

MEASURE

The
changing
shape of
HP divisions





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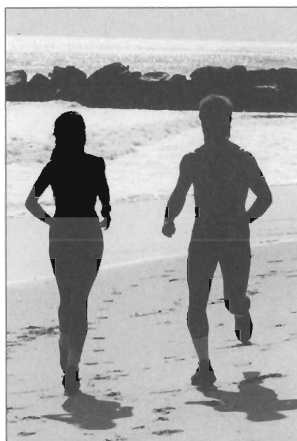
Divisions used to be pretty common-looking creatures. They looked alike and operated alike. Today's divisions take many forms reflecting HP's structural complexity. Cover illustration by Steve Osborn.

Winning the war on drugs: a personal fight 8

Tim Brown went from star athlete to alcoholic and drug addict. Now, with HP's help, he's recovering from his addictions.

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A commitment to success and excellence has made HP Taiwan one of the fastest-growing entities within HP. Their five-year goals? Merely to be bigger than IBM in Taiwan.



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MEASURE

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Hewlett-Packard Company is an international manufacturer of measurement and computation products and systems used in industry, business, engineering, science, medicine and education. HP employs more than 82,000 people worldwide.

Sculpting the modern-day division

There was a time when HP divisions were nearly identical in organizational form. Today, divisions take many shapes; they are neither fish nor fowl. Just what is this strange animal called a division?



What's happening to the division?

Not too long ago, one Hewlett-Packard division looked pretty much like every other HP division. The name-badge design was different but the division makeup was the same: R&D, manufacturing, marketing, finance, personnel and quality.

Running the division's business was just as clear-cut. The division had a great deal of independence, with worldwide responsibility for marketing and pricing decisions for the products it designed and made.

Today, as Hewlett-Packard drives ever deeper into the systems business, the company's organizational structure has grown far more complex. The classic division is just about history on the systems side of the house. The core functions of R&D, marketing and manufacturing may be split out into entire specialized organizations—the Information Technology Group concentrates on R&D, while the Computer Manufacturing Division manages consolidated manufacturing at five sites. Some divisions have gone away entirely, with their marketing and R&D functions at the group or business-unit level.

The classic division model still works for instrument, analytical and components divisions. Still, some changes are evident—advertising and sales promotion for electronic instruments are handled at the group level, for instance. Marketing centers have been established in Japan, Hong Kong and The Netherlands closer to customers.

"Structure follows strategy," says Executive Vice President John Doyle.

The Systems Technology Sector that he heads includes a Manufacturing and Planning Group to coordinate the interrelationship of all systems activities throughout HP.

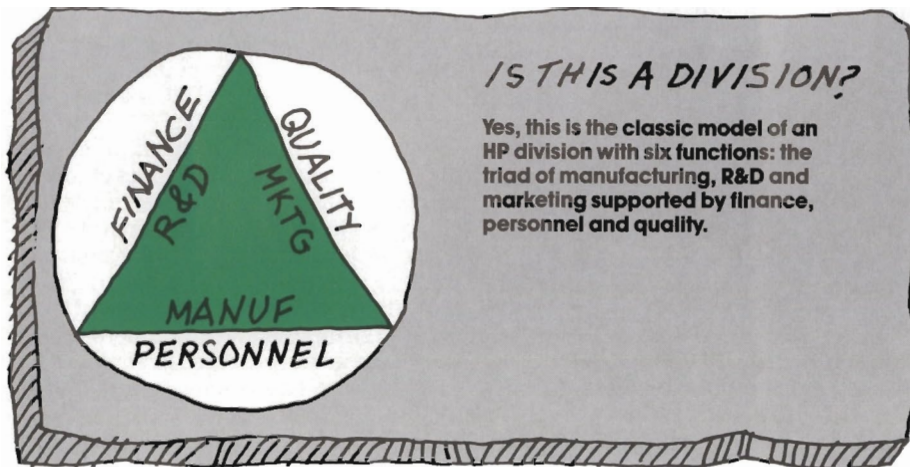
"As our businesses have changed, the division as a strategic unit has changed some, depending on whether or not it can pursue its business independently," John points out. "But even those that are relatively independent are strategically more interdependent with outside suppliers and customers than they once were." He sees fewer changes in the division as a tactical unit, carrying out day-to-day operations.

John is aware that people still want to work in divisions or other entities that are small enough to be personal—"that's why we have so many. We believe in this worldwide, but it does make the coordination problem more challenging."

Many of the changes taking place today at the division level were set in motion in 1984, when a major companywide reorganization created new sectors that were grouped by markets rather than by products. Divisions that had been part of a single computer organization were now in different sectors. While there have been a number of adjustments in sector and group lineups since then, the emphasis on market focus remains the same. In 1987 top management introduced the concept of "rows" and "columns" as a way of looking at the company.

First, general managers were asked how many businesses they thought HP was in. (A "business" is defined as the smallest grouping of related products and services that can be planned more or less independently from HP's other products and services. It usually serves an identifiable customer base and competes against a defined set of competitors.) Their answer: 92 different businesses.

"Obviously, a corporate strategy cannot address questions at that level," President John Young told general



big word within HP to remain competitive. The idea of rigid organizational form is really breaking down."

To meet today's needs creatively, a good deal of artistic license is being taken with the old triad-in-a-circle image of a division shown on this page. Some of the ways in which the division have been redrawn are boldly experimental. Talking to people around the company about the evolution of the division, *Measure* found many approaches and opinions. Here's a sampling of views on what's happening to the division.

"We're seeing a lot of experimentation."

Alan Seely can compare the difference between sitting in the general manager's saddle for an instrument division and a systems division. Now the general manager for the Stanford Park Division, he headed the Roseville Networks Division for six years.

"It's clear that divisions are losing autonomy," Alan says. "It's already happening on the systems side and beginning to happen in instruments.

"Decisions we used to think of as division prerogatives—such as product strategy, marketing strategy and Marcom—are now committee decisions at the group or sector level. It's not as true on the instrument side, but many of the same trends are evident."

His former group, the Information Networks Group, has specialized divi-

managers. "But we can provide some guidance on the kind of businesses we ought to be in."

The rows-and-columns model sorted out who was responsible for going to customers (the rows) and who was an internal supplier of shared products and technologies or support functions (the columns).

Some new entities have been created to fit the model. For example, the Measurement Systems Operation was formed last year by the Electronic Instruments Group to act as a row in marketing DOS and UNIX system platforms.

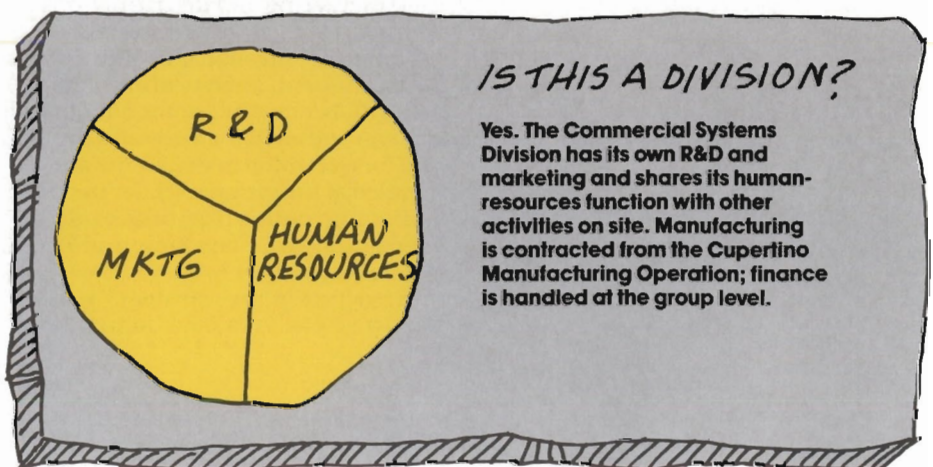
The rows-and-columns concept has also found its way into the world of HP accounting in a new financial reporting model, Performance Measurement Reporting (PMR). It replaces the old profit-and-loss statement for entities. PMR gives a more realistic picture of 10 broadly defined "businesses," which are treated as if they were internal, original-equipment manufacturers (OEMs), buying from HP suppliers at a discount. People throughout HP are just beginning fully to understand the reasons behind PMR and how to view HP through the prism of PMR.

Another factor was the need for more operating efficiency throughout HP to bring down costs in a super-competitive world. Consolidation of computer

manufacturing has taken place at a number of levels, from entire manufacturing departments to integrated-circuit and printed-circuit activities (see page six).

It's no longer a given that a division will have its own completely separate personnel and finance departments. At the multi-entity site of the Components Group in San Jose, California, for instance, general accounting and information systems have been merged for all divisions. A similar trend is under way in personnel, with sitewide services for training, benefits and staffing.

Says Pete Peterson, Corporate Personnel operations manager, "Every functional area is asking, 'Is there a better way?' Flexibility has become a



sions — two in software, two in hardware and manufacturing. There is a group product strategy in place of division strategy.

"Today in systems the general manager is much more a council or committee member than an independent decision-maker," Alan says. "It puts a higher value on teamwork and negotiating skills. Instrument divisions still have general managers in the old sense, albeit with tighter controls from up the line."

