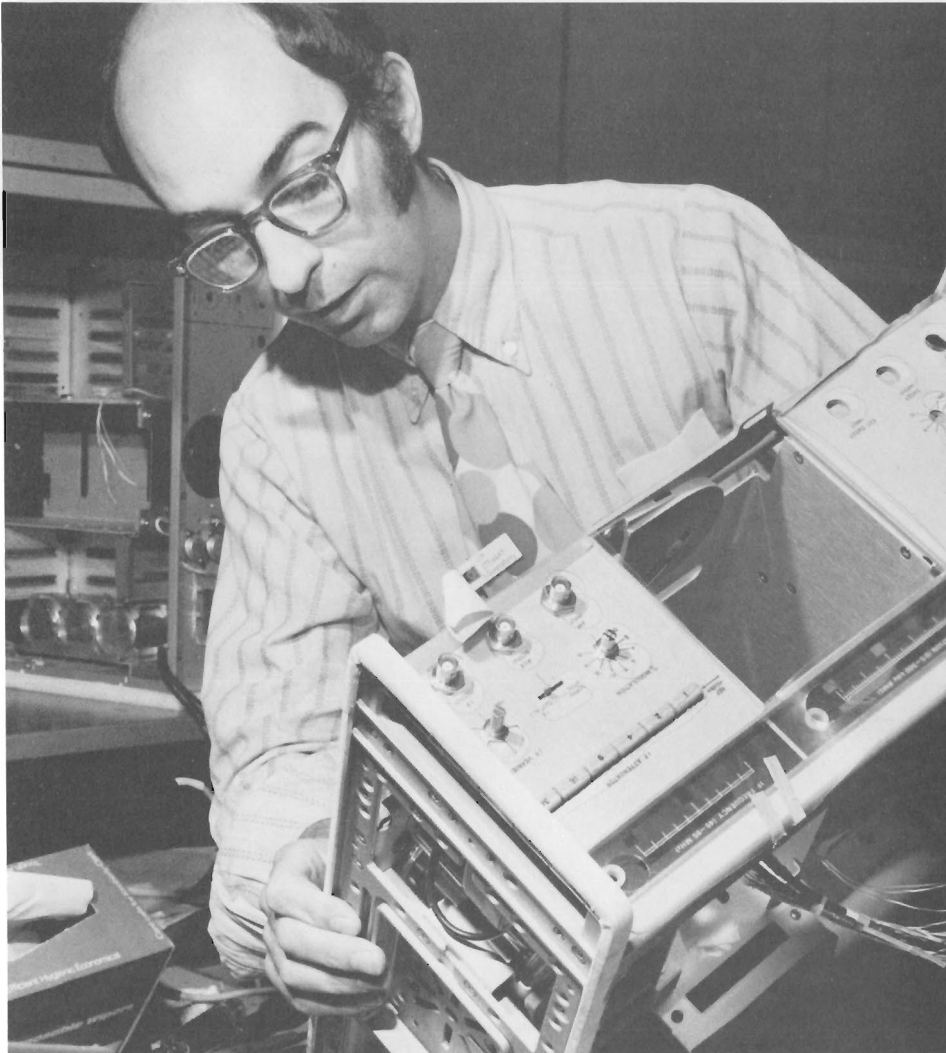


MANUFACTURING uncommon

□ Getting the data together for the table printed below was simple enough. Creating the reality behind them—especially in the product line and R&D areas—is another story.

Take the word “rationalization.” In Europe it is currently in use as a way of describing the process whereby member nations of the European Economic Community adjust their industries to the Common Market. The idea is that the EEC countries should strengthen their most efficient and competitive industries while deemphasizing those which were able to thrive only under the former system of local tariff protections.

When HP began building its manufacturing capabilities in Europe 15 years ago, it did so under the aegis of the old tariff system. The Boeblingen plant in Germany was established to serve the original six-member EEC trading union. The South Queensferry plant in Scotland (and its predecessor in Bedford, England) grew up producing basically for the “outer seven” members of the European Free Trade



Nearing end of production line at South Queensferry where it was developed to become an international success, a microwave link analyzer (MLA) is checked by line supervisor Jim Stewart.

products

Association, plus some of Britain's "Commonwealth Preference" partners. Accordingly, the two plants produced quite similar lines of products transferred from the U.S. divisions. The production runs of these products were necessarily short—a dozen of this, half a dozen of that, and so on for several hundred individual products. So, while overcoming the problems of local protectionism and nationalism, more often than not the products cost about the same as if they had been im-

ported with the full tariff load from the U.S. factories.

Then, last year, a majority of EFTA nations were admitted into EEC membership, thus removing the rationale for duplicate product-line manufacturing in Europe.

Reference to the table will show that the basic situation has been totally changed. Each of the manufacturing divisions in Europe now has a clearcut mandate, not only in product lines but also in R&D. In effect, HP in Europe has "rationalized" its manufacturing operations—with some significant effects and benefits.

Eberhard Knoblauch, general manager of HP GmbH, is careful not to over-emphasize the influence of rationalization on GmbH: "Some of the things we were

going to do in any case," he says. "They were simply the right things to do regardless of the EEC. Then, there is some question about the stability of the EEC. Moreover, Germany is by far the biggest market for the Boeblingen factory. On the other hand, France and Italy are also major customers, and between the three of them, these countries tend to balance out economically. In the long run, too, we are aiming for more world-oriented lines as in the case of pulse generators and perinatal products. In total, we are not dependent on one economy, and rationalization has hastened this trend."

Dennis Taylor, general manager at South Queensferry, sees a more sweeping effect from rationalization at the Scottish
(continued)

HP Manufacturing Operations in Europe

Location	Division	Products	R&D Roles	No. People (June 1974)	Plant Facilities
Boeblingen (near Stuttgart) German Federal Republic	HP GmbH	Pulse generators, fetal/neonatal monitoring equipment, and more than 300 different U.S.-developed products for the European market	Perinatal products, pulse generators; joint ventures	1,060	2 sites 42 130 square metres
Grotzingen (near Karlsruhe) German Federal Republic	HP GmbH	Liquid chromatograph products	Liquid chromatography	50	8 361 square metres
South Queensferry (near Edinburgh) Scotland	HP Ltd.	Dedicated analog and digital telecommunications test equipment for worldwide sales; a variety of U.S.-developed products for European and Commonwealth markets	Telecommunications test equipment	760	18 000 square metres
Grenoble France	HP France	Data systems products for the European market	Peripherals and software	150	20 252 square metres
				Total:	88 743 square metres (955,253 square feet)

manufacturing

plant: "We've done a lot of rationalization here," he said. "Systems work and medical products were transferred to Boeblingen, and computers to Grenoble. Our concentration now as far as transferred products are concerned will be Santa Clara, Stanford Park and Santa Rosa lines for the EEC.

"It's been a very clean change. With only a few exceptions, all the people who were working in the Systems area, for example, were transferred to other departments. People understand the basis for the change. It's going to put us in a position to improve overall efficiency and to provide stronger services in the future."

What have been some of the specific effects of rationalization?

Robert Hofgaertner, EPG-line production manager at Boeblingen, says the new lineup allows better analysis of costs by product lines, and already the figures show improvements that can be traced to rationalization.

John Penrose, business manager at South Queensferry, confirmed the trend, saying that rationalization will be one of the important factors in allowing the factory to double its volume over the next four years with the addition of relatively few people.

An unhappy report comes from the medical sales people in the U.K. who say that sales there have declined somewhat now that HP no longer is able to put a "Made in Britain" claim to medical products. Commenting on this, Dick Alberding said that "Unfortunately, every move has its price."

The HP France operation at Grenoble, of course, got underway in the middle of the rationalization program and took on Data Systems as its primary product line right from the start of manufacturing some two years ago.

The other big area where the local mandates have at last been worked out is research and development.

What does that mean?

First, it means that each of the European factory organizations is now chartered to develop products of their own in

certain areas of expertise, and to take worldwide marketing responsibility for those products as well as—most likely—a primary manufacturing responsibility.

GmbH's Knoblauch and HP Ltd.'s Taylor both intend to give continuing emphasis to locally developed products. The reasons are clear enough: the more products they can market around the world the less vulnerable are their organizations to local economic problems; the stronger the organizations are in their own product lines, the greater will be the opportunities for local growth and development.

