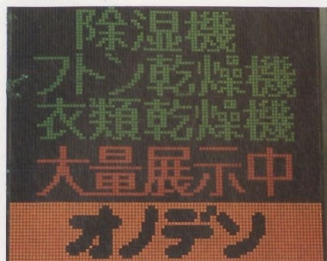


For the people of Hewlett-Packard

September-October 1992

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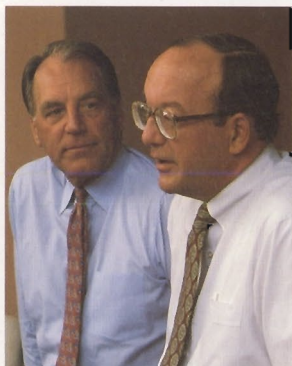
An eye on
the future



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On the cover: A new era for HP begins on November 1 when Lew Platt (right) replaces John Young, who retires as president and CEO. Cover photo by Jack Carroll.

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Hewlett-Packard Company is an international manufacturer of measurement and computation products and systems recognized for excellence in quality and support. The company's products and services are used in industry, business, engineering, science, medicine and education in approximately 100 countries. HP employs 90,000 people worldwide and had revenue of \$14.5 billion in its 1991 fiscal year.



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MOVED LATELY? REPORT YOUR CHANGE OF ADDRESS TO YOUR PERSONNEL DEPARTMENT



PHIL MATT/LIAISON INTERNATIONAL

Says Champion Products' John Pence, "If you guys can jump through it (the main-frame marketplace), you can double or triple the size of your company."

What I'd like to tell HP...

**How can HP improve?
Just ask a customer.**

ROCHESTER, New York—By introducing a new line of high-powered, competitively priced minicomputers, HP is causing information officers at major companies to reconsider their traditional reliance on costly mainframes.

Champion Products, a leading producer of premium active wear and athletic apparel, is among the organizations swayed by the attractive combination of price and performance. Before HP entered the picture, Champion's Rochester, New York, headquarters was linked to the company's dozen manufacturing facilities

through an information system driven by a Unisys mainframe.

With the assistance of a convincing HP sales team, Champion decided the best solution for its future computing needs was to migrate to an environment of networked HP minicomputers.

"HP has a tremendous window of opportunity in the mainframe marketplace," says John Pence, Champion vice president and chief information officer. "If you guys can jump through it, you can double or triple the size of your company."

John is complimentary when he discusses his relationship with HP, saying the quality of doing business with the company is "noticeably higher" than what he has experienced with others competing for his business.

"But if there's one thing I could tell HP," he says, "it would be to work harder to understand the mainframe world. Your average sales person and technical people don't really understand this complex beast of having major applications all running on one box and how to break that down into a more modular environment.

"I would like to see more leadership on your side of the equation rather than having us try to figure it out."

—David Price

(David Price is the communications manager for HP's Eastern Sales Region.—Editor)

PLEASANTON, California—ComputerLand is a \$3 billion company and one of Hewlett-Packard's largest PCs and peripherals resellers. "HP is a terrific company," says Ed Anderson, the president of ComputerLand. "But it could be even better." Here's how:

"We'd like to see HP take the marketing savvy and expertise that it has demonstrated with its other product lines and apply them to the HP Vectra PC," Ed says. "Our customers put less value on a PC; they want a cost-reduced PC. The HP Vectra has not been priced competitively."

Next suggestion: HP has a long, successful record of supplying ComputerLand with a high volume of popular products. But during the last six months, that hasn't been the case with two products: the HP LaserJet IIIP and the HP DeskJet 500 printers. "Those are really important products for us, and we've got



ComputerLand's Ed Anderson tells HP, "Our customers put less value on a PC; they want a cost-reduced PC. The HP Vectra has not been priced competitively."

LARRY BRAZIL

purchasing, warehouse and sales people trained to sell them. Now all we need is the product," he says.

Finally, Ed says, "we've got to find ways for both ComputerLand and HP to cut out our respective 'touch costs.'" Touch costs refer to what it costs a company each time a product is handled or "touched" from the moment it's assembled to the point where the end user buys it.

(The way it works now, HP assembles PCs in basic configurations, packages them and ships them to ComputerLand. If a customer orders different configurations than ComputerLand has in stock, the reseller must either unpack and reconfigure PCs on hand, or place a new order for the required configuration while existing stock remains in the warehouse. Either way, it adds to ComputerLand's cost of doing business.)

To lower touch costs, ComputerLand's president suggests that HP ship PC components, instead of assembled products, to ComputerLand. "We have the capability to assemble those components in whatever configuration our customers want, including adding any third-party solutions, such as chips, cards or software," Ed says.

—Steven Cavallero

(Steven Cavallero is the Neely Sales Region's senior communications representative.—Editor)



"YHP needs to continue to advise us on how to use our computer system more effectively," says Hideaki Nishijima, G.M. of Sekisui Chemical Co., LTD.

TSUKUBA CITY, Japan—To the people of Sekisui Chemical Co., LTD., a house is much more than a home. In fact, the futuristic research they conduct resembles something more like the Starship Enterprise.

Sekisui's Housing Business Division, just northeast of Tokyo, designs prefabricated houses. Engineers and researchers at the General Housing R&D Institute compile data on construction techniques that entail both the highest safety standards and the total comfort of future home-owners.

Machines simulate earthquakes and typhoons, and testing rooms—including a meditation room—measure how harmonically pleasing the home's interior is.

Recently, the institute established SERIAL (System of Engineering Research and Industrialization Aimed at Linkage), an information system to tie together the stages of R&D, concept design and production design. Using SERIAL, researchers can retrieve and examine every part and electronic drawing as they design houses.

Yokogawa-Hewlett-Packard, HP's joint venture in Japan,

worked with Sekisui engineers to design the client-server system, which uses the HP 9000 computer system.

"We are not professionals in these types of systems, and we didn't know if the YHP system could do what we expected," says Hideaki Nishijima, Sekisui general manager. "The YHP people were very enthusiastic in helping us achieve our goals."

In what areas can YHP improve?

"SERIAL is the biggest computer-system project we've ever done at the institute," the G.M. says. "YHP needs to continue to advise us on how to use our computer system more effectively, and on what technology YHP has under development.

"Our R&D engineers say that they also wish YHP's response time was faster; that's an issue that could be improved.

"Our ship has sailed. We can never go back to the harbor. YHP needs to continue its enthusiasm, commitment and consulting help to ensure that our journey together is a successful one."