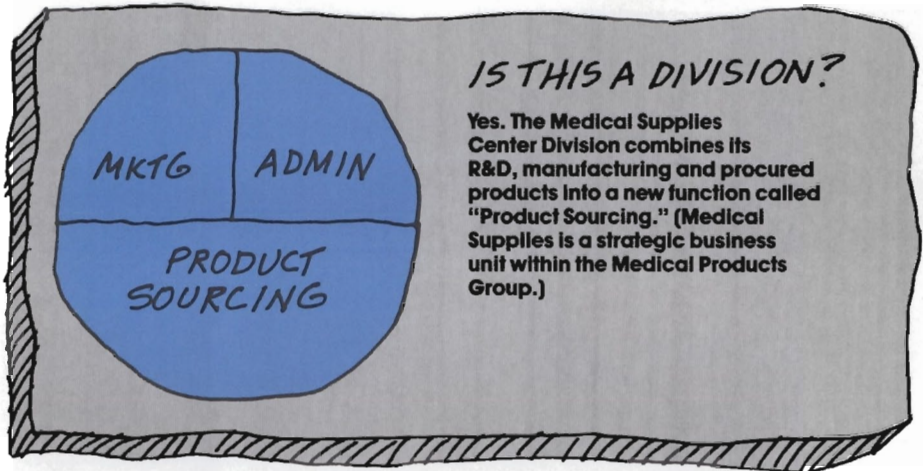
The distinction between divisions and operations (which are smaller and don't have all their own functions) is becoming less clear as division functions erode, Alan believes. "Some operations even have a broader scope of responsibility than divisions." He sees fundamental differences in instruments and computers, particularly related to manufacturing and selling. "Sometimes we extend computer-related lessons too uncritically into the instrument side of the house," Alan thinks. HP's instrument divisions still stand tall in most markets—although competition is increasing—and the markets for various products are still relatively independent.

In computer systems, however, HP is up against giant competition in tightly integrated markets—and running a closely linked yet flexible organization is a must.

Dick Anderson, vice president and general manager of the Microwave and Communications Group, also knows both the instrument and computer sides of the house firsthand.

"Any organizational system has strong and weak points," Dick says. "Small entrepreneurial units like our classic divisions are easy to identify with and responsive to customers—but they tend to generate pieces that don't integrate with the rest of the company."

"On the other hand, big functional organizations have better integration but the complexity of interfaces goes up dramatically. Customer interface is more difficult, and there are more lay-



ers between where things get done and where decisions are made.

"We're seeing a lot of experimentation as a result of the rows-and-columns concept. And on the systems side, the familiar division model doesn't seem to be the best approach anymore."

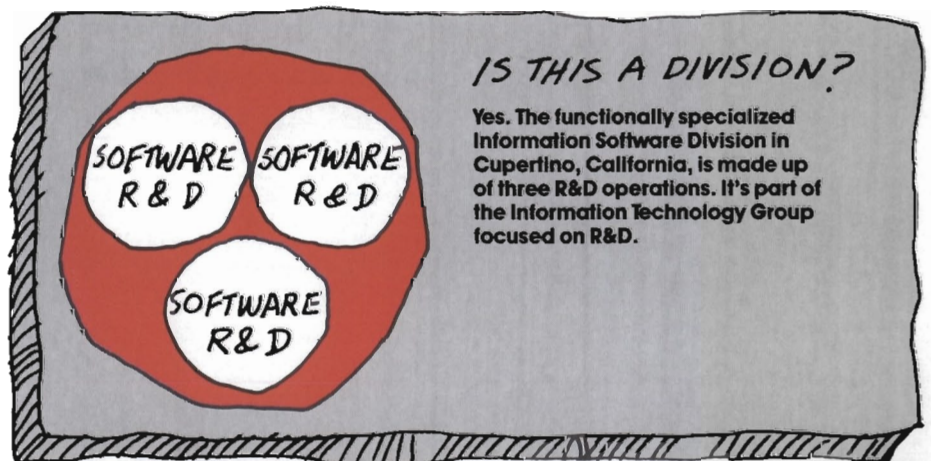
"A division no longer is the same as a facility."

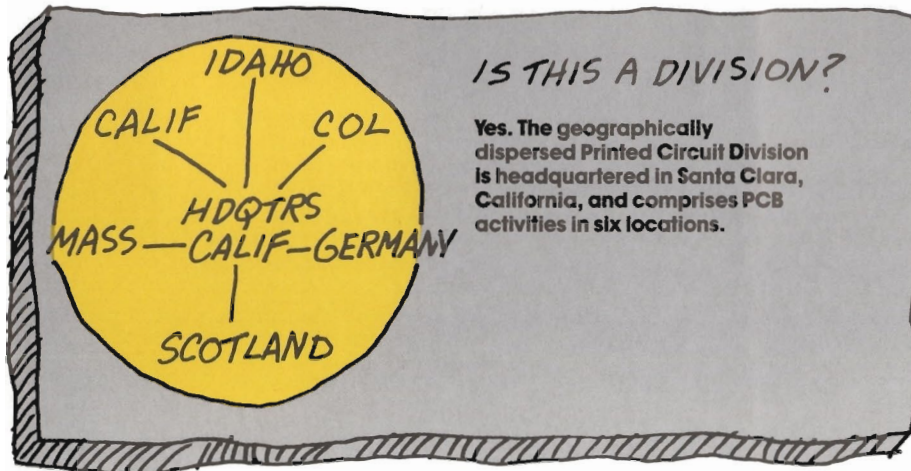
Ben Holmes, vice president and general manager of the Medical Products Group (MPG), began thinking in worldwide product-line terms five years ago. For internal MPG purposes, he introduced the concept of "strategic business units" (SBUs)—aggregations of product lines without regard to geo-

graphic boundaries. The SBU manager was typically, but not always, the manager of one of the group's manufacturing facilities as well.

"Divisions used to be equated with facilities," says Ben. "That's no longer true for us."

In 1986 several SBUs were combined in a "business unit" that did appear on the company organization chart; a second business unit was created in 1987. The group now has a Critically Ill Patient Monitoring (CIPM) BU and an Imaging/Obstetrical Care BU. They function like spread-out divisions, with worldwide marketing and R&D management at business-unit headquarters. Last year the core functions of the Waltham Division and the moni-





graphically split entity with six PCB activities located in nearby Sunnyvale; Boise, Idaho; Loveland, Colorado; Waltham, Massachusetts; South Queensferry, Scotland; and Böblingen, West Germany. That's trimmed down from 11 PCB facilities in 1985.

John calls printed circuits "the start of the food chain." He explains it's vital that divisions have a secure source for the PCBs they now need as well as the technology and capability for future products.

"We always have a balancing problem," he says. "Technologies are getting more and more expensive to develop and install. It's important not to bring on excess capacity or get caught with technologies that are too specialized for a wide range of uses. When to make investments that will yield a unique advantage for HP's new products and when to depend on outside sources is a major question."

By calling the shots centrally, the division now knows what printed circuits actually cost HP and who buys them. The next need is to standardize PCB processes and work closely with integrated-circuits on common packaging.

"PMR is here to stay — it's not going away."

The Peripherals Group, with 10 product lines, is both a row and a column. Its 10 product lines are separated into two major areas. The group acts as a row when selling its personal-peripheral product lines to dealer channels and outside systems suppliers. But it's also a column supplying four other mass-storage product lines and systems printers that connect with HP systems.

As a column, Peripherals gives intra-company discounts to a row business that buy its systems peripherals. As a row, the group is on the receiving end of such discounts to finance its marketing activities.

For instance, disc drives — part of the Peripherals column — are sold primarily

toring activities of the Böblingen Medical Division were shifted to the CIPM BU level.

In 1987, a geographic business unit was created in Europe to manage the group's factories and sales force there.

(The BU structure was tried in both the Technical Systems and Business Systems sector but was later replaced by the group structure.)

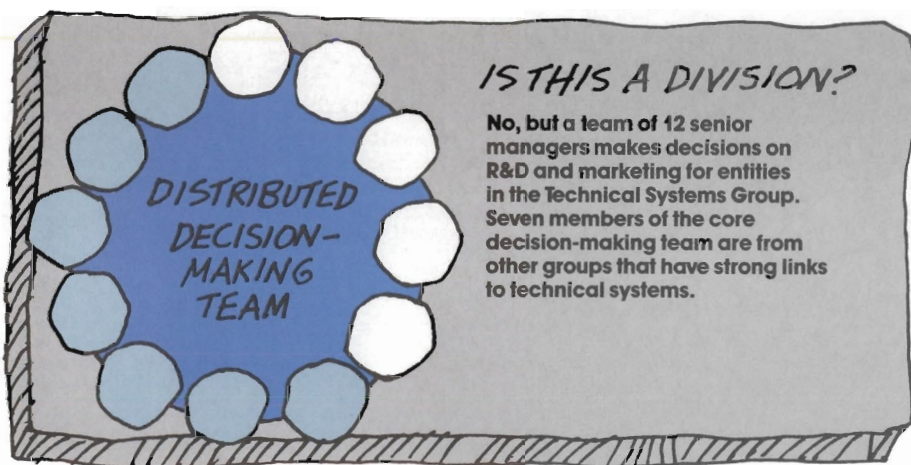
To get the clearest possible picture of how each SBU would look as a complete business, the group does its own quarterly line-of-business report. Trading income and field-sales expenses are allocated to each SBU, along with a portion of the cost of supplies and support activities. The same information is also available by geography.

Says Ben. "We don't even distribute facility financial statements any more."

"It's complex—we have people scattered all over."

Once, printed-circuit facilities around the company were regarded as an extension of their local manufacturing departments. The Printed Circuit Division was formed in 1985 to manage printed-circuit boards (PCBs) centrally and run them as a business to support the product groups.

"We're by no means a classic division," says General Manager John Fischer. "It's a complex organization—we have people scattered all over." From its Santa Clara, California, headquarters, the division team oversees a geo-



to HP's Commercial Systems and Technical Computer row businesses, which incorporate them in systems sold to outside customers. Other internal customers for disc drives are the Engineering and Manufacturing Systems, Test and Measurement, and Analytical rows. These in-house customers receive discounts comparable to those given outside OEMs.

"PMR is the financial incarnation of rows and columns," says Ken Crangle, group financial planning manager. "It's here to stay—it's not going away."

He sees a fundamental change going on. "Peripheral divisions are evolving to reflect the rows-and-columns concept, which better matches the outside business market.

"We're forced to develop a broader understanding of our businesses."

"Now decision-making is distributed to several locations."

Ed Muns, general manager of the Colorado Networks Division, has seen a stream of organizational changes at the Fort Collins, Colorado, site.

Management modes have also changed in systems.

"The decision point used to be the division general manager and his team," Ed says. "Now decision-making is distributed to several locations. We can't go off and do our own solution—but neither are we a captive slave."