Peter Carmichael, South Queensferry's manufacturing manager, notes that "Our own designs are now almost 50 percent of shipments. This means that we are having to develop resources of our own that we otherwise might have obtained by purchase or contract. One problem is giving opportunity to the people working in transferred products equal to that of those working in the growing local product areas.

"Our goal for transferred products—all products, for that matter—is to get enough volume so that the cost of manufacturing goes down to that of U.S. division levels where volume is bigger.

"Here's an example of the situation we face: while labour is less expensive here now, we have a very high rate of inflation. I figure that very soon the 'loaded' costs of an electronics test engineer in the U.K. will be about the same as in the U.S."

To accommodate the anticipated growth in European manufacturing, HP has been adding significantly to its production floor space.

The South Queensferry plant completed its expansion program in 1972 with an addition of 8 500 square metres, and its total of 18 000 square metres (193,000 square feet) is considered adequate for the next four or five years.

GmbH, meanwhile, is shortly due to complete the first phase of construction at a site some 500 meters down the road from the present site. Situated on 11 hectares

The HP European manufacturing organization has just gone through a major change that gives each division a clearcut "product line" charter—thanks to a policy known as "rationalization." All divisions also are now chartered to develop products of their own in certain areas of expertise, and to take world-wide responsibility for marketing those products. The goal is to reduce their dependence on local markets, while providing greater opportunities for growth and development of local people.

Le côté production d'HP en Europe vient de subir un changement majeur qui donne à chaque division un rôle bien défini selon nos "lignes de produits" suivant une politique dite de "rationalisation." Toutes les divisions ont également la tâche de développer des produits qui leur sont propres dans certains domaines d'expertise, et d'assumer au niveau mondial la responsabilité de la vente de ces produits.

Le but est de réduire leur dépendance par rapport à leurs marchés locaux, tout en fournissant de meilleures chances de croissance et de promotion à leur personnel.

Die Produktionsbetriebe von HP in Europa haben soeben eine grosse Aenderung erfahren: jeder Unternehmensbereich erhält, im Bestreben, eine Rationalisierung herbeizuführen, ein klar umrissenes Herstellungsprogramm. Alle Unternehmensbereiche entwickeln jetzt auch eigene Produkte in bestimmten Fachbereichen und sind weltweit für den Absatz dieser Erzeugnisse verantwortlich. Dadurch sollen sie von den einheimischen Märkten unabhängiger werden, bessere Wachstumsaussichten haben und den einheimischen Kräften die Möglichkeit bieten, sich zu entfalten.

L'organizzazione produttiva della Hewlett-Packard europea ha appena adottato alcune importanti modifiche che, nel quadro di una politica di razionalizzazione, assegnano ad ogni divisione una serie ben definita di prodotti.

Ogni divisione è ora non solo tenuta a sviluppare i propri prodotti in specifici settori di competenza, ma anche ad assumere la responsabilità della loro commercializzazione in tutto il mondo.

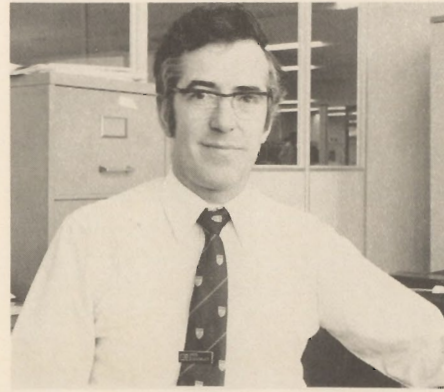
Si raggiunge così l'obiettivo di affrancarsi in parte dai mercati locali e di offrire al personale locale più vaste opportunità di sviluppo.

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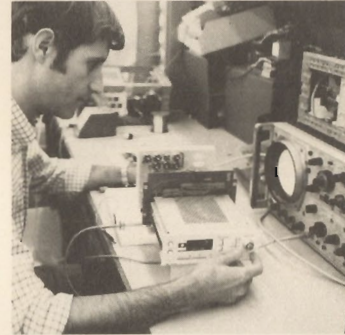
Strategy for the Grenoble factory is discussed by Pierre Olliver, left, assistant general manager as well as R&D head, with marketing manager Alfredo Zingale.

With Bob Coackley as R&D manager, South Queensferry is taking clear aim at the market for dedicated communications test equipment.



The R&D role

At the Grotzingen plant, a newly developed "prep" attachment for the 1010B liquid chromatograph is reviewed by, from left, marketing manager Helge Schrenker, general manager Peter Hupe, and R&D manager Dieter Hohn.



Noteworthy contributions in fetal monitoring continue to be made by the development team at Boeblingen factory. Here, new plug-in unit is checked by Medical Department R&D engineer Joerg Eisengraeber-Papst.

Here's a brief rundown of the various R&D programs underway at the HP European manufacturing organizations:

GmbH has product development programs in three areas of interest—medical, EPG, and analytical.

Perinatal products aimed at monitoring the condition of both fetus and mother throughout the process of childbirth are the essence of this program. Fetal monitoring work began in Germany, with GmbH a leader in developing the instrumentation—now a very successful line in Europe and becoming more so in world markets including the U.S. An interesting aspect of research is the need to find another "feedback" system as a substitute for natural pain which is being eliminated by medical means from the birth process. Last year in Sweden, for example, a law was passed stating that every woman was entitled to a painless birth of her children.

Several years ago GmbH pitched in to help Colorado Springs round out their line of pulse generators, with such success that Colorado Springs voluntarily turned worldwide product responsibility over to them. More recently, GmbH again helped by assuming responsibility for the design of a low-cost oscilloscope line. In a series of manufacturing transfers we now have most of the high-volume scopes and pulse generators manufactured at both divisions to appropriately supply the large U.S. and European markets.

Getting the liquid chromatograph markets converted to an HP look, but more important developing a next generation with technical benefits attractive to the broad world market, are basic goals for the GmbH development team at the Grotzingen plant.

HP Ltd. at South Queensferry got into the communications test equipment field basically through the ideas of Peter Carmichael (former engineering manager, now manufacturing manager) and Bob Coackley (new engineering manager), both engineers with extensive experience in European telecommunications. Among their observations: general-purpose communications test equipment such as various U.S. divisions have developed from time to time are not always suited to the European market. Because national telecommunication systems are compact, Europeans are less concerned with transmission problems and costs than with the efficiency of terminal equipment. Because of their special requirements, test equipment tends to be dedicated. And that is the direction that HP Ltd. has chosen, very successfully with the microwave link analyzer (MLA) and other products. An important question for the future, however, will be the role of a test equipment supplier when much of the testing capabilities may be built right inside increasingly sophisticated terminals.

HP Ltd. also operates a mini Tech Centre aimed at providing microcircuits for local products, the first a 140 MHz version with four thin-film amplifiers for the MLA.

The nucleus of an R&D program was brought together at the Grenoble plant just over a year ago, taking on various projects transferred from Data Systems. Headed by Pierre Ollivier, engineering manager and assistant general manager, the team consists of nine computer software and hardware people. Having begun with transferred projects, they are now very hard at work in their own product niche of the Data Systems area involving special peripherals and software.

Manufacturing manager Guenter Warmbold contemplates some of the effects of coming move into second large Boeblingen building.



Boeblingen plant interior reveals typical HP view of open planning, affording better visual and personal communication. The view also reveals some degree of congestion which will be relieved by the completion of a second nearby factory facility.



(about 32 acres), it will add 20 500 square metres, and relieve the considerable congestion evident at the original site.

But Gunter Warmbold, GmbH manufacturing manager, is concerned that the move does not involve any loss of unity in the organization: "In the process of changing to product line production, the question comes up as to how to provide central services at both sites. Should they be split? Some we can split, others not. If we make the right decisions we will finish up with the equivalent of an HP industrial park, sharing a number of services on an efficient basis."

Another major manufacturing facility

nearing completion is the HP France building in Grenoble on the site of the 1968 Winter Olympics. The 20 000 square metres of Stage 1 will easily accommodate the present 150 people now working out of two industrial buildings and one small apartment used as a reception area, and permit considerable growth. Situated on 16 hectares where nothing now remains standing from the great Olympic spectacle, the plant will be an example of advanced structural and industrial design—and from its position in the center of the confluence of three valleys will afford sweeping views of the sharply rising Alps.