(Measure thanks Momoko Sekiya, of the YHP public relations staff, for her help with this feature.—Editor)

ST. LOUIS, Missouri—Hewlett-Packard's relationship with EDS UNIGRAPHICS is so successful that in just four years, HP has become its No. 1 workstation supplier.

The relationship has meant more than \$50 million annually in business between HP and EDS. The St. Louis-based company is one of the world's leading computer-aided-design/computer-aided-manufacturing suppliers.

"When HP introduced the HP Apollo 9000 Series 700 workstations, you jumped ahead of the competition in graphics and processing performance," says Bob Brandenstein, EDS UNIGRAPHICS platform manager. "Performance is a key issue with our automotive and aerospace customers."

Bob generally gives HP high marks as a platform supplier, but says that HP's product-delivery system can be frustrating.

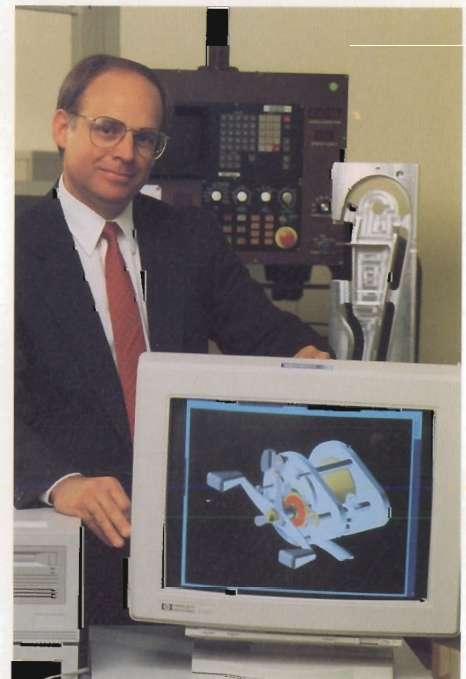
"As a value-added reseller, we sell HP hardware and our software to customers," Bob explains.

"HP ships the hardware directly to the customers, so a coordinated delivery is important. That's difficult because HP has so many manufacturing plants. We're working with HP to improve that."

Recently, EDS didn't find out about an HP price reduction until a customer pointed out that he could buy the equipment for less from HP. "The price change was easily corrected, but the situation created a credibility problem for us with our customer," Bob says. A new HP on-line pricing service should eliminate the problem, he adds.

"Channel conflict" also is a growing concern, Bob notes. "As a value-added reseller, we're prevented from selling certain products, such as HP LaserJet printers, due to HP policies.

"Additionally, our salesmen are losing business to new channels that HP is developing. It's critical that HP manage these channels to reduce conflict." ■



Bob Brandenstein says that EDS UNIGRAPHICS is working with HP to improve on-time product delivery.

JAMES VISSER/LIAISON INTERNATIONAL



Who ya gonna call?

By Cornelia Bayley

HP wants to ensure that the million-plus customers who phone the company each year make the right connection.

Every day, employees working at HP call centers, response centers and sales offices get tens of thousands of opportunities to show customers that HP means what it says about satisfying its customers.

Customer satisfaction is an important HP corporate objective. So is everything HP does to increase customer satisfaction—from building high-quality products, to offering the best training and support.

One direct way HP can satisfy customers is offering good service over the telephone. When a customer calls HP, whoever answers the call is HP to that customer. That one call may be the only direct contact with HP that a customer ever has.

A few years ago, it became clear that customers were not satisfied with the job HP was doing answering calls. Customers were frustrated by being put on hold, transferred from one line to another, redirected and given another number to call, and having to repeat

their problem or question to two or three people before talking to the person who could help.

At first, HP tried a single 800 number for all general pre-sales inquiries. But in a company the size and complexity of HP, with more than 12,000 products, that wasn't efficient for HP or the customer.

Now, there is an "umbrella" 800 number (800-752-0900) for general pre-sales questions, with sector-specific 800 numbers beneath it that deal with specialized product areas. All these 800 calls (80,000 per month) come into the call center of the Direct Marketing Organization (DMO), and get routed by means of automated menus. The specialized numbers have simpler menus tailored to the interests of the caller. Customers make selections by pressing a number on their telephone number pad, ending up with someone who can answer their question.

Though automated call routing may be "state-of-the-art" in terms of technol-



ogy, many customers still equate getting a "real person" at the other end of the line with good customer service.

DMO customer representatives work hard at "keeping a smile in their voices," knowing the customer already may have gone through three or four menus before hearing a real human voice.

In spite of the impersonal nature of the systems, they give customers a greater chance of ending up with an answer—faster. And, the more automated the call handling, the lower the cost for HP. With yearly call volumes in the millions, keeping the cost of each call down is definitely an important consideration.

The field sales offices—which receive tens of thousands of telephone calls a day—range in size from just a handful of people to several hundred. Every employee needs to know how to handle any call that is received.

A task force of the North American Field Operations' (NAFO) call-management committee put together a new North American Customer Assistance Guide to help employees direct cus-

tomers to the appropriate resource in HP. Another task force designed a new training program for call-management for the NAFO business organization. And there is now a process to measure the quality of call management in the field offices.

The customer assistance guide, call-management training and measurement process currently are being tested at pilot sites, and results look good.

Recently, the Worldwide Customer Support Operations' customer-response centers in the United States, which handle more than 130,000 support calls a month, converted to a centralized call-management system.

In the past, customers had to call a different HP number for assistance with hardware or software problems, and numbers varied in different regions. Now, HP customers have a single number to call during regular business hours—one-stop shopping for all their support needs.

The Computer Products Organization (CPO) has a fax service, HP FIRST, (Facsimile Information Retrieval Sup-

port Technology) that allows customers worldwide to receive documentation on CPO products by pressing a number on their fax machine telephone pad.

The CPO Customer Support Center in Boise receives about 90,000 post-sales support calls a month on CPO products (208-323-2551). A menu-driven automated system answers and routes the calls. The only charge to the customer is the cost of the call.

There are still bugs to work out of some of the automated systems. For example, it's possible to get stuck in an "endless loop" of menu choices—none of which exactly matches the information or service the customer is looking for, forcing the customer to choose something that sounds the closest.

With the call level of all of HP's customer support and information services on the rise and the number of HP customers growing every day, keeping up with technology and satisfying customers when they call HP is a "work in progress." ■

Around the world...

The worldwide HP Response Center network is electronically linked and provides 24-hour support. There are 27 HP Response Center locations.