He's one of 12 senior managers, including four general managers and three operations managers, who meet to make joint decisions on R&D and marketing for the Technical Computer Group (TCG). In this distributed decision-making team set up by Group General Manager Bill Kay, equal weight is given the five TCG managers and the seven members from "partner" activities in other groups—representing such areas as networking and HP-UX and HP-Precision Architecture soft-

How the division fits into HP

Sector—	At the top of the organization chart, HP is divided into four product sectors (Measurement Systems, Systems Technology, Technical Systems, Business Systems) and a fifth Marketing and International Sector.
Group—	Clusters of entities (sometimes including independent centers and programs) with a kindred set of product lines.
Business Unit—	Part of a group with worldwide responsibility for strategy for one or more product lines. Entities may belong to a business unit but report elsewhere. The only business units today are found in the Medical Products Group.
Division—	Think of it as the original building block of HP, although its exact form will vary. There are hardware, software, networks, support, functional, finance and remarketing, multi-site, and distribution divisions.
Operation—	Usually smaller than a division and without all six functions.
Entity—	The generic term for both a division and operation.
Operations—	An "operation" which has an "s" at the end stands for U.S. Field Sales, European Operations or Intercontinental Operations. (The two international organizations include both sales and manufacturing.) Worldwide Customer Support Operations also uses the term. So does one division.
Region—	Field sales and support operations are divided into regions geographically. Regions in turn are divided into areas.

ware. Ed Muns and the other partners now have an added dotted-line reporting relationship to Kay while continuing to report directly to their own management.

Cutting across organizational boundaries is familiar to Ed, since network solutions must span products and components from many groups and divisions. HP StarLAN 10, the industry-first network that the Information Networks Group introduced last year, will be used in all the company's business areas. Ed says with a laugh that he's still negotiating

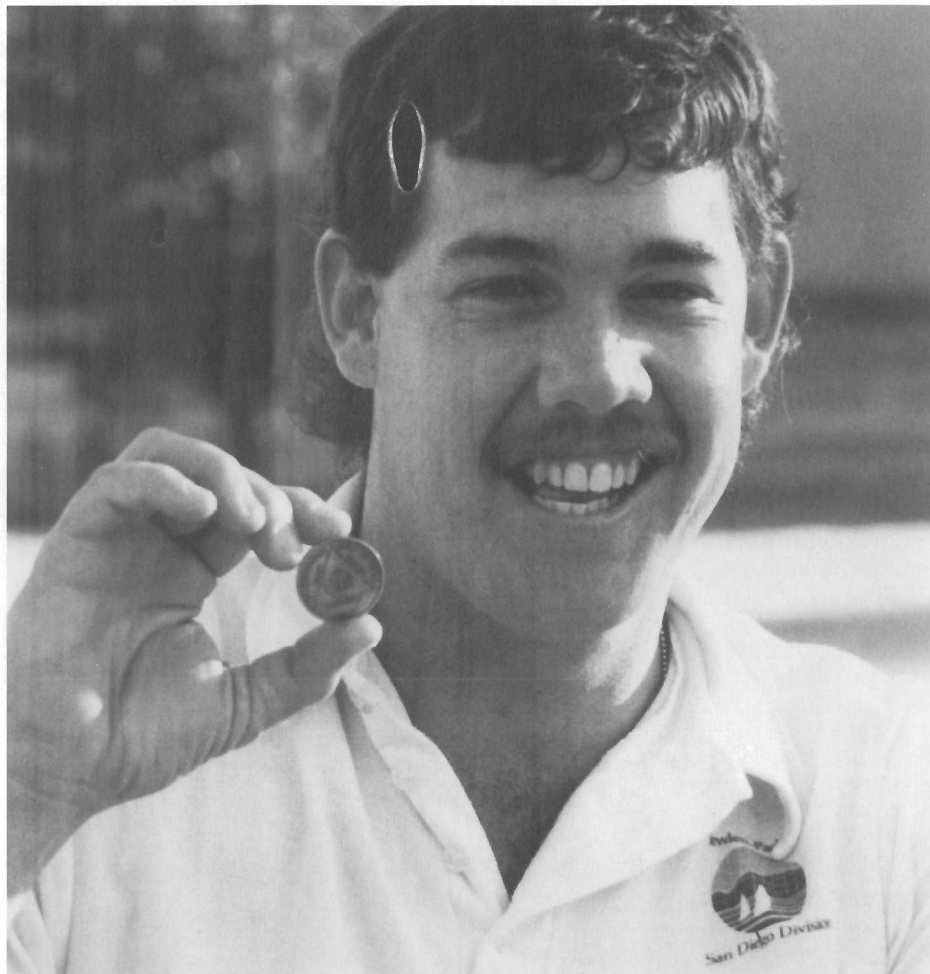
with some groups "to divide up the spoils" in arriving at a completely fair discount percentage for PMR reporting purposes.

Last November Ed gave everyone at CND a generic HP name badge with no division name on it. "This was a signal that while we're together as an entire team, we're working toward an HP team, not a CND team. We've completely done away with a division image."

— Betty Gerard

Every “clean” day is a victory as an HP employee in San Diego battles to keep

Winning the war on drugs: a personal fight



Tim Brown displays the medallion which symbolizes a “clean” year—without drugs and alcohol—for the San Diego Division production worker.

At 6-foot-3 and 250 pounds, Tim Brown looks more like a professional linebacker than a recovering alcoholic and drug addict.

To look at the 27-year-old production worker from Hewlett-Packard’s San Diego Division (SDD), you see an intelligent, healthy employee—a homeowner you’d like to have as a neighbor.

You don’t see the lost soul who drifted from marijuana and LSD to cocaine and crystal methamphetamine during a 10-year escape from reality.

“Eventually,” Tim recalls, “even people I partied with didn’t want to be around me. I would stink after a weekend of partying and not showering or cleaning up. Soon I was sick of myself.”

It’s been nearly 18 months since Tim drank alcohol or took drugs. Every “clean” day—without drugs or alcohol—is a victory. And he delights in sharing his story in hopes that it may help others involved in substance abuse.

“I was 13 the first time I smoked marijuana,” Tim says. “I had heard since the fifth grade that ‘grass’ was bad for you and I had to find out if it was true. By 16 I was drinking lots of beers every

week, too.”

Initially, the drugs and drinking didn’t hamper Tim significantly. Twice chosen high school Athlete of the Year, he earned a swimming scholarship to Arizona State University. That’s when the drugs and alcohol began to take their toll. He dropped classes and the university withdrew his scholarship during the second semester of his freshman year.

Depressed and demoralized, he returned to San Diego.

“By now I had experimented with acid and I was living with a guy who was dealing cocaine,” Tim notes. “Losing the scholarship was a hard loss and drugs helped me deal with my problems.”

In 1980, after dropping out of a local junior college and bouncing from job to job, Tim enlisted in the Air Force. During his 32-month enlistment, Tim courted danger frequently:

□ He nearly was run over by a jet when he misunderstood the crew chief’s instructions to remove the blocks under the wheels. “I was constantly in a drugged state and not really aware of

what was going on," Tim says.

□ While poaching alligators with friends in the Florida swamp, he risked his life when he tried to pull a "dead" alligator onto shore. "I clamped his jaw closed with my arm and he spun around like a log. Later my friend was arrested for having an alligator skin, but I never got in trouble."

□ Tim and a buddy were bar hopping on bicycles one night when Tim blacked out. He woke up the next morning in the base hospital with six stitches in his ear and no memory of hitting a curb and being thrown to the pavement.

□ He was nearly arrested entering the base one time when the guard noticed marijuana on the dashboard of Tim's car. "The guard tried to call the military police, but the line was busy," Tim

remembers. "The guard let me go because I told him I only had that small amount of grass, and he told me not to be so stupid the next time. The fact is, I was dealing drugs on base then."

□ In 1983 Tim married a woman who had been dishonorably discharged from the Air Force. "She was shooting cocaine and we argued all the time," Tim says sadly. "I never hit her, but one time I had her on the floor strangling her until the neighbors called the police and I left."

When Tim's personnel file got thick enough with a variety of offenses, the Air Force gave him a general discharge for "frequent involvement with civil and military authorities."

By age 24 Tim was divorced, addicted to drugs and alcohol and back in San Diego.

Drugs at HP

Recent statistics indicate that as many as 13 percent of American workers use drugs at work. So it stands to reason that Hewlett-Packard has its share of substance abusers.

Drug use at some locations had become so blatant that employees complained to their supervisors about on-site drug abuse.

The complaints prompted HP to conduct drug investigations at a number of locations, including San Diego, North Hollywood, Santa Clara, Boise, Lake Stevens and Colorado Springs.

At the Lake Stevens (Washington) Instruments Division, HP hired an undercover investigation company to conduct a thorough, months-long drug probe.

The events received considerable local media attention and dozens of employees were terminated.

"HP is taking a tough stance in upholding both its own policy regarding illegal drugs and the law," explains Pete Peterson, Corporate Personnel operations manager. Employees can seek counseling for a drug-abuse problem through the HP-provided Employee Assistance Program.

HP's Personnel Policies and Guidelines state that instances of "use, possession, sale, dissemination or other involvement in illegal drugs or controlled substances" which involve or affect the company or occur on HP property are acts of misconduct, which may result in termination of employment.

Pete Peterson puts it more succinctly: "Solicit the sale or purchase of the stuff at work, use or possess it here, or otherwise involve HP with drugs... and you're gone."



JAY COLEMAN

As a recovering alcohol and drug addict, Tim, right, has received considerable support from his co-workers, including supervisor Bill Augustus.

"The divorce was a low point in my life," he says, "and I started hitting drugs heavier than before, including free-basing cocaine on weekends.

"Cocaine is a very strong, addictive drug which gives you a good 'high' for five to 20 minutes. When you come down you want to get high again. Eventually you run out of drugs, money or both. I got a dealer to front me drugs until I got my paycheck, then I'd virtually turn over my whole paycheck to him.

"I was living with my parents, but I tried to stay away from them as much as possible. They're good, moral, Christian people and I didn't want them to see what I was doing to myself."