As a fourth geographical plant location, the Grotzingen factory in Germany is, of course, part of the GmbH organization. But functionally it operates with a good deal of independence. Its major mission, under Peter Hupe as analytical products manager, is to accelerate HP's position in the newly revived liquid chromatography market, chiefly through the development of new versions of the Hupe & Busch-designed LC line. The plant people would like nothing better than to have to knock down more walls of the Grotzingen building when those new products come into being and create demand for more space. □

PEOPLE with much in common...

What does it mean when one talks about “the people” of HP Europe?

Certainly it does not mean the same as talking about 20,000 HP Americans, most of them brought up in one country, speaking one language, and exposed to quite similar cultural and economic influences. In spite of that, and for all the borders, languages and customs that would tend to separate them (and even if the Economic Union doesn't function as hoped), HP Europeans seem to have an uncommon lot in common.

Let's look at some of these things . . .

□ First, some on-the-job aspects:

One quickly learns, for example, that the “HP Way” in Europe is much more than a veneer of management style: It works there just as it works in the U.S., as a fundamental factor in the way things get done, giving the individual organization and person very wide discretion in the setting and achieving of goals.

It may even be that the people of HP Europe put greater store in the HP Way than their counterparts elsewhere because of the sharp contrast it provides to the traditional continental style of management by directive.

Ken Riley, a 29-year-old analytical products field engineer in the Manchester office, notes that “In my previous experience I did what I was told. My boss didn't give a damn what I thought. However, it takes a while to get used to the way HP does things—to know what resources you can call on and how you can exploit them to the customer's benefit. The ability to make decisions and take responsibility is a real benefit.”

Alfredo Zingale, Grenoble division marketing manager born in Italy and with long U.S. experience, said “The HP style is working very well here. The people who have been coming to us have been young and ambitious, and they've taken to it very easily. There is great optimism among them, a feeling that opportunity is being given them that probably would otherwise take years to reach.”

Guido Prestinena, accounting manager for HP Italiana, says that “Even today in some of the old traditional Italian

firms you would wait weeks and perhaps months to talk to the top manager. On the other hand, a number of them, including the automobile companies, are beginning to experiment with job enrichment programs.”

Providing opportunities for training and development of people is an essential part of the HP way, and is very prominent in the European organizations. Accordingly, much of it is familiar to the rest of the world, but some aspects are unusual.

At the GmbH factory, for example, an apprenticeship leading to electronics technician begins at age 15, and consists of three and a half years of training with only a few months of on-the-job work. The apprentices spend most of their time doing theoretical and practical work that in the U.S. would come in high school and junior college classes. The apprentices are paid, and their HP curriculum includes sports. At the end of their classes they must take a tough two-day State exam away from HP.

Of course, there is nothing uncommon about this in Germany. The program is fostered by the government and industry, and even though it is vocational in direction, a good number of the graduates go on to university for engineering degrees.

It turns out that HP Europe is also doing something unusual in management training, specifically at a South Queensferry facility named the HP Management Training Centre. Under the management of Alan Watts, former personnel manager at the HP Ltd. plant, the Centre has a charter for supervising English-speaking

training for Europe. It serves as an entry point for U.S.-developed training programs, and as a research centre for European programs.

In Geneva, HPSA personnel administrator Joe Garcia notes that more than one-third of all European HP people have been with the company less than one year, and that a major orientation effort is underway.

Legal requirements loom quite large in the conduct of personnel policies and activities throughout Europe.

German law (and that of quite a few other countries) mainly requires that employees have a workers' council in any location of more than five employees. Questions concerning employment that councils and managements cannot agree on are settled by a labor court. But a great majority of questions and issues are worked out in a cooperative way through regular meetings and reviews.

Italian law ensures that labor unions can represent to company employees their views on issues of interest.

The employment laws can give rise to some interesting situations. A requirement in Germany is for three months notice of termination by both employer and employee, and then only at specified periods of the year. This gives a certain seasonal aspect to the problem of finding or filling jobs. In the present period of high employment with shortages in certain skills it obviously serves as a stabilizing purpose by discouraging or slowing wholesale employment raids and migrations.

(continued)

people



people of HP Denmark



Jean-Louis Mativet

All seems quiet and orderly in the cobbled courtyard—for the moment. But you may count on it that these **people of HP Denmark** and their husbands, wives and friends will shortly make the rafters ring in old Dragsholm Slot, a castle built to repel pirates from the western sea. The 100 HP invaders came by bus for feasting, dancing and castle touring that lasted well into the next morning. It was explained to guests that this adults-only event took the place of a Christmas party “when everyone is too busy anyhow.” Each year the event is held in a different locale, and each year the committee in charge tries to come up with something more spectacular. But it always has the aim of people getting to know one another and HP better. So far they have resisted suggestions for a submarine party under the Baltic, or a round trip flying party to Palo Alto.

What’s a group leader for Data Systems/EPG Systems service in France doing in a gorilla nest? That would be **Jean-Louis Mativet**, seen at right, who took up temporary residence in the home of a great ape a couple of years ago during a visit into the Rwanda forests while on government service in Africa. His mission, taken in place of army service, was to teach math to young Africans. In spite of a liking for such out-of-the-way places, Jean-Louis lives in Paris—because he and his wife also like city life. An EE university graduate, he finds his HP assignment challenging. Most of the work is on site at customer locations, and customers are often very competent technically, running their own tests and analyzing the problems.

“The HP way” works just as well in Europe as it does in Palo Alto; that is, as a fundamental factor in the way things are done, giving the individual organization and person very wide discretion in setting and achieving goals.

At the same time, HP Europeans work within the framework of legal controls whose influence is growing stronger. One result is that HP has taken a close look at its policy of trying to offer a uniform benefits program in Europe, and will make some adjustments in accordance with changing local country situations.

“La politique HP” marche aussi bien en Europe qu’à Palo Alto; facteur fondamental dans l’accomplissement des tâches, elle accorde à chaque département et à chaque individu une très large discrétion dans la fixation des objectifs et dans leur réalisation.

Les employés européens de HP sont par

aillours soumis à de nombreux contrôles légaux dont l’influence devient chaque jour plus marquée. Une des conséquences de cet état de choses est que HP a revu sa politique consistant en un système unifié de rémunération en Europe; certains ajustements seront apportés, en fonction des différentes conditions existant dans chaque pays.

Der “HP-Stil” bewährt sich in Europa ebensogut wie in Palo Alto. Eijn Grundzug der Art und Weise, wie Aufgaben erledigt werden, ist, dass jeder Abteilung und jedem Mitarbeiter beim Setzen und Erreichen der Ziele grosse Freiheit gelassen wird.

Gleichzeitig arbeiten die HP-Europäer unter immer schärfer werdenden gesetzlichen Kontrollen. Dies hat u.a. zur Folge, dass HP die Firmenpolitik, in Europa einheitliche Personalleistungen zu bieten, genau überprüft hat

und, gemäss den unterschiedlichen Umständen in den verschiedenen Ländern, Anpassungen vornehmen wird.

Il “metodo Hewlett-Packard” che consiste fondamentalmente nel dare ad ogni singola organizzazione e ad ogni individuo un’ ampia libertà nella scelta e nel raggiungimento dei suoi obiettivi, funziona altrettanto bene in Europa che a Palo Alto.

Al tempo stesso, i dipendenti europei della Hewlett-Packard svolgono la loro attività nel quadro di legislazioni la cui influenza si fa sentire ogni giorno di più.

La Hewlett-Packard ha quindi ripreso in esame certi suoi principi che prevedevano vantaggi sociali simili per tutti i suoi dipendenti in Europa e procederà alle modifiche richieste dai cambiamenti verificatisi in diversi paesi.

The special conditions for selling in the Comecon countries of Eastern Europe were emphasized when HP appointed lawyer **Bob Krieger** to head the new Moscow office. With HP since 1971,

Bob took a crash course in the Russian language this summer, and has hired an English-speaking Russian secretary—HP's first native Soviet employee. Also working with Bob is Swiss-born service manager Paul Schwalm who previously worked out of the Vienna office but who has now moved to Moscow with his family. Bob is shown at right with Dick Alberding and HPSA attorney Heinrich Baumann.