- In North America: California, Georgia, Massachusetts and Canada.
- In Europe: Austria, Belgium, Denmark, Finland, France, Germany, Italy, Netherlands, Norway, Spain, Sweden, Switzerland and the United Kingdom.

- In Asia Pacific: Hong Kong, Korea, Singapore, Taiwan, Australia and Japan.

- In Latin America: Argentina, Brazil, Venezuela and Mexico.

For pre-sales inquiries, the Direct Marketing Organization has European call centers in: France, Germany, Italy, U.K., Austria, Denmark, Finland, Spain, Sweden

and Switzerland.

- In Asia Pacific: Australia, Hong Kong, Japan, Korea, Malaysia, New Zealand, People's Republic of China, Singapore, Taiwan and Thailand.

- In Latin America: Argentina, Brazil, Mexico and Venezuela.

- There are approximately 600 HP sales and support offices and distributorships in 110 countries around the world.

An interview with

JOHN YOUNG

HP PHOTO



Co-founders (from left) Dave Packard and Bill Hewlett pose with John Young in this 1980 annual report photo.

By Katie Nutter

As he prepares to step down after 15 years at the helm of HP, John Young says that his leaving won't make a tremendous difference. The remark is in character; John is an unassuming man.

When he took the lead role at HP in 1978—the first non-founder in that role—he said that the only thing that would change was the addition of the three letters on his stationery—CEO.

On one level, John is right to minimize the significance of his departure. HP's values—trust in and respect for the individual, integrity in all relationships—remain both real and relevant. The emphasis on entrepreneurship and innovation endures, as does HP's ability to continually renew and re-invent itself.

Yet despite John's tendency to downplay his own role, he has left his mark on HP. John's legacy goes beyond leading the company from \$1.3 billion in sales in 1978 to the \$16 billion that's expected to be reported at year-end in 1992.

He surveyed the world's economic landscape and helped HP recognize the implications of the new, low-cost competitors emerging around the world. And so HP—with a tradition of competing on the basis of technological features—learned how to be cost-competitive, too.

John sounded the alarm on quality, set a "stretch" goal of a tenfold improvement in hardware quality and then poked

and prodded people until they took the challenge to heart. "He had this gut-level feeling that a focus on quality was worth doing," says Craig Walter, director of Corporate Quality. "I attribute whatever success we've had to his willingness to stay the course."

Through the focus on quality, John raised the visibility and status of the manufacturing function. Gone today is the era when R&D engineers "threw designs over the fence" to manufacturing, which was expected to build whatever the lab put out. HP has moved beyond "boutique" manufacturing to embrace high-volume, low-cost production.

He also urged HP to tackle time—to quicken the pace of product development. Commenting on how the product-generation process crosses functional and organizational boundaries, John once quipped, "The real issues aren't technological; they're sociological."

John oversaw a dramatic increase in HP's global presence, helping to negotiate and build relationships that would bear fruit over time. "In places like China and Korea, he backed us up at a time when things appeared risky," remembers Alan Bickell, vice president and director of Intercontinental Operations. "He had the vision to go to places that today appear obvious, but weren't then."

John gave his personal efforts to the closing of many a deal, being perhaps HP's most persuasive salesperson. "John's ability to focus on priorities and go for the close of an order in a sales call ranks him as one of the best sales assets we have had," says Jim Dioso, the



ROSEMARY YOUNG

An avid outdoorsman, John takes the helm on a recent fishing trip on the Teton River in Idaho.

Computer Systems Organization lead sales representative for AT&T.

Throughout these and other initiatives, John's management style has been unique. Unlike some CEOs, he hasn't sought the spotlight. Unlike others, he hasn't managed by fiat, saying that HP isn't an army and he can't pretend he's a general. Instead, he has seen his role as facilitator and coach.

"John asks very penetrating, but non-threatening questions," says Dick Anderson, vice president and G.M. of the Microwave and Communications Group. "They're the kind of questions that come from a different perspective ... that make you think ... that keep a person from getting stuck in a rut."

What's the John Young legacy? He guided HP through a transformation that has left intact the company's basic values but leaves it better prepared to thrive in a ferociously competitive, rapidly changing business environment. In short, John helped HP get tough without losing its human touch.

In this interview, John leaves HP employees some of the thoughtful insights that are his legacy.

Q: Why are you retiring now?

A: It's always been my plan to retire from HP at about my 60th birthday. Fifteen years as president of HP is a long time, and the organization will benefit from fresh leadership. My goal was to leave each part of HP with some exciting opportunities and a solid team in place to achieve them. That's where we stand today, and it's appropriate that a new team take up the charge and run with it. Failure often comes from staying too long. I'd like to tell you that my leaving will have a tremendous impact on HP, but it won't.

Q: What do you want to do next?

A: Up until now, I've never had the time or the inclination to develop plans for after I leave HP. I'll take some time over the next few months to consider my alternatives. Fortunately, I have a lot of experience to build on—leading HP, of course, but also interests in such areas as competitiveness, the environment, higher education and venture capital. I'll have a broad range of things to consider.

Q: What was your greatest achievement at HP?

A: No single event so much as growing the company from \$1.3 billion to what will probably be \$16 billion this year—while at the same time retaining the great things about the HP way, the spirit of entrepreneurship, and a vitality and enthusiasm. Elephants can dance!

Q: Aren't you worried that the HP way will get lost in HP's growth?

A: We've always worried about the HP way. Shortly after I started working for HP in 1958, I was assigned the job of doing some of the ground-work for the 1960 general managers' meeting. The question of that meeting: How are we going to keep the HP way alive when we're a \$50 million company? Yet we've found it quite resistant to change.

Recently, I was in Hungary and Czechoslovakia, and already the same team spirit and value system are in place. The HP way travels well and endures because it's the way people like to work. It's something people really value, and that's why I'm optimistic about retaining it.



JACK CARROLL

Says John Young, "The HP way travels well and endures because it's the way people like to work. It's something people really value . . ."

Q: But when HP is so big, what difference can one individual employee make?

A: I hope we've been able to organize in a way that every person in the company can make a difference and be recognized for it. We have 50 to 60 operating divisions and hundreds of sales offices. So there are really quite small groups that people can be part of. At every level, we have people who do make a difference. I think we do an extraordinarily good job of recognizing that. It's one of HP's strengths.

Q: What's really distinctive about HP? When you read other companies' statements of "strategic intent" or their advertisements, we all sound the same. What makes HP different?