Tim began working at SDD in 1984. After a weekend of heavy drinking and drug use he often called in sick on Mondays. He was pale, malnourished and his skin was dry and cracking from the dehydrating effects of the drugs. He and co-workers smoked marijuana and drank three or four beers each during their second-shift dinner breaks.

"I tried to avoid talking with my supervisor as much as possible," Tim explains, "because I was 'wasted' most of the time.

"I would always say 'That's the last time I'll get drunk or do drugs' on Mondays and Tuesdays, but by Wednesday I was feeling better and by Friday I was ready to party again."

Within a few months, Tim received verbal and written reprimands for his absences and poor work performance.

In May 1986, Tim's parents threatened to kick him out of their house if he didn't get help for his addiction. Tim talked with a counselor from HP's Employee Assistance Program (EAP). The counselor referred Tim to a number of drug dependency recovery programs in San Diego.

Tim rejected the idea. He wanted to fight his addiction on his own.

"I stayed clean for about three months," Tim says. "Then one night I told myself a little marijuana wouldn't hurt. And a little tequila. And a little marijuana. And some crystal meth. Within two months I was doing more drugs than ever before."

In December 1986, Tim decided he was "sick and tired of being sick and

How to detect substance abuse

Substance abuse is not an easy problem to spot. It often is well-hidden, even to knowledgeable observers. Some warning signs of the illness are:

- Excessive absenteeism, especially on Mondays and Fridays
- Decreased productivity
- Impaired judgment
- Increased altercations with co-workers
- A decrease in work quality
- Tardiness and prolonged lunch hours
- Increased rates of work-related accidents
- Increased use of health benefits
- Increased theft rates

tired," and checked himself in to the Sunrise Center at San Diego's Pomeroado Hospital—a 30-day drug and alcohol treatment program.

"A lot of people at the center were hooked on crystal meth, although there was quite a variety, including a teenage girl on cocaine, a middle-aged alcoholic man and a woman in her 70s addicted to prescription drugs," Tim says.

"I learned that drugs and alcohol were my way of anesthetizing myself from my problems. Drugs and alcohol weren't my problems; life was my problem and I thought drugs and alcohol were the cure."

While 'drying out,' Tim recovered his self-esteem and rediscovered a religious strength he had lost long ago. Now he attends weekly Alcoholics Anonymous and Narcotics Anonymous meetings in San Diego.

"Those meetings are the key to staying clean for the rest of my life," Tim explains. "Sometimes I forget how serious alcohol and drug dependency is; then I hear about people who stopped going to the meetings, started drinking and doing drugs again and died. I know that could easily be me."

Tim met with his co-workers when

How supervisors can help

- Remember that substance abuse is an illness.
- Make it clear that HP is concerned with job performance.
- Point out that help is available through the personnel department, health services and the Employee Assistance Program.
- Explain that employees must decide for themselves whether or not to seek assistance.
- Emphasize that all aspects of the program are completely confidential.
- Don't attempt to diagnose the problem.

he returned to work to explain where he had been and that he needs their support to ensure a successful recovery.

"HP has played an important role in my treatment, including the insurance that paid the \$7,000 for the Sunrise program and arranging my schedule so that I can attend AA and NA meetings," Tim says. "Since I've been back at work, my attitude has changed; I really care about the product and my performance on the job.

"I appreciate the fact that HP has stood behind me during my recovery."

Today Tim enjoys sharing his chemical dependency success story. Last March he related his story to a group of 200 supervisors at an SDD drug seminar. If you think your employees may have an alcohol or drug problem, Tim advised, encourage them to use the EAP program.

"I can't fix anybody or cure anybody," Tim says. "That has to come from within that person. But I can share my experiences and urge them to get help before drugs or alcohol kills them.

"I'm alive today because I reached out my hand and found help. Other people can, too."

—Jay Coleman

YOUR TURN

Measure readers share their views on matters of importance to employees.

Adopting a can-do attitude

During the past 10 years I have spent at HP, I have seen the pendulum shift on various issues and attitudes. As an instrument field sales engineer for HP, there has been a change in attitude this past year that has been most refreshing. It is a "can do" attitude on the part of many people I deal with at HP.

In the past, it has seemed at times when presented with an obstacle to obtaining a sale, we have tried to see how we (HP) could make the customer conform to our rules, regulations and internal procedures. Instead, now I see people faced with a problem concerning a customer or sales objective respond, "okay. . .how can we do this?"

I don't want to advocate that we throw out all the rules and guidelines, or that the end always justifies the means. Our management has given us a good foundation from which to operate with procedures to help us continue to maintain the high ethical and moral business reputation our company has earned. But instead, it is the positive attitude that we can do something and it is simply a matter of probing beyond the surface of a problem to find a solution that is important.

PHIL RICHARDSON
Mountain View, California

HP positioned to meet the challenge

I am a project manager in R&D from Signal Analysis Division. In September 1986, I began a leave of absence to participate in a unique program offered by the Japan-America Institute of Management Science.

The program includes five months of academics at the institute, studying the language, culture and business practices of Japan. This is followed by a four-month internship with a company or government agency in Japan. I will return to my job at HP this summer, hopefully with expanded knowledge of

our market and competition in Japan.

While studying Japanese companies, I am naturally always comparing them to HP. I am encouraged that it seems most of the advantages held by Japanese companies also turn out to be strengths possessed by HP.

Certainly many American companies are having trouble competing, but it appears that there are a small number of U.S. companies which are very well positioned to meet the Asian challenges of the 1990s, and HP is solidly among them.

REX BULLINGER
Honolulu, Hawaii

"Born in the USA" is an off-key comparison for Roseville

I enjoyed the "Made in Roseville" article in the January-February issue. . . but I don't think your opening reference to Bruce Springsteen came out the way you intended it.

"Rock star Bruce Springsteen sings the praises of being 'Born in the USA,'" you say. Sings the praises? Here's how "Born in the USA" starts:

*Born down in a dead man's town,
The first kick I took was when I hit
the ground
You end up like a dog that's been
beat too much,
'Til you spend half your life just
covering up,
Born in the USA, I was
Born in the USA. . .*

Let's hope Roseville's terminals find a much better fate than The Boss sings about in "Born in the USA."

CRAIG CALLAWAY
Santa Clara, California

We applaud Craig's ability to decipher The Boss' lyrics. As for the Roseville Terminals Division, we believe the cost, quality and success of its products will have the competition singing a different tune.

—Ed.

More sauerkraut, hold the gazpacho

I read with attention your November-December issue of *Measure*. My attention has been attracted by a letter from Greg Amann about the tests on the new HP Industrial Touch display terminal. He mentions that the keyboard was covered with mustard, ketchup and a lot of other interesting ingredients.

I am upset because once more the needs of foreign countries have been forgotten: no red wine, no sauerkraut, no soja sauce, no gazpacho. This is a shame for a multinational company, and especially for this precise issue of *Measure*, whose main subject was Spain.

I hope complementary tests will be performed to certify this terminal for foreign countries.

PIERRE ZILBER
Grenoble, France

We appreciate Pierre's comments, and know that they were made in good taste.—Ed.

Please send mail

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Spirited HP Taiwan enjoys record growth

You need to understand what you're dealing with when it comes to HP Taiwan.

First of all, the subsidiary grew 30 percent from FY86 to FY87. HP Taiwan General Manager Wen Ko accepted an award from John Young in California in January, commending the sales organization for five years of exceptional performance. Until 1987, HP Taiwan had won Intercontinental Operations' award for best overall performance for four years in a row. The '87 award went to Yokogawa-Hewlett-Packard by a narrow margin.

What's HP Taiwan's secret of success? Wen Ko says it's primarily that the people of the Republic of China (ROC), as Taiwan is officially known, operate under a sense of crisis. They have an understanding of the importance to succeed and excel in a world in which the country is recognized by only 22 nations. That drives people to be diligent workers, often willing to go beyond the proverbial extra mile.

Perhaps most revealing of this determination is HP Taiwan's planning process, which includes the participation and commitment of every employee. The process consists of setting five-year goals that cannot be changed. The goals for 1992? Oh, only to be bigger than IBM in Taiwan, and to improve quality in terms of customer service 10 times over.

Also revealing is listening to Wen describe how HP Taiwan's 370 employees fought all last year to come from behind to make their quota. At the end of August, with only two months to go to year-end, HP Taiwan was at 87 percent of quota, but at 101 percent of determination to make it. "We have to win all the time," says Wen. "Excuses can become bad habits. There are always good reasons for business to be slow—the economy, recessions, changes in staff. But when salespeople start thinking about them, you're in trouble. Why should we fail? Let's be the ones who win."

The successes of HP Taiwan are really not so surprising when you look at the country itself. The Republic of China was the first of the "Little Dragons"—Taiwan, Hong Kong, Korea and Singapore—to start the determined transi-

tion from an agrarian to industrial society. The epic Chinese industriousness and intelligence has turned the tobacco-leaf-shaped island into a role model of sorts for developing countries.

In 1949, Chiang Kai-shek moved the Nationalist government and army remnants to China's island province of Taiwan. At the time, Taiwan was war-torn and impoverished, with a per-capita income of only U.S. \$50, generated mostly from agriculture.

Enthusiastically embracing a free-enterprise system in the near-40 years since, the tiny island has become a powerhouse trader to the tune of \$88 billion in 1987, with per-capita income exceeding \$5,000. "Made in Taiwan" labels can be found around the world on everything from personal computers to clothing to umbrellas.

HP Taiwan simply mirrors this spirit of growth and determination. Pre-1970, when Hewlett-Packard was represented by a distributorship in Taiwan, the best year's sales had been \$350,000. Lee Ting, Intercontinental's business development and manufacturing director, says the whole Far East Region, as HP knows it today, sold only a couple of million dollars a year then.