The myth that HP employs former watchmakers from the Black Forest to assemble its instruments turns out to be almost true! **Dieter Guenther**, shown at left in photo enjoying an evening of cards with some HP friends, is just such a person at the Boeblingen plant. Trained as a watchmaker and an HP instrument assembler for the past nine years, he lives near the edge of the famed forest at Gartringen where he is buying a flat. Now that his wife Magdalena no longer works because of their young son Michael, Dieter commutes alone in his car weekdays, arriving early as permitted by HP's flexible hours that was pioneered for HP in Germany. Occasionally, a few of his good buddies, including several HP people, gather in the flat after work for some food, beer and conversation.

Weekends might see the Guenthers visiting the forest or Schwabian areas for a picnic or a restaurant meal. In spite of inflation they lead a comfortable and fairly uncomplicated life—which is just the way they like it.

Changes coming in benefits

Some changes are likely to be made in some of the company's European benefit programs, according to European personnel manager Crawford Beveridge.

"In July," said Crawford, "we completed a very thorough and costly survey of the various benefit programs that we have in Europe. By and large these programs were found to be in very good shape.

"But there were some exceptions—some anomalies in the way we run some of them, which we will set straight.

"Looking at it from the personnel management point of view, there are four requirements we must consider and balance. These are: (1) the legal requirements of the various governments; (2) the collective agreements we have with employer and employee organizations; (3) the effects of competitive practices; and (4) the things we want to do because we are HP.

"In the past we have tried to give as much emphasis as possible to point four, and to install as much uniformity as we could within the various programs.

"But increasingly we find more and more legal requirements affecting what we can do on our own. So, while we will continue to maintain as much similarity as we can among our country programs, and between Europe and the HP world, there will be some changes in emphasis. We are now working on the details and will probably have some specific changes to make by next year. Meanwhile, we will set up an information and education program to help make people aware of what we are doing and why we are doing it."



Bob Krieger



Dieter Guenther



Richard Snell

people



Connie Koedam



Maureen Rowley

Richard Snell is a U.S.-born microwave service technician who came to the Frankfurt organization by a very roundabout route that included U.S. Army service in Germany where he married, followed by various communications projects in Vietnam, Bangkok, Philadelphia, New Hampshire, Greenland, and the Seychelle Islands. From the vantage point of that experience, he finds that living in Germany does not offer too many real differences from life in the U.S. "The German guys my age and general education think pretty much along the same lines I do. However, they are more active politically at the Federal level, perhaps because the country is smaller and they feel there is more opportunity to influence things. "My style of living is about the same here as it would be in the U.S. The apartment we live in is just as good as I could find in the U.S., only it is more expensive here. Housing and land are also much more costly here, because the higher density of people, together with prosperity, have created more demand for available space."

The "foot in the door" technique of entering a profession appears to have worked successfully for a number of women in HP's European organizations. **Connie Koedam** joined the Amsterdam office as a secretary in 1963, a time when HP Netherlands numbered all of 13 people. Today she is personnel coordinator for a team of 136 people. A similar path was followed by **Maureen Rowley** in the Slough (London) sales office. She got her start toward personnel administrator as a secretary-typist in a number of firms and government positions. Then she responded to HP's ad for the personnel position—and won it. Her responsibilities now include benefit programs, employment advertising, job interviews, and other administrative work on behalf of the 360 people of the HP Ltd. sales organization. Maureen feels somewhat lucky to have reached this spot because getting a start in professional personnel work in the United Kingdom now usually requires a university diploma.



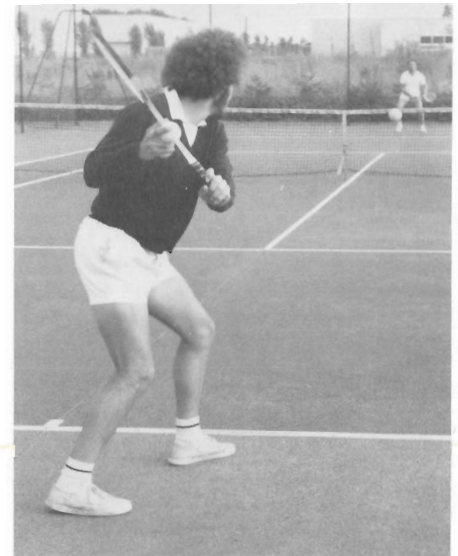
HP social club at the South Queensferry plant is a popular spot during non-work hours. Employees voted for the club in preference to other recreation facilities, and are rapidly paying off the starting loan through their purchases. Patrons shown here are, from left, Pauline Tolland, Helen Dawson, Dianne Milne, and May Purdie.

Shortly before announcing his retirement as head of the Spanish government this summer, General Francisco Franco greeted Jorge Fabregas, field engineer for HP analytical products in the Barcelona office. Jorge was being introduced as a member of the Spanish National field hockey team which won this year's European championship.



Jacqueline Vessiller, Comsys (Telex) operator at the Grenoble plant, first began jumping out of planes five years ago, now has more than 100 jumps to her record, and hopes to enter national and international competition soon.

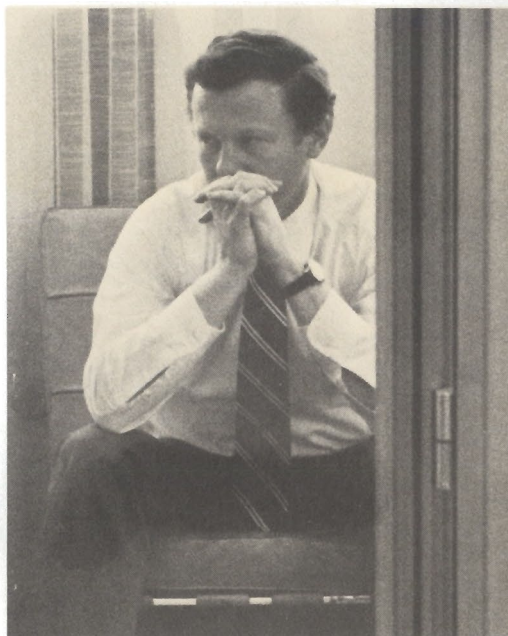
Three tennis courts with an all-weather surface give people at the Orsay (Paris) office of HP France plenty of opportunities for friendly competition.



Picnics bring out that young spirit. HPSA's picnic on a farm near Geneva brought out 350 people, among them the pony-cart riders. Such picnics are very popular throughout the European organizations.

Looking ahead...

*an interview
with Dick Alberding,
director of
European operations*



Q: Looking at a profile of HP's European operations, as we do in this special issue of "Measure," it's hard to believe that our involvement dates back a mere 15 years. Can we continue to be so successful in the future?

A: A simple answer—yes. Europe is one of the world's most dynamic markets. Our future here basically depends on two factors: 1) the broad economic, social and political developments which have and will continue to shape the "Old World" into a very new exciting one; and 2) our ability to keep "on balance" managing effectively and anticipating changes.

Q: Radical changes?

A: Western Europe has already become the world's largest economically advanced market confined to a relatively small geographic area; in this kind of environment you wouldn't look for too many dramatic surprises. It is a maturing market which offers growing opportunities to a high technology company like HP. But don't be misled: quite apart from the effects of overall inflation and business cycles, there are large discrepancies in the real economic growth of different regions and countries, and in political and social trends as well. To capture uncommon opportunities we have to face up to uncommon challenges.

Q: When the common market evolves further, will it become easier to develop a more uniform approach to business?

A: Theoretically that should happen, but when you look at our EEC business environment you can discern two seemingly contradictory trends. One is a drawing together of Europe. That's the major trend. There will be more and more political collaboration, with momentary setbacks in between. There will be less tariff barriers to trade within the market. But the EEC will also

act as a protectionist economic bloc toward the outside—with controls on imports, on investments and on the flow of labor. For HP this means that we have to become more and more "Europeanized" in our marketing and our manufacturing efforts, in our general outlook.

Q: What's the other trend?