A: I think a conversation I had with a customer not long ago expresses it. He said, "John, your company doesn't always have the best things—you even sometimes make mistakes. But we always know where you are, and your credibility is at the highest level. We just have a lot of confidence in the people from HP. When they say they're going to do something, they get it done. If they don't, they're the first ones to tell you so."



John talks with employees during a 1992 visit to the Waltham, Massachusetts, site.

Q: So what makes HP different is an attitude?

A: It's just a lot of attitudes that get formed by this belief that your integrity is the most important thing you have as a company. There's a lot of emphasis on satisfying customers. We don't telegraph any deviance from that role, so it's taken to heart by people. The customer focus is very symmetrical, reinforced by word and deed in about every case.

Q: You once told an employee audience that managing HP wasn't like being in the Army. What did you mean by that?

A: Well, HP isn't like the Army, where you issue orders and things happen. It's a very decentralized company, and deliberately so, with the maximum amount of ownership and feelings of ownership and entrepreneurship that are key to keeping the vitality and innovation in our company.

That's really the most valuable single characteristic I think we have, along with our integrity and creating an environment that attracts the right people and keeps them interested. That makes work fun instead of drudgery. So when you have that kind of people and they all know their customers and their product strategies, it's not that they don't exactly

pay attention to what you say. But it better seem relevant, with something in it for them.

So managing HP I would say is much more about creating an environment, as opposed to issuing a directive—an environment in which people's natural self-interests are served by getting headed in a certain direction.

Q: The day HP announced your retirement, the news got blended in with or overwhelmed by news of Ken Olsen's abrupt departure from Digital Equipment Corporation and Ross Perot's quitting the U.S. presidential race. Isn't that somewhat typical of HP—that the company tends not to get its fair share of the limelight?

A: HP isn't running some kind of entertainment sideshow for the press. We try to let our performance do our talking, and I think that we're not too bad at doing that.

Q: But isn't there some truth to the perception that HP has great technology but weak marketing?

A: That's just plain dead wrong. Our marketing is fantastic. I don't know of another company that has built the kind of dealer organization that we have over the last six or seven years—along with incredible logistics. Today 25 percent of HP's business goes through the dealer channel. Seven years ago, that figure was zero. We built one of the most profitable segments of our business in the middle of what's been a disaster for other folks.

The fact that HP isn't as visible as Apple isn't a problem to me.

Q: If you were going to write a book—"What I Didn't Learn in Business School"—what would it be about?

A: Certainly it would be about leadership and people—just the importance of making mutual contributions. I think in business school you somehow get the impression that you manage things. It's really quite a revelation to see the vitality of the operating level. The working level of the organization makes all the difference in the world.

Everybody has all these ideas. That thought never entered my mind in business school. We're harnessing all that energy—the popular term nowadays is “empowerment”—but it's the kind of thing we've done for a lot of years. Management is all about getting the best out of everybody's contribution.

Q: You've worked a long time with Lew Platt. What makes him the right choice as your successor?

A: He's a strong people manager, an excellent communicator and he's experienced in many parts of HP. He's very well grounded in HP's technologies, very in tune with HP values, our spirit of entrepreneurship. I think he'll keep that spirit of entrepreneurship alive. ■

(Katie Nutter is the manager of Executive and Investor Communications in HP's Corporate Communications department.—Editor)



STEVIE CASTILLO

The retirements of John Young (far left) and Dean Morton (far right) mean that CPO head Dick Hackborn (left center) and new President and CEO Lew Platt will join the HP Board of Directors as of November 1.

A new era for HP

On November 1, a new era—the Lew Platt era—begins for Hewlett-Packard.

It all unfolded with a July 16 announcement that John Young, HP president and CEO, and Dean Morton, chief operating officer, would retire from the company and the HP board on October 31—the end of the 1992 fiscal year.

Lew would become president and CEO. For only the second time in HP's 53-year history, someone other than co-founders Bill Hewlett and Dave Packard will run the company.

Profiled in the March–April 1991 *Measure*, Lew is a 26-year HP veteran. Says Dave Packard, “His proven management skills, his record of achievement, his concern for HP people and values, and his commitment to the HP management philosophy make him an ideal choice to lead HP.”

The July announcement also said that the Board of Directors elected

Lew and Dick Hackborn, executive vice president and head of the Computer Products Organization, to the HP board. Dick, who was profiled in the May–June 1991 *Measure*, is a 31-year HP employee.

Wim Roelandts, vice president and general manager of the Networked Systems Group, succeeds Lew as head of the Computer Systems Organization on November 1.

What do all of these changes—this new era—mean for HP?

It doesn't signal “any sort of dramatic change of direction, and certainly it doesn't signal any change in the culture of the company,” Lew told *The Wall Street Journal*.

“I have a strong belief in team building, and lots of communications—both formal and informal—with my people,” Lew says. “I am generally characterized as demanding but fair.”

A look back with

DEAN MORTON

HP's retiring chief operating officer reflects on his 32-year career.

By Rhea Feldman

In 1960, John Young, who had joined HP just two years before, went to Harvard Business School to recruit for the company. He interviewed a young man named Dean Morton and recommended hiring him.

Little did John know that his recommendation would prove to be an important contribution to HP, and that by the end of their careers he and Dean would share the Office of the CEO, with Dean serving as chief operating officer (COO).

Dean, who will retire October 31, brought many special talents to his work, according to John, "particularly his way with people. He can get changes to happen without making everyone resistant."

"I've always believed managers should work on creating a sense of teamwork and friendship," says Dean. "This is not a company where all the important decisions are made by a handful of people at the top. And that's a real strength of HP. Management does require leadership, but it doesn't mean you're out there every day with grand pronouncements. Getting people to pull



Dean was G.M. of the Waltham (Massachusetts) Division in 1969 when this photo was taken for *Measure*.

together toward a common goal is what makes a difference."

His supportive style of management has won Dean the loyalty of many throughout the company.

"Dean's a good coach," says Executive Vice President Lew Platt, who will become HP's president and CEO on November 1. Lew has reported to Dean in various capacities throughout their careers, starting in 1974 when Lew served as a general manager in the Medical Group that Dean headed.

"He is pretty demanding," says Lew. "He asks hard questions. And he always makes you pay a lot of attention to developing the people working for you."

"He was without question one of the most admired general managers

from Medical," says Janet Dale, who recently retired as communicator for the Medical Products Group.