HP's Far East Ltd. (as the HP Taiwan branch was originally named and structured for legal reasons) started in 1970 when a three-man team, including Lee as general manager; Lok Lin as sales manager; and Dick Hornor as service manager, was sent to pioneer the subsidiary. In retrospect, Lee says that operating conditions at that time were very similar to those currently facing China Hewlett-Packard, HP's joint venture with the People's Republic of China (see *Measure*, November-December 1986).

Both Lee and Wen Ko credit the ROC government for having a vision about development. President Chiang Ching-kuo, Chiang Kai-shek's son who died in January 1988, is said to have been largely responsible for the country's transformation because of his liberal economic programs. Throughout the '70s, the government created research centers, established organizations to help industries develop, aided universities and made education available to everyone. High-tech development was



DAVE BARTRUFF



The colorful gate at the entrance to the Chiang Kai-shek Memorial Park is one of the most recognizable landmarks in Taipei. Portuguese mariners originally called Taiwan *Ilha formosa*—"the beautiful island"—in the 1600s.

a high priority by the mid-'70s. In the '80s, the government was offering venture capital for engineers to start high-tech companies. Wen Ko is confident that progress will continue under Lee Teng-hui, the former vice president who succeeded Chiang Ching-kuo, in accordance with the constitution, hours after Chiang's death.

Liberal economic policies have helped HP Taiwan grow and gain a good reputation in the country as a company that is reliable, creative and innovative.

Hewlett-Packard was the first computer company to build its own headquarters in Taiwan. Located in the heart of Taipei's business district, the 14-story building on Fu Hsing North Road was a demonstration of long-term commitment to the country. There are sales offices in Chung Li, south of Taipei; Tai Chung, in central Taiwan; and in Koashiung, Taiwan's modern port city in the southwest.

A major thrust of HP Taiwan's business in the '80s has been bringing Chinese-language products to the Taiwan marketplace. An antiquated Input/Output system produced by HP Taiwan in the early '80s has been replaced by more refined solutions, such as the HP Asian Vectra. Computer product sales make up 60 percent of HP Taiwan's business and are expected to expand throughout the '90s as integrated business systems and sophisticated solutions become Asian-language realities.

Instruments and medical products are also big sellers in Taiwan. Marcom Manager Susan Liu says HP Taiwan's marketing efforts concentrate on pursuing selected accounts and projects within government organizations (the government's Chung-Shan Institute of Science and Technology is HP Taiwan's largest account by far) and the country's many small electronic and manufacturing companies. Special effort is also devoted to developing value-added channels. In 1986, HP Taiwan invested in a local software company, an important strategic industry for the country.

IBM is HP Taiwan's biggest competitor, while Wang has a strong image when it comes to office automation products. DEC and Taiwan's own Multitech also have a strong presence.

HP operations in Taiwan are really



RENEE LYNN

HP Taiwan's success, says General Manager Wen Ko, is due to its employees' commitment.

three separate stories. Besides HP Taiwan, the Taipei headquarters building is also home to Hewlett-Packard Formosa Plastic Group (HPFG), and the Asian Personal Computer Operation (see story, page 15). All are separate entities, related by a common mission.

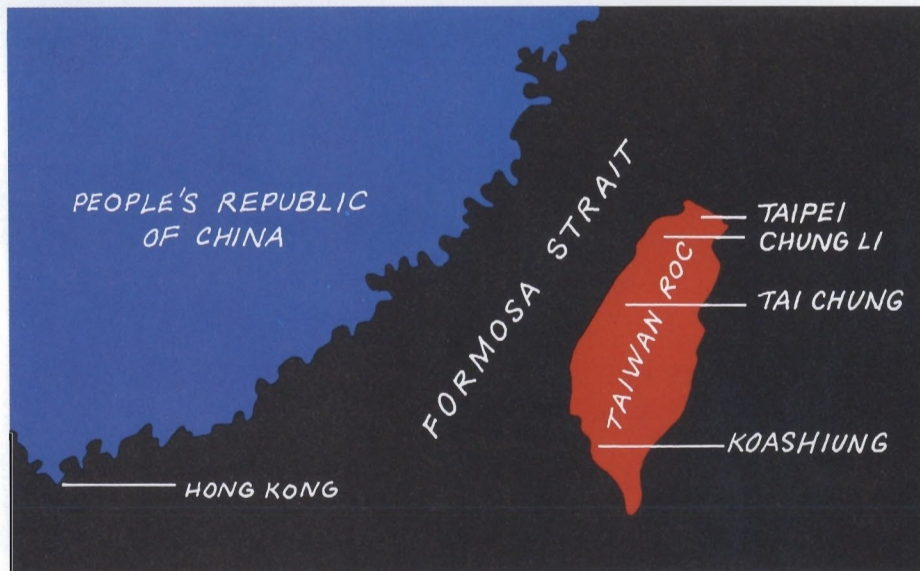
HPFG is a joint venture with Taiwan's largest and most prestigious company—Formosa Plastics Group, a company so diversified it even runs the largest hospital chain in ROC. They are also one of HP Taiwan's major customers. HPFG's purpose, says Operations Manager Terry Cheng, is to act as a computer-integrated manufacturing (CIM) consultant and system integrator

for HP in Taiwan. Terry says such consultation generates additional business and has established HP as the leader in the manufacturing marketplace.

The joint venture grew out of a unique project that developed when the ROC government's Electronics Research & Service Organization (ERSO) tried to coax Taiwan businesses into investing in high-tech businesses. Unlike its fierce competitor Korea—with its handful of major conglomerates that dominate the economy—Taiwan's economy is still dominated by multitudes of small businesses. Few Taiwanese companies are large enough to invest in research and development. After ERSO officials visited a number of printed-circuit board plants in the U.S., they asked HP if it would build a printed-circuit board shop just like its own plant in Sunnyvale, California.

HP counter-offered, suggesting it would be better if Taiwan would learn to design such a plant with HP's help as a consultant. ERSO enlisted Formosa Plastics Group to make its first venture into high technology.

That agreement brought HP's Happy Holden, now back in California for the Printed Circuit Division, to Taipei in August of 1984 to oversee the planning and building of this "factory of the future" for Nan Ya Plastics Corporation,





Steve Ng, APCO operations manager, wants every HP division to think globally.

APCO/Taiwan

Steve Ng, operations manager for the Asian Personal Computer Operation (APCO) based in Taipei, says his team's long-term goal is to assure that HP is recognized as the leader in integrated business systems in Asia and that APCO becomes a full-fledged division to provide worldwide products.

"One of our main objectives," Steve says, "is to get every HP division thinking globally as they develop and design products around the world so that when a product is released, it can automatically be localized in any country. That way, for the same investment dollars, a product could be sold easily anywhere in the world."

APCO's mission is to provide and promote Asian language solutions for the Business Systems Sector

products. In a nutshell, it is to provide the countries of the Far East Region and the Japan Region with solutions and support as they localize HP products. "We provide common localizable hardware, operating systems and applications with generic English manuals, and each country localizes the products by doing messages and manuals translation, input methods and so forth."

Steve's operation is part of the Personal Computer Group, based in Sunnyvale, California, and reporting to GM Bob Puette. But housed in HP Taiwan's building in Taipei, Steve also reports to Wen Ko, and receives administrative support from HP Taiwan. APCO germinated in Sunnyvale in 1984 when a multinational team came together to form a master plan to consolidate what had been scattered efforts in each country to produce local-language systems. Despite cultural, political and technological differences, the team formed a strategy that has brought all the Asian countries together to work toward common solutions to the problem.

APCO's vision, says Steve, is to be the leader in the integrated business systems market in Asia by 1992. He says HP probably is the closest among all competitors to being able to offer integrated business systems with local-language support to Asian-speaking customers around the world.

One of the hardest issues the Asian countries face in selling HP products, Steve says, is price, especially in Taiwan and Korea where clones are spewed out in huge volumes. But he's certain HP's reputation for quality and service will override that. The new HP Asian Vectra ES and ES/12 PCs, introduced in March 1988, are even more AT-compatible, have higher performance and a better keyboard, and are less expensive to build because of fewer parts. The Asian Vectra's special dual mode allows full, bilingual capabilities in one workstation at the flip of a switch. That kind of quality, combined with the promise of more and more Asian solutions and peripherals, will keep HP a technology leader in the Asian market.

a member of Formosa Plastics Group. Happy, whom Terry Cheng calls the "guru of the printed-circuit board field," managed the project from beginning to end. The factory, which opened in mid-1985 with the best of what was available in the world, was operating in the black in 1987, capable of producing even sophisticated 12-layer PCBs. Powerful HP 3000 and HP 1000 computers drive all facets of the operation—from product engineering to office administration—and are linked with a local network. The plant is capable of producing two million square feet of PCBs annually, and can produce 3,000 different PCB orders simultaneously, expediting production of sought-after custom-designed boards.

The HP joint venture with Formosa naturally grew out of this experience. With a showcase factory right outside Taipei, and the proven know-how in factory automation, HPFG has become the CIM leader in Taiwan, and created \$4.2 million additional business to HPT in FY87. The CIM consulting HP offers to customers is highly customized, Terry says, and can include providing integrated services linking CAD/CAE with automation, and training companies to do their own strategic planning. Each client—11 so far—receives a comprehensive report, along with a CIM proposal.

Wen Ko says this partnership with Formosa has helped HP Taiwan in many ways. Most importantly, it sends

another clear signal that HP is a quality company that has put down roots in Taiwan. "I always focus on that," says the young general manager. A native of Taiwan, Wen returned home to join HP in 1977 after receiving his master's degree at Michigan State University and starting his career with IBM in the U.S. "I think it sets us apart from our competitors. We have a management team that hasn't changed significantly in eight years, which few competitors could say. That depth of experience and commitment builds trust with customers. And that's probably the most important thing about succeeding in the Chinese business world."

—Jean Burke Hoppe

Charting a new life for Debbie



BRAD WHITWORTH

An HP engineer uses computers and compassion to help a diabetic friend reach her athletic goals.

When HP systems engineer Jim Carbone first met Debbie Frank at the community swimming pool, she was having a bad day. One of New York's top-ranked female triathletes, she was dizzy, pale, irritable and faint after her regular workout. For the past six months she had been trying to balance her fast-paced life with her new-found disease—diabetes.