A: Some people see it as a falling apart of European unity, and it often looks like that. You have the so-called NTBs (non-tariff barriers) to trade, such as differing technical norms, "Buy National" regulations and campaigns by governments and, recently, also import deposits and credit controls. But you can also view all of this as transitional adjustment difficulties of the European nations as they draw closer together than ever before—a kind of teething problem of a more united Europe, aggravated by worldwide currency crises, energy problems, etc.

Q: Is HP betting on a long-term healthy and unified European market?

A: Yes, but while we position ourselves for the long-term future, we must keep our attention on the short- and medium-term situation as well. Right now that means keeping our costs and new investments in a "healthy" relationship with our business opportunities in any given market.

Q: And how can we make use of the opportunities? Despite all the problems, they seem to exist in abundance.

A: As I said before, we have to become even more Europeanized, and part of that is an ability to better adjust to combinations of multinational and national differences. For our sales organizations, this means more nationally tailored marketing plans, improved government and industry relations, visible evidence that HP

contributes positively to a nation's economy and society. In this context, look for more regionalization and enhanced support at national levels. We may also require more selective product personalization to satisfy government regulations to meet specific European customers' needs. Summing it up, our customers are on a level of sophistication equal to the U.S., and on the basis of continued HP technological leadership we must continue to build appropriate marketing and manufacturing capabilities to stimulate and meet demand.

Q: "To sell in Europe we must continue to produce in Europe,"—quoting David Packard...

A: I am in complete agreement for various reasons. Tariff walls are building up around the EEC in particular, as I said earlier. Moreover, the EEC is taking a closer look at multinationals, and regulations as to product origin, company ownership, etc. are being considered. Remember, too, we are not alone in this market. We have giant European competitors that take advantage of "in market" production to compete in the price/performance race. These are the defensive reasons. On the positive side, let's not forget that productivity at HP's European manufacturing divisions is very competitive in spite of smaller volumes. A manufacturing rationalization program in its final stages of implementation should help improve this even more. Building on these facts, it's not hard to understand why HP has developed aggressive R&D programs in each European manufacturing facility, assigned them worldwide product responsibility as appropriate, and supported the total with professional marketing management. Incidentally, this factory marketing capability has been extended to transferred products as well—the result, the European customer now receives an almost similar level of support to that of a customer in the U.S.

Q: What can we expect in the way of European sales growth?

A: As noted earlier, Europe is maturing and thus so should our order performance in the major countries, and by maturing here I mean coming more into line with U.S. expectations. But there are exceptions, countries that will grow even faster—for example, the Mediterranean, Middle East and Eastern Europe/U.S.S.R. There are tremendous opportunities here, particularly in terms of relative growth of market.

Q: Won't it be difficult to find enough people to do all that work?

A: Yes. The European labor force is limited, unemployment low—problems that must be met with better people planning, better training, etc. But in the end it comes down to whether HP is a good place to work. It's our job to make it so while increasing efforts to promote the company and to attract qualified employees in different fields.

Q: Some governments are enacting new types of labor legislation. How do you maintain the "HP style" under those conditions?

A: HP Europe is continually adjusting to new and often untried laws ranging from various forms of co-determination to benefits enhancements like reductions in working hours. Our actions must be both timely, constructive and visible to our employees, one of the reasons why we want to enhance our employee orientation and information programs. Fortunately, the "HP style" you refer to is a basic concern for

people and good citizenship. What better foundation could you possibly build on while adapting a pension plan or life insurance scheme to particular local conditions?

Q: Is there a formula for HP's future in Europe? We seem to be on the right track.

A: The formula must be "do more of what we have been doing, but do it even better." Most important, we need continued top management attention to HP's European growth opportunities and related problems and an ever increasing awareness on the part of HP employees everywhere as to our European involvement, interests and opportunities. Awareness brings understanding, and understanding new ideas, new ways of doing things. Doesn't a market place like Europe deserve it?

Q: Dick, considérant l'ampleur prise par les opérations de HP en Europe, comme nous le faisons dans ce numéro spécial de "Measure," il est très difficile de croire que notre entrée en scène ne date que d'il y a quinze ans. Nous sera-t-il possible à l'avenir de remporter de nouveaux succès?

R: Une seule réponse: oui. Le marché européen est l'un des plus dynamiques du monde. Notre avenir sur ce continent dépend fondamentalement de deux facteurs: 1) les grands événements économiques, sociaux et politiques qui ont déjà et qui continueront à transformer le "vieux monde" en un nouveau monde, très passionnant; 2) les capacités dont nous ferons preuve, d'une manière globale, dans la direction efficace de nos affaires et dans l'anticipation des changements.

Q: Des changements radicaux?

R: L'Europe occidentale est déjà devenue le plus grand marché du monde à la pointe du progrès économique, géographiquement confiné dans un espace relativement restreint; dans un tel environnement, il ne faut pas s'attendre à trop de surprises complètes. C'est un marché qui progresse vers sa pleine maturité et qui offre toujours plus de possibilités à une entreprise dont la technologie est aussi poussée que celle de HP. Mais ne nous laissons pas induire en erreur: les effets de l'inflation générale et des cycles économiques mis à part, on rencontre des différences considérables dans la croissance économique réelle des diverses régions et des divers pays, de même que dans les tendances politiques et sociales. Pour parvenir à saisir des occasions extraordinaires, il nous faut relever des défis extraordinaires.

Q: Le Marché Commun évoluant, parviendra-t-on plus aisément à avoir un accès plus uniforme aux affaires?

R: Théoriquement oui, mais lorsqu'on considère le climat des affaires au sein de la CEE, on peut distinguer deux tendances apparemment contradictoires. La première conduit à un rassemblement de l'Europe; c'est la tendance principale. Les liens politiques se resserreront de plus en plus, avec de temps à autre des crises temporaires. Les barrières douanières tendront à s'abaisser à l'intérieur du Marché Commun. Mais la CEE se comportera aussi comme un bloc économique protectionniste à l'égard de

l'extérieur; des contrôles s'exerceront sur les importations, sur les investissements et sur les mouvements de la main d'oeuvre. Du point de vue de HP, cela signifie d'une manière générale qu'il nous faudra "européaniser" de plus en plus nos efforts en matière de fabrication et de marketing.

Q: Quelle est la seconde tendance?

R: D'aucuns la considèrent comme une désagrégation de l'unité européenne, et cela en a souvent l'air. Vous avez par exemple les entraves au commerce que sont les barrières non-tarifaires, telles que les différentes normes techniques, les règlements et les campagnes de certains gouvernements en faveur d'achats effectués à l'intérieur du pays et aussi, tout-récemment, les dépôts à l'importation et les restrictions de crédit. Mais vous pouvez également considérer toutes ces mesures comme des difficultés temporaires résultant d'ajustements entre pays européens, survenant au moment où ils se rapprochent toujours plus les uns des autres. Ce sont en quelque sorte les "maladies de jeunesse" d'une Europe plus unie, aggravées par les crises monétaire, énergétique et autres qui secouent actuellement le monde.

Q: HP mise-t-elle à long terme sur un marché européen prospère et unifié?

R: Oui, mais tout en nous préparant pour un avenir lointain, nous devons également demeurer attentifs à la situation à court et à moyen terme. En ce moment même, cela signifie que nous devons maintenir un rapport raisonnable entre nos coûts et nos nouveaux investissements d'une part, et les affaires que nous pourrions conclure sur tel ou tel marché d'autre part.

Q: Comment pouvons-nous mettre à profit les occasions qui, malgré tous les problèmes, paraissent très nombreuses?

R: Comme je l'ai déjà dit, nous devons devenir encore plus européens et cela consiste en partie à mieux nous adapter aux combinaisons multinationales et aux différences nationales. Pour nos organisations de vente, cela implique des plans de marketing davantage taillés à la mesure de chaque pays, de meilleures relations avec les gouvernements et les industriels, une évidence concrète que HP apporte une contribution positive à l'économie et à la vie sociale d'une nation. Dans ce contexte, nous devons rechercher une plus grande régionalisation et un support accru au niveau national. Il nous faudra peut-être aussi parvenir à une plus grande personnalisation de nos produits, afin de se plier aux règlements officiels et de satisfaire les besoins spécifiques des clients européens. En résumé, les exigences de nos clients correspondent à celles que l'on rencontre aux Etats-Unis et, sur la base de son "leadership" technologique, HP doit poursuivre ses efforts pour maintenir, dans les domaines des ventes et de la fabrication, les capacités adéquates nécessaires pour stimuler la demande et pour la satisfaire.