"It was a joy to see how people greeted him at our 50th-anniversary party. People kept coming up to tease him and say, 'Hey, have you grown too big for your britches now that you're at Corporate?' He would laugh and greet whoever it was."

Dean's road to HP's Corporate Offices started with his interest in electrical engineering. A native Midwesterner, he received his undergraduate degree in electronics from Kansas State University. After college, he spent two years in the U.S. Air Force. Then he worked another two years as a design engineer for Farnsworth Electronics Co. in Fort Wayne, Indiana, before going to Harvard Business School for his MBA.

He chose to come to HP because he admired the quality and technical innovation of its products, which he'd used at Farnsworth. His first job with the company was as a marketing trainee in the Frequency and Time Division in Palo Alto, California—the forerunner of the Santa Clara Division. He still recalls "catching the excitement" about what the division's frequency counters, time standards and synthesizers meant to users.

In 1965, Dean moved east to Massachusetts when he became engineering manager of the Sanborn Division, which had been formed out of Sanborn Company, acquired a few years earlier. Its

products were split between medical equipment and industrial instruments.

Dean, who rose to division general manager in 1969, is credited with setting an important new direction for the organization: to focus it entirely on the medical market. The entity's name was changed to the Medical Electronics Division.

Under his direction, the division applied electronic technology to health care in new ways, enabling medical instrumentation to extend beyond diagnostic testing into the area of patient monitoring.

In 1973, Dean was elected a vice president. A year later a Medical Group was formed with Dean at its head as general manager.

"It was Dean's gift for providing strategic direction that got us into critically ill patient monitoring and also ultrasound, which of course have been such successful product areas for the Medical Group," says retired Executive Vice President Dick Alberding, who succeeded Dean as head of HP's medical business.

In 1977, at the same time John Young was promoted to president (and CEO

The key thing he learned from Dean is "don't act precipitously."

a year later), Dean was asked to come back to California as chairman of the Management Council and executive vice president in charge of the Medical, Analytical and Components groups. Analytical required Dean's special attention early on.



"It's been a challenge to get people to understand that we can consolidate . . . functions and still not lose the essence of (HP's) basic values," Dean says.

"The business was having difficulty," recalls George Glenday, whom Dean hired as group marketing manager. "Dean ran Analytical personally for six months and selected a new team very carefully. He made some very good choices, including naming Lew Platt as G.M. Really, it was the best group I ever worked in."

George, who heads the North American Field Operations today, says the key thing he learned from Dean is "don't act precipitously. Dean's really thoughtful. He considers everything and consequently he makes good decisions."

Dean's next move was to chief operating officer in 1984. Four years later he assumed the additional role of general manager of the Computer Business Organization. When HP realigned its computer-business activities in 1990,

Dean was named to share the Office of the CEO with John Young.

During his years on "executive row," Dean's responsibilities have included taking part in the Account Executive Program, in which senior executives assigned to major accounts help HP form long-term relationships with key customers. Dean has taken on more than twice as many accounts as any other HP executive.

"It's important for everybody to have a long-term view about building relationships with customers," Dean says. "The point of these contacts isn't just to get the next order—although clearly that's one thing we always hope to do. But we also need personal contacts and ongoing relationships to find out

JACK CARROLL

how we can do a better job meeting customer needs.”

Dean’s eight years as COO include what he describes as one of the greatest challenges in his career—helping to manage HP’s consolidation and downsizing activities.

“I know some people feel these moves run counter to what they expect

“I’m proud of the role Hewlett-Packard has played in our society.”

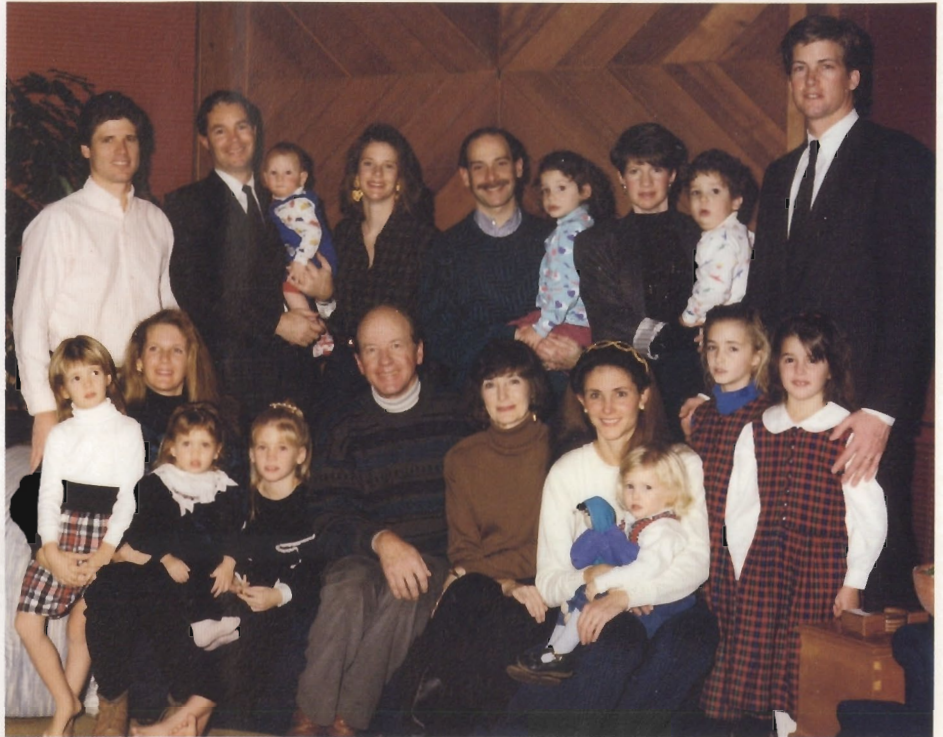
from the company and its culture of stand-alone divisions,” Dean says. “It’s been a challenge to get people to understand that we *can* consolidate things like manufacturing and site management and other functions and still not lose the essence of the basic values of Hewlett-Packard. It’s those values that keep people going.”

After his retirement on October 31, Dean will face new challenges, such as “giving more in the way of advice and counsel to my kids on how to raise our 11 grandchildren. I’m sure they’ll appreciate that,” he says with a laugh.

Dean’s proud of his family and their contribution to his success, particularly his wife, LaVon. “It’s been a team effort all the way,” he says.

Dean doesn’t have a fixed agenda for retirement, but is looking forward to “a little more freedom and choice in how I spend my time.”