Their poolside conversation that day blossomed over the ensuing months into a friendship based on their common interests in exercise, community activities and a desire to help Debbie adjust to a diabetic lifestyle.

The final result was a computerized tracking system that would allow Debbie to resume triathlon competition—an almost unheard-of accomplishment for a diabetic.

Diabetes is really two diseases. The less serious, but more common, is Type II or adult-onset diabetes. It most often develops after the age of 40 when the body stops using the insulin it makes. Insulin is a hormone that helps the body convert sugars and starches into energy.

In 1984 Debbie, then 25, developed the more serious Type I (juvenile-onset) diabetes. Her pancreas stopped producing insulin altogether, allowing sugar to build up in the bloodstream. To compensate, Debbie must take insulin every day to stay alive. Because digestive juices destroy insulin, it can't be swallowed. It must be injected under the skin where it can be absorbed directly into the bloodstream.

"Twenty years ago a lot of people died from diabetes because the disease wasn't being properly controlled," says Debbie. "Even though the disease can be controlled today, the consequence can still be death if people don't take care of themselves."

Every diabetic must continually balance three elements to keep blood

Exercise, including grueling triathalons, helps Debbie Frank and HP systems engineer Jim Carbone keep Debbie's diabetes on the run.

sugar levels in balance—food intake, exercise and the amount of insulin taken. That's where Jim and his knowledge of HP computers came in handy.

Jim, a systems engineer in HP's Woodbury, New York, sales office, spends his days with customers throughout Long Island and Manhattan. He works with companies such as Grumman, Citicorp, Sperry, Prudential-Bache and Merrill Lynch to solve technical problems with their personal and handheld computers. In the evening, he works on his master's degree in business administration at nearby Delphi University.

In his "spare" time, he enjoys exercise. A wrestler in high school, he competed in local triathalons, bicycle rides and runs for charitable causes. "I've always been active in fund-raising activities since my undergraduate days at the Merchant Marine Academy in Kingspoint," says Jim. His mother died in 1987 from ALS, Lou Gehrig's disease, and Jim helped the local Multiple Sclerosis Society stage a charity bike tour to raise funds to help find a cure for MS.

Like most athletes, he makes exercise a daily habit. "Sometimes I'll bike the 12 miles to work or to my dad's house, or to campus for classes. I also try to swim one-half mile every night and run about five miles a day," says Jim.

Jim began puttering on the Vectra personal computer while training in Germany. Jim worked with Danish Systems Engineer Per Madsen to design a special form for Debbie on which she could record her blood-sugar levels, caloric intake, exercise, heart rates—some 14 individual readings taken four times a day.

He printed a supply of forms on an HP LaserJet Plus printer and gave them to her in a personalized binder as a surprise one day at the pool. As she filled in the forms and the data piled up, he used his PC and Drawing Gallery software to chart trends. Together they became determined to find a way for Debbie to compete in triathalons.

With Jim's pictures of her blood-sugar levels, Debbie was able to start adjusting her diet and insulin intake to prevent sugar imbalances that caused muscle cramps, dizziness and other

problems during strenuous exercise.

That's also important in Debbie's daily job. She works with clients all over Long Island to develop specially tailored recreational programs. For example, she works with stroke victims to let them regain an active life. She leads aquatic aerobics classes for groups of senior citizens. From day to day her own exercise levels can vary tremendously, so she has had to find ways to stabilize her blood-sugar levels by changing her diet and insulin.

Much of what Debbie and Jim discovered about diabetes and strenuous exercise they learned on their own. Debbie's father had been a diabetic, so she was very familiar with the subject.

But she was surprised to find that there was little documented research on the effects of exercise—mild or strenuous—on the diabetic.

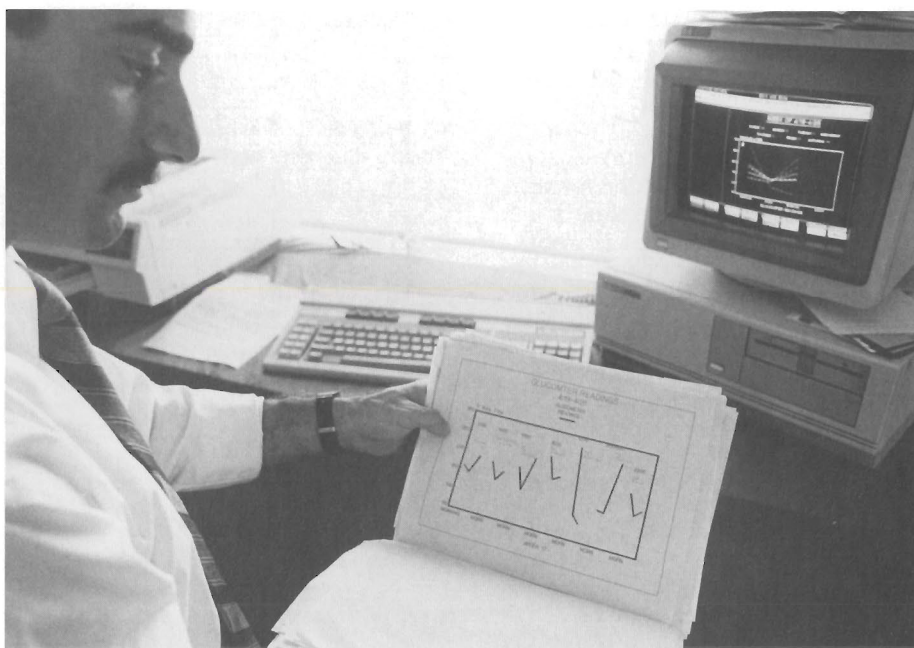
"Debbie had been to five different doctors and was disappointed that most didn't know that much about the disease. And most discouraged any sort of strenuous exercise," says Jim. So Jim and Debbie have become the experts—by going to medical libraries, reading computerized medical databases and talking to doctors who spec-

ialize in the field. "Our computerized records of my exercise and blood-sugar levels are probably cutting-edge research," says Debbie.

Common wisdom about diabetes is changing. For example, a decade ago doctors recommended a high-protein, high-fat, low-carbohydrate diet that would reduce blood-sugar levels and insulin dependence. But those fatty diets increased the likelihood of heart disease. So today, most doctors prescribe a diet rich in complex carbohydrates and high-fiber foods and low on fats, cholesterol and proteins.

Doctors still disagree about whether it's wise for diabetics to tackle strenuous exercise. Many physicians believe diabetics are too fragile and that excess exercise can dangerously lower blood-sugar levels and increase the likelihood of blindness. However, new studies show that regular exercise, especially in the morning, can decrease the risk of clogged arteries and other heart disease and make the diabetic's body more "insulin sensitive."

Debbie decided early on that she did not want to give up her lifestyle—she'd been a competitive swimmer in college, her business was built around exercise



Jim uses his HP Vectra personal computer and Drawing Gallery software to chart trends in Debbie's blood-sugar levels, heart rate, caloric intake and more—some 14 readings in all.

and she felt better when she was in top form. "I decided that I wasn't going to let diabetes run my life," says Debbie. "I told myself I was in charge."

Last summer, after a year of research, planning and training, Debbie and Jim together tackled their first big test—the Oxford Equalizer Triathlon. During this Ironman Qualifier, besides the normal planning for competing in a triathlon, Debbie and Jim had to plan where food, insulin and blood test would take place.

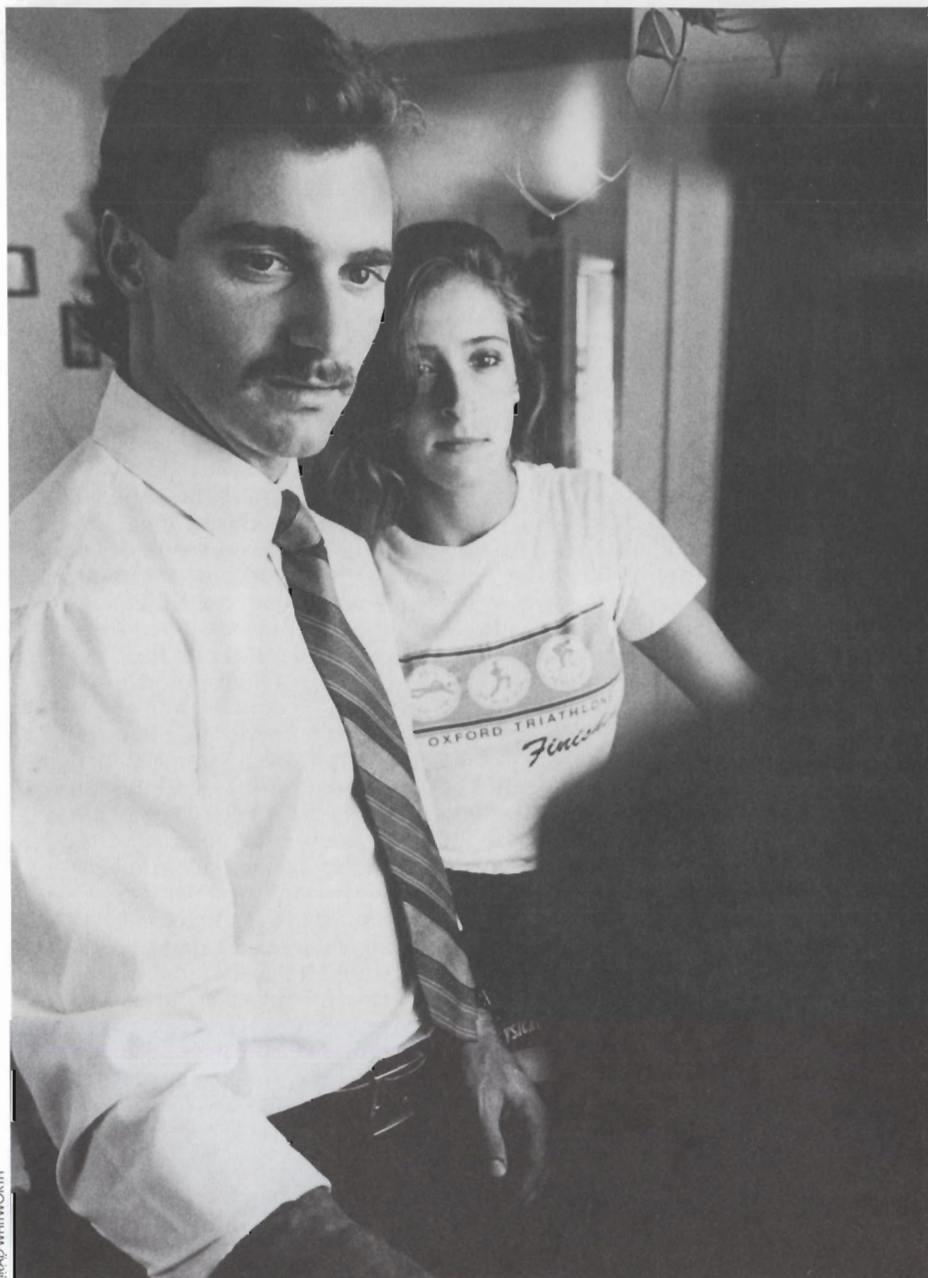
The day started early. At 7 a.m. the pair were in Chesapeake Bay for a 2.4-mile swim. "Debbie came out of the water 10 minutes ahead of me," explains Jim. "She was on her college swim team and she's still that good."