Q: Citant David Packard, "pour vendre en Europe, nous devons continuer à fabriquer en Europe"...

R: Je suis parfaitement d'accord, pour différentes raisons. Des barrières douanières s'élèvent autour de la CEE en particulier, comme je l'ai déjà dit plus haut. En outre, la CEE examine de plus près les entreprises multi-nationales, les règlements relatifs à l'origine des produits, la propriété des entreprises, etc. Rappelez-vous aussi que nous ne sommes pas seuls sur ce

marché; nous avons de très gros concurrents européens qui, dans la lutte pour les meilleures fabrications aux meilleurs prix, tirent avantage du fait qu'ils produisent sur place. Ce sont là des raisons défensives. Du côté positif, n'oublions pas que les installations de production de HP sur le Vieux Continent ont atteint un niveau de productivité très concurrentiel, malgré le volume assez faible de la production. On achève actuellement la mise en application d'un programme de rationalisation de la production qui devrait permettre d'accroître encore cette productivité. A partir de ces faits, il est facile de comprendre pourquoi HP a assigné à chacune de ses installations de production en Europe un programme de recherche et de mise au point très poussé, leur a conféré la responsabilité complète de tel ou tel produit dans le monde entier, appuyant le tout par des directeurs de vente hautement qualifiés. Je mentionnerai encore en passant que cette capacité de vente dont dispose chaque usine a aussi été étendue aux produits transférés d'une fabrique à l'autre, c'est pourquoi actuellement, le client européen bénéficie d'un niveau d'assistance pratiquement équivalent à celui du client américain.

Q: Que pouvons-nous escompter en matière d'accroissement des commandes européennes?

R: Comme je l'ai déjà mentionné, le marché européen progresse vers sa maturité et le volume des commandes reçues de chacun des principaux pays devrait évoluer dans le même sens; par maturité, j'entends ici une correspondance plus étroite avec les perspectives américaines. Mais il y a des exceptions; certains pays et certains marchés progresseront même plus rapidement, comme par exemple les pays méditerranéens, ceux du Moyen-Orient et de l'Est européen, ainsi que l'URSS. On rencontre là des occasions exceptionnelles, spécialement en terme de croissance relative du marché.

Q: Ne sera-t-il pas difficile de trouver assez de personnel pour accomplir tout ce travail?

R: Certainement. Le volume de la main d'oeuvre européenne est limité, le niveau du chômage est bas; ces problèmes devront être résolus par une meilleure planification, par une meilleure formation du personnel, etc. Mais on peut finalement se poser la question: vaut-il la peine de travailler pour HP? C'est notre devoir de faire en sorte que la réponse soit positive, en accroissant nos efforts pour faire progresser notre société et pour nous attacher des employés qualifiés dans nos différents domaines.

Q: Certains gouvernements décrètent de nouvelles mesures en matière de législation du travail; comment, dans ces conditions, pensez-vous pouvoir maintenir le "style HP"?

R: En Europe, HP s'adapte continuellement à des lois nouvelles qui souvent n'ont pas encore été mises à l'épreuve; ces lois vont de diverses formes de co-gestion à un accroissement des avantages sociaux, comme une réduction des heures de travail. Notre réaction doit à la fois intervenir à temps et être constructive et tangible pour nos employés; c'est l'une des raisons pour lesquelles nous désirons améliorer l'orientation de nos employés et les programmes d'information qui leur sont destinés. Fort heureusement, le "style HP" auquel vous faites allusion consiste précisément en un souci fondamental des individus et du respect des lois. Sur quels meilleurs fondements serait-il possible de bâtir, lorsqu'il s'agit d'adapter une caisse de pension ou un plan d'assurance-vie à des conditions locales particulières?

(continued)

Q: Un mot d'ordre régit-il l'avenir de HP en Europe? Nous paraissions être sur le bon chemin.

R: Ce mot d'ordre pourrait être: "continuons à faire ce que nous avons déjà fait, mais faisons-le encore mieux." Ce qui est le plus important, c'est que la direction générale de HP continue de vouer toute son attention aux possibilités d'expansion de la société en Europe et aux problèmes qui lui sont liés et que partout, les employés de HP soient toujours plus conscients de l'engagement, des intérêts et des possibilités de leur société en Europe. Cette prise de conscience conduit à la compréhension, et la compréhension à de nouvelles idées, de nouvelles façons de faire. Un marché comme l'Europe ne le mérite-t-il pas?

F: Wenn man die Geschäftsentwicklung von HP im Raume Europa verfolgt, wie wir es uns für diese Sonderausgabe des "Measure" zum Ziel gesetzt haben, so kann man sich nur wundern, dass wir auf diesem Kontinent tatsächlich erst vor 15 Jahren Fuss gefasst haben. Glauben Sie, dass wir auch in Zukunft weiter in diesem Masse Erfolg haben werden?

A: Da gibt es nur eine Antwort: ja. Europa ist eines der regsten Marktgebiete der Welt, und unsere Zukunft hier hängt im wesentlichen von zwei Faktoren ab: 1. dem wirtschaftlichen, sozialen und politischen Entwicklungsverlauf, der auch weiterhin zur Umgestaltung der "Alten Welt" in eine neue, höchst reizvolle Welt beitragen wird; 2. unserer Fähigkeit, in unserer Tätigkeit das richtige Mass zu treffen, indem wir die Geschäfte mit Kompetenz leiten und kommende Veränderungen voraussehen.

F: Meinen Sie tiefgreifende Veränderungen?

A: Westeuropa hat sich heute bereits zum wirtschaftlich höchstentwickelten und fortschrittlichsten Markt der Welt auf verhältnismässig beschränktem geographischem Raum entwickelt. Dieser Markt reift weiter heran und bietet einem technologisch hochentwickelten Unternehmen wie HP wachsende Möglichkeiten. Man darf sich jedoch nicht täuschen lassen: es gibt abgesehen von den Auswirkungen der allgemeinen Inflation und der zyklischen Geschäftsentwicklung sehr krasse Unterschiede sowohl in der tatsächlichen Wirtschaftsexpansion, wie der politischen und sozialen Entwicklung der verschiedenen Regionen und Länder. Wenn wir aussergewöhnliche Gelegenheiten wahrnehmen wollen, so müssen wir auch aussergewöhnliche Risiken in Kauf nehmen.

F: Wird das künftige Gedeihen der Wirtschaftsgemeinschaft die einheitliche Gestaltung der Geschäftstätigkeit erleichtern?

A: Theoretisch sollte dies der Fall sein. Wenn wir uns jedoch in der EWG näher umsehen, so stellen wir zwei sozusagen entgegengesetzte Tendenzen fest. Ein erster Trend—der im Vordergrund steht—strebt direkt einem vereinten Europa zu. Die politische Zusammenarbeit wird immer intensiver, wobei zwischenhinein auch immer wieder Rückschläge zu verzeichnen sein werden. Die Zollschranken innerhalb des EWG Marktes werden allmählich abgebaut. Andererseits spielt die EWG nach aussen hin die Rolle eines protektionistischen Wirtschaftsblocks, was

sich in einer Ueberwachung der Importe, der Investitionen und des Arbeitsmarktes auswirkt. Das bedeutet, dass HP seine Bestrebungen im Bereich des Marketing, der Produktion und der allgemeinen Orientierung mehr und mehr wird "europäisieren" müssen.

F: Und der andere Trend?

A: Er wird zum Teil als eine Absage an die Idee des geeinigten Europas bezeichnet, und sieht auch tatsächlich vielfach so aus. In dieses Kapitel gehören z.B. die Verhandlungen über die sogenannten NTB (non-tarif barriers, "Nichtzollschranken"), wie etwa nicht übereinstimmende technische Normen, Regelungen und Kampagnen der Regierungen zum Schutz der Inlandproduktion, seit einiger Zeit auch Importabgaben und Kreditbeschränkungen. Man kann aber diese Tatsachen auch als Uebergangs- und Anpassungsschwierigkeiten der europäischen Nationen auf dem Wege zu einer bisher nie erreichten Einheit auffassen, also als eine Art Kinderkrankheit eines werdenden Europas, wobei allerdings die weltweiten Währungs-krisen, Energieprobleme usw. die Genesung erschweren.