Looking back at the time he spent at



Skiing vacations are a Morton family tradition. In this 1990 photo, Dean and his wife, LaVon, are surrounded by their children and grandchildren.

HP, Dean reflects, “I’m proud of the role Hewlett-Packard has played in our society. It’s really remarkable. We’ve helped the electronics industry transform our world, changing the way we communicate and use information. And our industry has created jobs and helped improve the standard of living in many countries.

“Look at what’s happened in Singapore and Japan, or what’s likely to happen in East Central Europe and Latin America. With our global presence, HP has helped bring about those changes.

In fact, we’ve been a model for other firms.

“Just being part of one of the most successful and respected companies during this dynamic half-century is something that makes me proud.” ■

(Rhea Feldman is a speech writer in HP’s Corporate Communications department.—Editor)

Measure readers share their memories of John Young and Dean Morton

Testing the open door

The encounter with John Young that I remember most occurred when I first joined HP. During a break in a training class, two other sales trainees and I decided to test the open-door policy by going to visit the CEO.

John not only took five minutes to visit with us but spent the entire time quizzing us on how we felt the recent field reorganization was working. I was extremely impressed that he would take the time to talk with us, and that he truly cared about our opinions.

I think this experience just typifies everything John Young has done to make HP an excellent company.

JOHN DYER
San Diego, California

John the anchorman

One time John agreed to do a 60-second TV commercial to hype attendance for an important trade show. We met at 6:30 a.m. in the HP Loveland (Colorado) plant and had one hour from start to finish.

We briefed John for five minutes, and spent 10 minutes for lighting, audio and TV-signal calibrations. The remaining 45 minutes were for retakes.

Believe it or not, John improved the script, talked directly to a phantom audience and finished 20 minutes early to have breakfast with division employees in the HP cafeteria — and still was on time for an 8 a.m. meeting. **Wow!**

Results: John's commercial helped HP become the most-remembered



Rehearsing for retirement? Dean and John enjoy life in the slow lane—a rare treat—during a recent trip to Nantucket, Massachusetts.

exhibitor at the show. Many customers and competitors mentioned that John was impressive and perhaps missed his calling as a network anchorman.

WALT SKOWRON
Loveland, Colorado

Backing up Tiny Tim

John and members of his staff visited the Loveland (Colorado) site the year we celebrated 25 years in the community. Employees put together a variety show, including a few skits similar to the old "Laugh In" TV show.

I was going to play Tiny Tim and lip sync "Tiptoe Through the Tulips," but we couldn't find the record, so I planned to sing the song live. About a half hour before the skit some employees convinced me to ask John to play my ukelele while I sang. I thought the worst he could do was say "No."

Well, he was excited to be part of the skit and even pretended to be surprised when I called him from the crowd. He played the role perfectly and strummed the ukelele while I sang.

He really enjoyed doing that and made the employees feel good about him as a CEO who didn't mind being part of their celebration.

MIKE KELLEY
Greeley, Colorado

In all honesty

In March-April 1990, *Measure* printed a story entitled "Making all the right moves." It dealt with the concept of redeployment: "We are now overstaffed and your job here no longer exists. Will you accept a new job elsewhere within the company?"

It was a difficult story dealing with a traumatic period in HP history. Because he was quoted in the story, Dean Morton reviewed it before publication.

Dean returned the copy with two comments: "Good article!" and "What about alternate offer?" Alternate offer—a sensitive subject—meant, in essence, "Your job doesn't exist anymore, and if you don't accept the job we offer somewhere else within HP, you'll have to leave the company."

Here was the No. 2 man in HP telling us that the *Measure* story wasn't honest unless it addressed this sensitive topic. The underlying message—you've got to be honest with people.

Thank you, Dean. That's a good message for all of us—especially *Measure* editors.

JAY COLEMAN
Measure editor

Please send mail

Do you have comments about something you've read in *Measure*? Send us your thoughts. If we publish your letter, you'll receive a free *Measure* T-shirt (one size fits all).

Address HP Desk letters to Jay Coleman; by company mail to Jay Coleman, Building 20/BR, Palo Alto. Via regular postal service the address is *Measure*, P.O. Box 10301, Palo Alto, CA 94304-1181 USA. Please limit your letter to about 150 words, sign your name and give your location. We reserve the right to edit letters.

HP and the five circles

BARCELONA, Spain—When the world's eyes turned to the 1992 Summer Olympics in Barcelona, Catalonia, Spain, from July 25 to August 9, HP employees and equipment were right on the scene.

Two HP employees were among the athletes who took part in the high-visibility competition:

- The 60 women who represented the U.S. in track and field events elected Cindy Greiner from the Boise (Idaho) Printer Division marketing department as their captain. She competed in the women's heptathlon, coming in 9th.

- Bruno Marie-Rose, a computer engineer in HP's Evry, France, office, was on the men's 4 × 100-meter relay team for his country.

A number of HP people from the Barcelona Peripherals Operation served as volunteers at the Olympics—in staff roles such as the welcoming committee, as technicians or chauffeurs, or taking part in the colorful opening and closing ceremonies.

Once again, HP was the primary supplier of drug-testing equipment for the Olympic Games. For the first time, this year a true lab network (HP ChemLan) was used to connect instruments and computers in a hospitalwide local-area network.

HP Espanola, S.A. provided overall support for the Olympics testing lab. Serving as advisers were two SID Operation employees from California: Kannan Pashupathy, R&D project manager, and Erik Reinecke, product support engineer. The network worked perfectly, they report. ■

right

Some 10,000 athletes from 171 nations competed in the 1992 Summer Olympics. The next Summer Games are in 1996 in Atlanta, Georgia.



above

The American basketball "Dream Team" of (from left) Larry Bird, Magic Johnson, Michael Jordan, Patrick Ewing and Karl Malone caused nightmares for opponents, including Angola.