After the swim, Debbie sat down for a snack of Fig Newtons to boost her blood-sugar level to tackle the next leg of the event. Together she and Jim ran the 18-mile road course from Oxford to Talbot in the mid-day Maryland sun. The temperature topped 90 degrees and the humidity was just as high. They spent three hours on the course with planned stops at aid stations for orange juice, blood-sugar readings and Debbie's insulin. They made arrangements for these critical supplies to be delivered to the right spots.

The last leg was a 45-mile bike ride across the tidelands. They both finished the event after nine hours of non-stop exercise. Jim was 60th in the men's field and Debbie placed 32nd among the women. Of the 200 people who started the race, 50 didn't finish.

Debbie's set some other goals for her life. "I like to see people achieve whatever they want to," says Debbie. Besides making diabetes a non-issue in her life, she'd like to open her own health center. It would be staffed with professionals to provide education and training for people with all kinds of physical disabilities. "It's rewarding to work on an exercise program with someone who's undergone a mastectomy or suffered from a debilitating childhood disease. You can see the physical and the emotional progress as they prove that they can master an exercise program and regain control of their own lives."

Debbie's certainly proof positive that it can be done.—Brad Whitworth



BRAD WHITWORTH

The computerized records which Jim and Debbie have compiled of Debbie's exercise and blood-sugar levels probably represent cutting-edge research.

Diabetes' warning signs

Diabetes affects more than 11.5 million Americans. Here are the symptoms of Type I (juvenile-onset) diabetes:

- Frequent urination
- Increased thirst
- Sudden weight loss
- Irritability and listlessness
- Fruity smell on the breath, signifying the presence of acetone
- Reduced resistance to infection.

The same symptoms may also be

warning signs for Type II (adult-onset) diabetes. Type II diabetes generally occurs in overweight people.

Although the disease is genetic, not everyone in a family will become a diabetic. Most doctors now say that the tendency toward the disease is passed from one generation to the next. If someone in your family has had diabetes, you should have yearly medical checkups.

Doctors can determine if you have diabetes with a blood test that checks for an abnormally high level of glucose (sugar) in the blood.

LETTER FROM JOHN YOUNG

Bill Terry, executive vice president of measurement systems, emphasizes the need for teamwork at HP.



John Young discusses the highlights of the recent HP general managers' meeting—including how to play on an 82,000-person team—with Bill Terry.

The HP organization is complex, including many different entities with unique roles and needs. Each of us belongs organizationally with one specific part of the company. That part of the company becomes "HP" for us. We identify ourselves with it and its success, and that's very healthy.

But satisfying customer needs—which is the reason we're in business—involves many parts of the HP organization. We need to avoid a narrow view of HP—"my group, my division"—because it prevents us from recognizing and realizing the potential of our many strengths and interdependencies. We need to work across organizational boundaries to succeed in the marketplace.

At our recent General Managers meeting, Bill Terry talked about "this new, non-optional need for teamwork." I think Bill's comments are very timely and relevant to us all, and have asked his permission to reproduce them here.

—John Young

Working together as a team is an HP hallmark. It's the basis on which we're organized, managed and evaluated. We always seek and recognize the magic of individual contributions. But beyond that, we want people who'll give that extra energy to help the other person for a common good.

Being a member of an 82,000-person team that has thousands of organizational connections sometimes feels like being in a "matrix" mob. Teamwork is much more difficult than in the past when we had a small, convivial hockey team of a company.

Still, both today and yesterday, there is no time or place for people who won't hit the line with all they have on every play unless they call all the signals. Because teamwork is not optional today. Because we need each other much more.

Those in the computer team need the measurement team, because they're the acquirers of the information. They're the ones who gather the data in the fields of interest. They've got the

information the customers want to have processed.

The computer team needs the instrument team to open doors, to create a reputation and to open the minds and hearts of our customers. They need that measurement team as a source of components, technology, people and profits.

And the measurement team needs the computer team, now more than ever before. Measurement-application customers demand products that help display, analyze and manage information. These capabilities are moving from a curious option, to a market necessity, and now toward a key competitiveness advantage.

The measurement people need networks, computers, peripherals and support. These are key elements for growth and renewal in measurement systems.

It's tough to play on an 82,000-member team. But how we think—our attitudes, our instincts, our not-so-casual comments—affect all of our employees and will greatly affect our success in the marketplace.

So I suggest you keep this new non-optional need for teamwork thoroughly in mind. When the other person is in trouble, hold out a helping hand in friendship. And if for some reason you don't have the resources to help, please at least wish them well.

I'm proud to be on this team. I know that individually, we are good—damn good—and getting better. I believe together as a business team on the offensive we can be truly great.

MEASURE

Extra



EUGENE LOUIE PHOTO COURTESY OF SAN JOSE MERCURY NEWS

Millionaire Ron is keeping his "enjoyable" HP job.

It's only money— \$24 million of it

People have told Ron Bouvia that they can think of 24 million reasons why he should quit his job at HP.

Ron, recent winner of \$24 million in the California State Lottery, disagrees.

"I never fantasized about what I would do if I ever won the lottery," says Ron, technician at the Cupertino, California, site. "My attitude about money has always been that what I have is what I have.

That all changed January 13 when Ron became the second-biggest winner in California lottery history. He won the money—\$23,818,200 to be exact—by using his age, address and a few random numbers to correctly select all six winning numbers.

Having to make major monetary decisions is the biggest change Ron has experienced since becoming

an instant millionaire. He has a financial counselor to help him manage the \$952,800 he will receive after taxes each year for the next 20 years. Otherwise, his life hasn't changed much.

Yes, he is selling the house he has lived in for 15 years to buy a new home. And he's treating himself to a new Mercedes-Benz automobile. Someday, when he can spare the time from work, he'll travel to the Orient.

"People have told me that I should just take off, but I can't do that," Ron says. "I like the company and the people I work with, and I'm committed to cleaning up a number of projects before I take some time off.

"I have no plans to quit my job at HP. What would I do—sit home and watch soap operas? This job interests me. If I didn't find it enjoyable and interesting, I wouldn't do it.

"There will be time later to spend the \$24 million. It's just money."

Broom Hilda takes stock in HP

When nationally syndicated cartoonist Russell Myers needed a well-known company name for his January 28, 1988, comic strip, he thought a few moments, then chose Hewlett-Packard.

"There really was no special reason. In fact, there's no reason for most of the things I do," Myers joked with *Measure* in a telephone conversation from his Grants Pass, Oregon, home.

Myers says he has used

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other major companies—such as IBM and ARCO—in his daily comic strip "Broom Hilda," which is syndicated in more than 300 newspapers.

"There's no deep, significant method to how I get my ideas," he adds. "I just like



to have fun with the comic strip."

Myers didn't realize he had misspelled Hewlett ("the syndicate is supposed to catch those things"), but wasn't surprised. "I had three misspelled words in one strip one day, and an



irate letter writer was quick to point it out."

What kind of clout does "Broom Hilda" carry? Well, HP stock rose 3/8ths of a point the day "Hewlett-Packard" was mentioned.



Maurice Liang shot "A Winter's Sunset" on Christmas Eve 1986.

Award-winning photo is a snap for Maurice

Visitors to the Journey Into Imagination pavilion at Walt Disney World/Epcot Center in Florida can see an impressive display of photography—including one photo taken by an HP employee.

In the summer of 1987, Maurice Liang from the Product Support Division in Mountain View, California, entered his photo "A Winter's Sunset" in a snapshot contest spon-

sored by a Las Vegas, Nevada, newspaper.

The photo—one of 500,000 entered in newspaper contests throughout the U.S., Canada and Mexico—was among the winners of the Kodak International Newspaper Snapshot Award. As such, it became part of a permanent display at Eastman Kodak's pavilion at Walt Disney World/Epcot Center.

More than 35 million people have visited the Journey Into Imagination pavilion since it opened in 1982.

Photo finish

The first corporate photo competition unveiled a number of talented shutterbugs, including Firooz Amjadi from the Information Technology Group.

Firooz, who has pursued photography as a hobby for two short years, captured first place in the "high-tech" and second place in the "low-tech" category. They were the only photos Firooz entered in the competition among HP employees in Northern California.

"My photography tends to happen in short bursts as I get a few spare moments," he says. "The thing I enjoy most is capturing interesting angles and recording memories to relive later through my photos."

FIROOZ AMJADI



Firooz Amjadi's avocado leaf won second place.



A boost for wildlife

A young African student can pursue a two-year wildlife conservation program at Mweka College, thanks to a Hewlett-Packard donation of 10,000 Swiss

francs (approximately U.S. \$14,000) to the World Wildlife Fund (WWF).