F: Rechnet HP auf lange Sicht mit einem gesunden und einigen Europamarkt?

A: Gewiss, doch wenn wir einerseits unsere Stellung in der ferneren Zukunft festlegen, müssen wir andererseits die Entwicklung der Lage auf kurze und mittlere Frist im Auge behalten. Zum jetzigen Zeitpunkt bedeutet das z.B., dass unsere Kosten und Neuinvestitionen in einem gesunden Verhältnis zu unsern potentiellen Möglichkeiten im betreffenden Markt-raum zu stehen haben.

F: Wie können diese Möglichkeiten überhaupt genutzt werden? Trotz allen Schwierigkeiten scheinen diese doch in recht grosser Zahl vorhanden zu sein.

A: Wie bereits angedeutet, müssen wir uns mehr europäisch ausrichten. Dazu gehört, dass wir uns auf mögliche Kombinationen von einerseits internationalen und andererseits spezifisch nationalen Interessen einstellen. Was unsere Verkaufsorganisationen betrifft, so äussert sich das in national besser zugeschnittenen Marketingplänen, und engeren Beziehungen zu Regierungen und Industrien. Damit ist offensichtlich, dass HP konkret zur Wirtschafts- und Gesellschaftsgestaltung eines Landes beiträgt. In diesem Zusammenhang, sollten auch die regionalen Interessen vermehrt berücksichtigt und die Unterstützung auf nationaler Ebene gefördert werden. Ferner ist eine selektivere Individualisierung der Produkte anzustreben, Dank welcher sowohl die Forderungen der Regierungen wie die besonderen Bedürfnisse der europäischen Kundschaft auf ihre Rechnung kommen. Zusammenfassend kann man sagen, dass die Abnehmer hier denjenigen der USA inbezug auf die hochgezüchteten Anforderungen keineswegs nachstehen, und dass HP deshalb weiterhin als technologisch führendes Unternehmen geeignete Marketing- und Fabrikationsgrundlagen zur Anregung und Befriedigung der Nachfrage schaffen muss.

F: Laut David Packard "müssen wir auch in Zukunft in Europa produzieren, wenn wir in Europa verkaufen wollen"

A: Ganz einverstanden, und zwar in verschiedener Hinsicht. Ich habe bereits darauf hingewiesen, dass insbesondere rund um die EWG Zollmauern entstehen. Ausserdem lenkt die Wirtschaftsgemeinschaft ihre Aufmerksamkeit

vermehrt auf die multinationalen Interessen und fasst bereits Regelungen betreffend Produkt-herkunft, Eigentumsverhältnisse usw. ins Auge. Ferner ist nicht zu vergessen, dass wir auf diesem Europamarkt nicht allein sind, sondern dass mächtige europäische Konkurrenten sich die Vorzüge des "Binnenmarktes" zunutze machen, um sich im Preis/Leistungsrennen behaupten zu können. Soweit die Defensivgründe. Auf positiver Seite ist zu sagen, dass die Produktionsstätten von HP in Europa trotz des geringeren Volumens höchst konkurrenzfähig sind. Mit einem Programm zur Rationalisierung des Fabrikationsprozesses lassen sich, wenn es bis ins letzte durchgeführt ist, die Ergebnisse noch verbessern. Auf Grund dieser Erkenntnisse ist auch verständlich, weshalb HP in jeder europäischen Produktionsstätte ein schlagkräftiges Forschungs- und Entwicklungsprogramm ausgearbeitet, ihr die gebührende weltweite Verantwortung für ihre Erzeugnisse übertragen und die ganze Organisation durch eine leitende Marketingstelle mit kompetenten Fachleuten abgestützt hat. Die Folge ist, dass diese Produktions-Marketingstellen auch das sogenannte Transfergeschäft in die Hand nehmen mit dem Ergebnis, dass der europäische Kunde praktisch dieselbe Betreuung geniesst wie der USA-Kunde.

F: In welchem Masse ist ein Anwachsen des Auftragsvolumens in Europa zu erwarten?

A: Wie bereits erwähnt, macht Europa einen Reifeprozess durch, zu dem die Entwicklung des Auftragsvolumens ungefähr parallel "heranreifen" dürfte, wobei dieses Heranreifen gleichzeitig auch im Sinne einer Annäherung an die für die USA festgelegten Erwartungen zu verstehen ist. Es gibt jedoch Ausnahmen, d.h. Länder und Marktgebiete, die eine verhältnismässig raschere Expansion verzeichnen, wie z.B. das Mittelmeerbecken, der Mittlere Osten, oder der Raum Osteuropa/UdSSR. Hier gibt es phantastische Möglichkeiten, die gerade in diesem relativen Expansionsmeer liegen.

F: Wird es nicht schwierig sein, genügend Kräfte zu finden für all die bevorstehende Arbeit?

A: Bestimmt. Die europäischen Arbeitskräfte sind beschränkt, die Arbeitslosigkeit liegt sehr tief. Diesen Problemen müssen wir mit verbesserter Personalplanung, sorgfältigerer Ausbildung usw. zu Leibe rücken. Schliesslich kommt es darauf an, ob HP wünscherechte Arbeitsplätze zu bieten hat. Es ist unsere Aufgabe, hierfür zu sorgen und uns gleichzeitig in noch vermehrter Masse, um den Aufschwung unseres Unternehmens zu bemühen und qualifizierte Angestellte auf verschiedenen Gebieten heranzuziehen.

F: Gewisse Regierungen erlassen zur Zeit neuartige Arbeitsgesetzgebungen; wie können wir den "HP-Stil" unter solchen Umständen trotzdem beibehalten?

A: HP in Europa passt sich fortlaufend an neue, zum Teil noch unerprobte Gesetze, von den verschiedenen Arten der Mitbestimmung bis zu den gewinnbedingten Belohnungen in Form von Arbeitsverkürzungen usw. an. Unser Vorgehen muss zugleich zeitgerecht, konstruktiv und für die Angestellten durchschaubar sein. Dies ist auch einer der Gründe, weshalb wir uns dem Programm für Angestelltenaufklärung und Information ganz besonders widmen. Zum Glück entspricht der von Ihnen ange-tönte HP-Stil ganz grundlegenden menschlichen und staatsbürgerlichen Grundsätzen und

stella deshalb eine denkbar geeignete Grundlage dar, wenn es gilt, etwa ein Pensionskassen- oder Lebensversicherungsschema den gegebenen lokalen Verhältnissen anzupassen.

F: Gibt es eine Formel für die Zukunft von HP in Europa? Wir scheinen ihr immer mehr auf die Spur zu kommen.

A: Die Formel lautet: "Mehr und noch besser handeln, als bisher gehandelt wurde!" Wichtig ist vor allem, dass unsere HP Konzernleitung den Expansionsmöglichkeiten mit dem zugehörigen Problemen ständige Aufmerksamkeit schenkt, und dass alle Angestellten von HP ein ununterbrochen waches Interesse für unsere Teilnahme, unseren Gewinn und unsere Chancen in Europa zeigen. Denn Wachstumsbedeutet Verständnis, und Verständnis bedeutet neue Ideen, neue Mittel und Wege. Ich meine, ein Markt wie Europa ist diesen Aufwand wert!

D: Dick, considerando le operazioni europee della HP, come facciamo in questo numero speciale di "Measure"? È difficile credere che il nostro impegno sul mercato europeo risalga a soltanto 15 anni fa. Potremo continuare ad avere altrettanto successo in futuro?

R: La risposta è semplice: Sì. L'Europa è uno dei più dinamici mercati del mondo. Il nostro futuro dipende essenzialmente da due fattori: 1. il vasto sviluppo economico, sociale e politico che ha trasformato e che continuerà a trasformare il "vecchio continente" in un mondo nuovo ed eccitante. 2. la nostra capacità di mantenerci all'altezza della situazione gestendo efficacemente le nostre attività ed anticipando i cambiamenti.