left

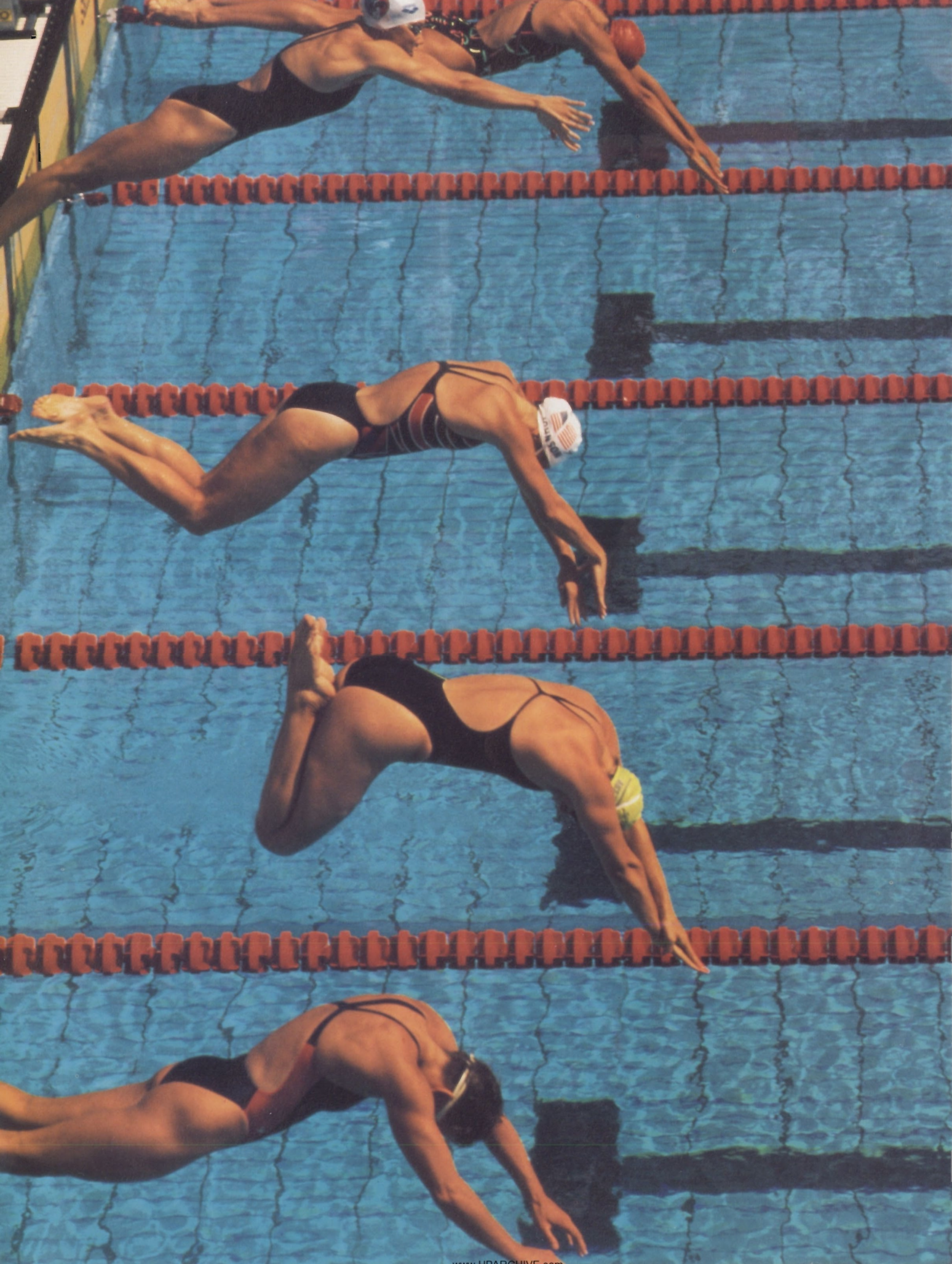
HP analytical gear, including the HP 5890 Series II gas chromatograph, was used by IMIM, the official testing lab for the 1992 Summer Olympics.



left

Some 2,000 tests of athletes were done by IMIM to detect any use of banned substances. Five participants were disqualified as a result.

PHOTOS BY GERRY BYBEE





HEINZ KLUETMEIER/SPORTS ILLUSTRATED

TROY MABEN



above

For HP's Cindy Greiner, shown here in an earlier track meet, Barcelona was her third Olympics competing in the multi-event women's heptathlon. She was elected captain of the U.S. women's track and field team.



ERIK REINECKE

above

Customer engineers from HP Barcelona relax on the beach walkway, away from their support duties at the drug-testing lab. Holding the Catalan flag is Ricardo Canals, CE district manager.

top

While exciting, the 1992 Olympic track-and-field events couldn't match the shock waves from the 1988 Games when Canadian sprinter Ben Johnson forfeited a gold medal after testing positive for anabolic steroids.



Being *in* Japan and having LED samples to show customers is crucial, says Steve Paolini, shown here with Yukiko Ishioka.

Rising expectations

By Betsy Riccomini

HP looks for greater growth in the billion-dollar-a-year Japanese optoelectronics and microwave components market.

SAN JOSE, California—Fields of lettuce reach across the quarter mile behind the Components Group's headquarters to meet the First Street traffic.

From the window of Colin Chin's office, you can see beyond the stretch of green to where the new trolley scoots along the thoroughfare. Though the view is strictly West Coast California, a relic of San Jose's mix of high tech and old orchards, when the Asia Pacific manager looks at the future of the Components Group, he sees the markets of Japan.

"You hear lots about how we are looking to the East for growth. Wrong!" he says, bringing his hand down hard on the desk for emphasis. "We are not just looking East. We are *in* the East, we are part of it. And that requires reorientation, a shift in thought processes."

It's a shift toward improved quality, design support, quick response—what-

ever it takes to meet the group's goal for success in Japan.

HP's Components Group currently holds about 5 percent of Japan's market for the optoelectronic and microwave components they manufacture. That 5 percent makes it the largest non-Japanese player there, but leaves lots of room for growth. And, at close to a billion dollars a year, Japan has become the hottest, most vital electronics components market in the world—larger than the United States or Europe.

It's also the toughest.

Bill Sullivan can attest to that. Until last spring, when he returned to the United States as the Optical Communication Division's R&D manager, Bill ran the Components Group operations in Singapore. He clearly recalls the tremor that shook his organization when a major Japanese customer for optocouplers—also known as photo IC's—came

Expectations

to his plant with reports of an unacceptable failure rate.

"The first stage was denial," Bill says with a rueful smile. Internal measures looked good. HP's optocouplers had 50 percent of the U.S. market, and no one in Europe was complaining. What did the Japanese want, anyway?

Bill and his managers began making multiple visits to the company to try to understand their expectations. "We found they were really, in fact, pretty reasonable people. They weren't asking anything of us that they didn't ask of other vendors."

Turns out the HP tests were measuring total failures divided by all units built. Internal measures could be great, but one bad lot—depending on where it showed up—could yield an unhappy customer.