HP's Customer Support Europe pledged to donate \$1 for each customer-support satisfaction survey returned from European customers from April through September 1987.

In December 1987, HP presented the donation to the WWF in Gland, Switzerland. The gift can cover the entire cost of a one-year sponsorship for an experienced, young African professional at Mweka College of Wildlife Management in Tanzania—the school WWF helped found in 1963. Mweka has trained more than 1,200 graduates from 17 African and 10 non-African countries.

Graduates are a vital link in the promotion of wildlife conversation—integral parts of Africa's future economy and culture.

The WWF has funded more than 5,000 scientifically based nature conservation projects in 150-plus countries since 1963.

Extra MEASURE



A weighty problem solved for Mickey and Minnie

Running an amusement park is big bucks, especially if you're Walt Disney World/Epcot Center near Orlando, Florida.

Each day the magic kingdom receives hundreds of pounds of paper currency—\$1s, \$5s, \$10s and \$20s—and, of course, all the money has to be counted.

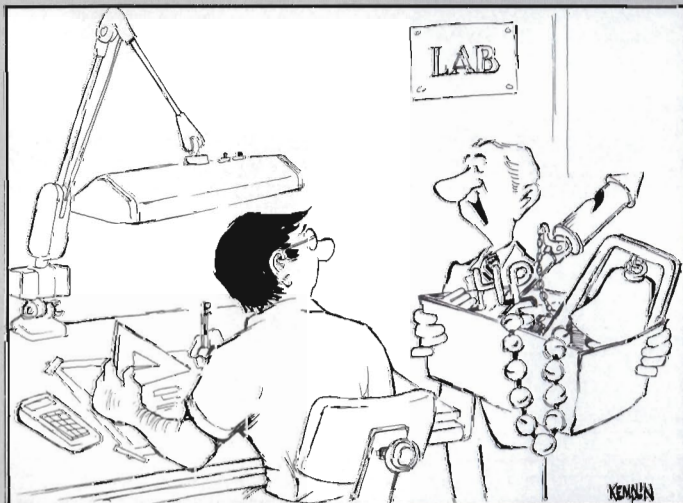
Walt Disney World uses 24 HP-85 desktop computers to weigh bills, which are sorted by denomination and

grouped in stacks of 100 bills each.

The East Coast home to Mickey and Minnie Mouse used to pay a bank \$60,000 to \$75,000 a year to recount the money, but park officials decided that was a goofy idea. They figure the HP system paid for itself in one year.

Quentin English, HP account executive in Orlando, adds that he hasn't had a service call from Walt Disney World in three years.

So the switch to the HP counting system was worth the weight.



The guys in marketing sent over a few ideas...

BOTTOM LINE

Hewlett-Packard Company reported a 26 percent increase in net revenue and a 54 percent increase in net earnings for the first quarter of its 1988 fiscal year ended January 31.

Net revenue totaled \$2.192 billion, compared with \$1.740 billion for the same quarter in FY87. Net earnings totaled \$179 million, equal to 71 cents per share on approximately 251 million shares of common stock outstanding, compared with \$116 million or 45 cents per share in the year-ago quarter. Incoming orders for the quarter were \$2.440 billion, up 26 percent from \$1.931 billion in the FY86 first quarter and the highest for any quarter in HP history.

COMPANY OFFICERS

HP's Board of Directors elected four company officers on January 22:

Franco Mariotti moves up from vice president to senior VP for European Operations.

New vice presidents are **Mike Leavell**, general manager of Worldwide Customer Support Operations; **Franz Nawratil**, director of marketing and sales for Europe; and **Wim Roelandts**, GM of the Information Networks Group.

CHART CHANGES

The Engineering and Manufacturing Systems Group has formed two entities in Böblingen, West Germany. A new Mechan-

ical Design Division under GM **Tilman Schad** replaces the Mechanical Business Operation in Lake Stevens, Washington, and the Böblingen Engineering Operation. A new European Advanced Systems Operation under **Fritz Rombach** as operations manager absorbs the Böblingen Computer Division.

The Business Systems Sector has created a new Corporate Networking Operation in Sunnyvale, California. **Dennis McGinn** adds a hat as its acting GM.

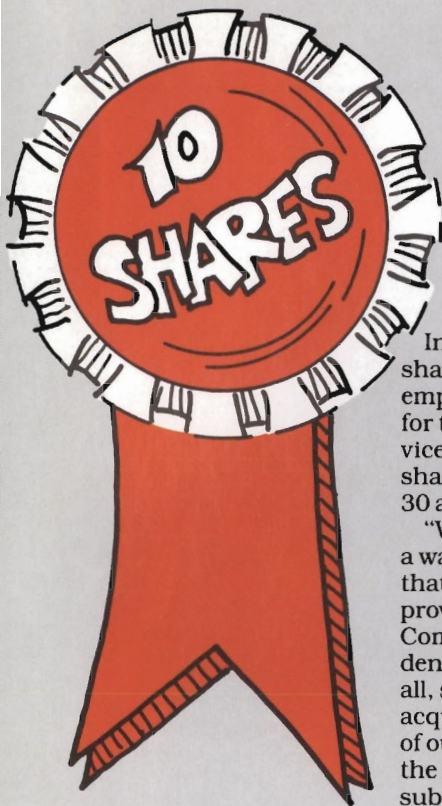
In the Technical Systems Group, two new divisions and several functional organizations replace the former Data Systems Division, Technical Computer Operations, Fort Collins Systems Division and Technical Workstation Operation.

Jim McCabe is GM of a new Technical Systems Division in Sunnyvale, while **Chris Christopher** is GM of a new Graphics Technology Division in Fort Collins, Colorado. **Pete Hamilton** heads marketing.

NEW HATS

Gilberto Dib to head Brazilian operations, managing all sales and manufacturing of HP products in Brazil. He serves both as GM and president of Tesis Informatica and GM of HP do Brazil.

Tom Rohrs to operations manager of the Cupertino (California) Manufacturing Operation.



In addition to the 10 shares of HP stock which employees currently receive for their first 10 years of service, HP is awarding 10 shares to employees for 20, 30 and 40 years of service.

"We have been looking for a way to recognize the value that long-service employees provide to Hewlett-Packard Company," says HP President John Young. "After all, senior employees have acquired great knowledge of our organization and the HP way, as well as a substantial accumulation of skills on the way we do things."

Employees who have celebrated their 20th, 30th or 40th service anniversaries and are in an active pay status on October 31, 1988, will be eligible for a retroactive stock-service award.

Stocking up on service

Employment longevity is paying extra dividends for HP employees beginning in 1988 with an expansion of company stock awards.



Doug helps launch the first HP Asia Pacific Sales Conference.

Going for the gold

Tying in with an Olympic Games theme, attendees at the first HP Asia Pacific Sales Conference in Hong Kong were encouraged to "Go for the Gold" in 1988.

More than 250 HP sales and support staff members from 14 countries in the Far East, Japan and Australasia attended the event, which included motivational speeches, educational workshops and new product launches such as

HP NewWave, HP LaserROM and a four-language Asian line printer.

Attendees at the four-day conference participated in daily exercise sessions of Tai Chi (Chinese calisthenics) and aerobic dance.

Doug Chance, executive vice president for business systems, wore a Chinese emperor's costume during an opening-ceremonies skit featuring a lion dance.

Making an example of HP quality

The Encyclopedia Britannica—well known for its reference books—also distributes films and tapes to businesses, universities, hospitals and other organizations which want to learn how to improve what they do.

To illustrate how to improve quality, the encyclopedia's educational branch chose one company—Hewlett-Packard.

About 80 HP employees are featured on the 20-minute tape, which will be sent this spring to HP quality managers worldwide.

The tape highlights HP's focus on improving customer satisfaction through Total Quality Control (TQC). Two case studies—featuring the Direct Marketing Division and Northwest Integrated Circuit Division—show TQC success stories.

Other HP sites featured include the Customer Information Center, Santa Clara, California's National Response Center, Personal Software Division's "human factors" lab and just-in-time manufacturing at the Personal Computer Group's site.



The "clean room" at the Northwest IC Division is a picture of quality.

PARTING SHOT

HP goes to the movies

A ruthless corporate raider named Gordon Gekko takes an ambitious young stock trader named Bud Fox under his wing.

Will Bud become as corrupt as his mentor or will he maintain his ethics and prove that his principles are more important than financial gain?

That's the premise of "Wall Street," a new Twentieth Century Fox movie which stars Michael Douglas as Gordon Gekko and Charlie Sheen as Bud Fox.

It's a fast-paced movie in which power brokers wheel and deal in smoke-filled rooms, and traders shout their orders on the floor of the frenetic New York Stock Exchange.

Amid all of this excitement and intrigue is a reference to Hewlett-Packard.

The scene—intended for mature audiences—features a slinky blonde who shows her affection for young Bud Fox in the back seat of a limousine. Bud, definitely flustered by the attention, barely can concentrate as the young woman simultaneously loosens his tie and coos, "How's Hewlett-Packard stock doing?"



Corporate raider Michael Douglas gives a stock tip to young trader Charlie Sheen.

"It's an up and coming stock," Bud replies. "It's hot."

Only "Wall Street" writers Stanley Weiser and Oliver Stone know exactly why HP was chosen for the scene, but a film company employee ventured a guess.

"Hewlett-Packard is a big, well-known company, and I think the writer referred to it because people know the Hewlett-Packard name,"

explains a Twentieth Century Fox employee.

"Using names of real companies helps make the movie more real."

"Wall Street" is among the top 10 most-seen movies this year, perhaps because the October 19, 1987, stock market plunge and recent headlines of "insider-trading scandals" have generated renewed interest in the market. Or it could

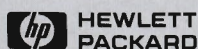
be the star-studded cast or the surprise ending.

In any event, the HP scene is an entertaining part of an equally entertaining movie.

Now the key question: Was Bud's excitement due to the comely blonde or merely from thinking about HP stock?

You'll have to see "Wall Street" to find out.

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