D: Cambiamenti radicali?

R: L'Europa occidentale è ormai diventata il mercato più economicamente più importante, nei limiti di una superficie geografica relativamente piccola—in questo tipo di ambiente non dobbiamo aspettarci sorprese troppo drammatiche. È un mercato in via di maturazione che offre possibilità crescenti ad una compagnia di elevato livello tecnologico assai elevato come la HP. Ma non lasciatevi trarre in inganno! Facendo astrazione degli effetti di un'inflazione globale e dei cicli d'affari, vi sono grandi divergenze nella crescita economica reale della differenti regioni e dei vari paesi, come pure nelle tendenze politiche e sociali. Per approfittare di straordinarie opportunità dobbiamo far fronte a situazioni straordinarie.

D: Quando il Mercato Comune si svilupperà ulteriormente sarà più facile sviluppare un'impostazione più uniforme nei confronti degli affari?

R: Teoricamente dovrebbe essere così, ma quando si osserva l'attività d'affari della CEE si possono discernere due tendenze apparentemente contraddittorie. Una è la concentrazione dell'Europa. Questa è la tendenza principale. Vi sarà una collaborazione politica sempre più stretta con interruzioni momentanee. Vi saranno meno barriere tariffarie imposte al commercio all'interno del Mercato Comune. Ma la CEE agirà anche come un blocco economico protezionistico nei confronti dell'esterno; con con-

trolli sulle importazioni, sugli investimenti e sul flusso di mano d'opera. Per la HP questo significa che essa dovrà "europeizzarsi" sempre più nel suo sforzo di marketing e di produzione e nella sua immagine generale.

D: Qual'è l'altra tendenza?

R: Alcune persone la identificano nel declino dell'unità europea e spesso questa visione sembra fondata. Vi sono le cosiddette "BNT", cioè le barriere non tariffarie imposte al commercio come ad esempio svariate norme tecniche, regolamentazioni e campagne governative a favore della produzione nazionale e recentemente anche depositi sulle importazioni e controlli creditizi. Ma tutto questo può essere interpretato come la conseguenza della difficoltà transitorie di assestamento della nazioni europee, nate dal loro avvicinamento più accentratore che mai: un processo di sviluppo di un'Europa più unita, aggravato dalle crisi monetarie mondiali, dai problemi energetici ecc.

D: Punta la HP su un mercato europeo equilibrato ed unificato a lungo termine?

R: Sì, ma mentre ci poniamo in una prospettiva a lungo termine dobbiamo tenere conto anche della situazione a breve ed a media scadenza. In questo momento ciò significa, mantenere i nostri costi e i nuovi investimenti in rapporto "equilibrato" con le nostre opportunità d'affari in ogni mercato.

D: E come possiamo far uso di queste opportunità malgrado la molteplicità de problemi che sembra esistere?

R: Come ho detto prima dobbiamo europeizzarci ancora di più e parte di questo consiste nella capacità di un migliore adattamento alle combinazioni delle differenze multinazionali e nazionali. Questo significa per le nostre organizzazioni di vendita elaborare dei piani di marketing meglio adattati ai criteri nazionali, migliorare le relazioni governative ed industriali, ed evidenziare i contributi positivi della HP alle economie ed alle società dei vari stati. In questo contesto si tratta di perseguire una regionalizzazione più accentuata e di intensificare l'assistenza a livello nazionale. Avremo inoltre bisogno di una personalizzazione più selettiva dei prodotti per soddisfare le regolamentazioni governative e per adattarsi alle esigenze specifiche dei clienti europei. Per riassumere, i nostri acquirenti si collocano ad un livello di sofisticazione uguale a quello dei clienti americani, e sulla base della preminenza tecnologica costante della HP dobbiamo continuare a creare delle capacità di mercato e di produzione appropriate per stimolare e per soddisfare la domanda.

D: "per vendere in Europa bisogna continuare a produrre in Europa," sostiene David Packard...

R: Sono perfettamente d'accordo per varie ragioni. Come ho detto prima, intorno alla CEE si stanno formando delle barriere tariffarie. Inoltre la CEE sta esaminando più da vicino le multinazionali e le regolamentazioni relative alle origini dei prodotti, alle proprietà delle compagnie ecc. Bisogna ricordare ugualmente che non siamo soli su questo mercato: dobbiamo competere con i giganti europei che producono all'interno del mercato e che sono quindi avvantaggiati nella corsa al prezzo competitivo. Queste sono le ragioni difensive. Dal punto di vista positivo, non dobbiamo dimenticare che la produttività della unità di produzione europee della HP è molto competitiva nonostante i piccoli volumi di produzione. Un

programma di razionalizzazione della produzione, che si trova nello stadio finale d'applicazione, dovrebbe migliorare ulteriormente la produttività. Sulla base di queste constatazioni, non è difficile capire perché la HP ha sviluppato dei programmi aggressivi R&D in ognuna delle fabbriche Europee, assegnando loro responsabilità produttive su scala mondiale con metodi di marketing specializzati. Incidentalmente le capacità di supporto di marketing delle fabbriche Europee sono state ampliate anche a prodotti trasferiti—da ciò deriva che i clienti europei ricevono ora un livello di assistenza simile a quello che ricevono i clienti americani.

D: Cosa possiamo aspettarci in merito allo sviluppo degli ordini europei?

R: Come ho detto prima l'Europa è in via di maturazione e quindi dovrebbero esserlo anche gli ordini nei principali paesi. Per maturazione intendo il fatto di uniformarsi sempre più alle aspettative degli Stati Uniti. Ma vi sono delle eccezioni: paesi e mercati che cresceranno persino più rapidamente—ad esempio i paesi dell'area mediterranea, del Medio Oriente e dell'Europa orientale/URSS. In queste zone esistono delle favolose possibilità, in particolare in termini di crescita di mercato.

D: Non sarà difficile trovare tutto il personale necessario per effettuare questo lavoro?

R: Sì. La mano d'opera europea è limitata, la disoccupazione è bassa: questi problemi debbono essere affrontati per mezzo di una migliore pianificazione del personale, di una formazione più approfondita ecc. Ma in fin dei conti tutto sta nel vedere se la HP è un buon posto di lavoro. È nostro compito renderlo tale aumentando gli sforzi per promuovere l'immagine della compagnia e per attrarre lavoratori qualificati in vari settori.

D: Alcuni governi si accingono a mettere in vigore nuovi tipi di legislazioni del lavoro; come pensate di poter mantenere lo "stile HP" in queste condizioni?

R: La HP Europea si adegua costantemente a leggi nuove spesso originali che spaziano da varie forme di codeterminazione degli aumenti a vantaggi come per es. la riduzione dell'orario di lavoro. Le nostre azioni debbono essere contemporaneamente tempistiche, costruttive e visibili per il nostro lavoratore. Questa è una delle ragioni per le quali desideriamo intensificare i programmi d'informazione e di orientamento del nostro personale. Fortunatamente lo "stile HP" al quale lei si riferiva si interessa fondamentalmente all'individuo e al buon cittadino. Quale migliore base per un programma di adattamento di un piano di pensione o di uno schema di assicurazione sulla vita a particolari condizioni locali?

D: Esiste una formula per il futuro della HP in Europa? Sembra che ci troviamo sulla buona strada.

R: La formula deve essere "fare di più di quello che abbiamo fatto in passato, ma farlo meglio." Dobbiamo continuare a dedicare la massima attenzione alle opportunità di uno sviluppo europeo della HP e ai problemi connessi. Dobbiamo inoltre suscitare una coscienza sempre più profonda nel lavoratore HP nei confronti del nostro impegno europeo, dei nostri interessi e delle nostre opportunità. La coscienza provoca la comprensione e dalla comprensione scaturiscono idee nuove, nuove maniere di agire. Un mercato come l'Europa non lo merita?

by any other name...

There is evidence that Hewlett-Packard is becoming better known around the world, thanks to such developments as the pocket calculators with their consumer advertising, publicity and widespread use. But any hope that the company's name has become a household word is quickly dispelled by the following examples received in the mail at the Boeblingen (Germany) plant, mostly from customers ordering pocket calculators . . .

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