"We sort of got the quality religion," Bill says. The operation tightened requirements for each lot, put a hold on anything with less than a 90-percent yield and evaluated those lots to find the problem.

"We looked for every deviation," Bill says. "Every one was examined, every

"They feel you are not committed if you have only a sales presence..."

one was charted. Find the first problem, beat it down and fix it. Find the second problem, beat it down and fix it. It's nothing magical, just hard work."

That hard work became a crusade, and the failure rate dropped dramatically. The net result was an entire line that ran better and a plant where "you can just feel the presence of the customer," Bill says.



"Sales won't crash through the roof overnight," Dave Allen (right) tells Colin Chin, but HP is penetrating the Japanese components market.

It's not quality alone where Japan's market pushes HP to meet the mark. This is a market that, for components, is ahead of the United States. Moving-message panels, automotive applications, high-brightness light-emitting diodes (LEDs) already have a foothold there. Japan is the hot spot for developing products for the future. To compete, HP's Components Group must be able to meet Japan's needs for products today and to forecast what customers will want a few years down the line.

Those needs soon will be the needs of the U.S. and European markets. To stay successful anywhere in the world, HP has to win the game in Japan.

Last October, with the opening of the Components design center in Tokyo, the group served notice it's committed to success in Japan. For the past five years, the Components Group had a marketing center there, with design work done in the United States and manufacturing in Southeast Asia. But the market demanded more.

"They feel you are not committed if you have only a sales presence in Japan, that you're more like a rep or a distribu-

tor," Colin says.

The design center puts a complete team on the spot. "Before, if a customer had a question, our competitors would show up to answer it with a production engineer, an R&D engineer, an applications engineer, a marketing engineer and a sales engineer," says Colin. "Us, we'd have one lonely field engineer. Now we have everything they do."

Go Kobayashi, the Components Group's country manager for Japan, has promoted the concept of a design center for some time. "The design center helps us understand what the customer wants us to make," he says. "In the past, there has been more of a focus on the United States and Europe." And a tendency to develop a product in the United States and "throw it over the pond," hoping the same thing will sell in Asia. Now, the group is set to reap the rewards of having an established design presence in Japan. Japanese engineers hired to staff the center are being trained in the United States. Meanwhile, engineers from San Jose are in Japan for long-term stays to get the center up and running.

In its initial stages, the design center

supports existing development programs in the United States. Longer term, there will be development in Japan, with products tailored to meet strict requirements in cost, performance and reliability.

The design center also helps cut the time required to turn around special requests. Before its existence, requests for specials went from Japan to San Jose to Southeast Asia. Now, most of the specials process can be handled locally for Japan, saving two to four weeks.

"I don't see how we could succeed in Japan without having marketing and product development here," says Steve Paolini, an R&D engineer for the Optoelectronics Division who arrived in Japan in March to work at the new design center.

"The only way to understand what products we should have and how to design them is to visit customers regularly and ask," Steve says. "Ask how they use LEDs, what they like and don't like, what their customers want and so on. Then we quickly need to decide if we want to be in this business and, if so, provide samples for our customers to



Huge outdoor displays (above and right) in Tokyo's Akihabara electronics district represent giant markets for HP light-emitting diodes (LEDs).



Expectations

evaluate. We can't do any of those things well if we are not here."

The design center can't have come too soon for those who have urged an emphasis on Asia's markets for components.

"We could have come sooner, but I wouldn't say we are late," says Mark Chandler, Components Group industry marketing manager. These markets had been notorious for giving the cold shoulder to foreign companies in the past. But, as Mark points out, trade agreements have helped make the Japanese aware of what American companies have to offer.

"Now, it's overwhelming to see how many products are coming out."

Japan's recent economic difficulties have not aided the group's efforts to penetrate the market, but HP hasn't scuttled the plan, either. "We fully expect a recovery," Colin says. "We think we can meet quota despite the down economy."

As the external barriers to Japan's market began to come down, Components began to look at its own internal barriers to marketing success and to analyze ways to overcome them. "We've made rapid progress in building the organization necessary to support penetration of the market," says Dave Allen, now marketing manager for the Communications Components Division. Dave spent two years as Components marketing manager in Japan. "Now, it's overwhelming to see how many products are coming out," he says. "You don't have time to look up."

He also notes solid strides in the area



A huge red Japanese torii—gate—frames (from left) Steve Paolini, Go Kobayashi, Aki Machida and Mamoru Takahashi at a shrine near YHP's Takaido office.

of customer service, both in the Japan operation and in the U.S. response. "We benchmarked ourselves against competitors on response time to quality problems and against customers' expectations. They weren't satisfied with what they found. "We set targets to meet expectations and said let's work backwards to see how we do this."

As a result, response time went from 45 days to 11.

Other efforts to increase HP's chances of success in Japan's components market include a revamped advertising campaign to get customers to identify HP as a components company, not just a maker of computers and instruments. By focusing on the array of components HP can produce—on "image" as opposed to new products—the new ads have gotten good reaction. "It's what our competitors do; it's what they expect in Japan," Colin explains.

As the group makes progress toward its goal, some hurdles remain. Chief among them is communications.

"Communications will always be the

No. 1 issue," Dave says. "We have different languages, different cultures, different time zones and different customer expectations."

Sales seminars and other face-to-face meetings that bring together Japanese and American counterparts have helped establish relationships and overcome difficulties. And extensive use of voice mail helps with time-zone differences.

Dave and others agree the group is laying the groundwork for future success. "Sales won't crash through the roof overnight," he predicts. "We're being designed in, we're getting customers' attention and we are starting to penetrate the market."

"In two years from now, I'll expect to start to see changes in performance attributed to these efforts," Mark says. "But the issue is not short-term payoff. The issue is our ability to stay in this business and succeed." ■

(Betsy Riccomini is the communications manager for HP's Components Group.—Editor)

1 + 1 = many

By Mary Weed

GENEVA, Switzerland—Across HP, managers are looking for ways to adapt the organization to the needs of the 21st century. At HP Europe, it's already happening.

Terje Christoffersen, general manager of Norway and Sweden, has grouped together Denmark, Norway, Sweden and Finland with the newly independent Baltic States of Latvia, Lithuania and Estonia, to form the "Nordic territory."

Why start up North?

In the Nordic region of 22 million inhabitants, including 8 million people in the Baltic states, HP's business is considerable. Total orders last year were an impressive \$450 million. So while there is no reason to gamble on what is already very good business in the Nordic territory, the region's economic and political stability make it an ideal test-bed to try out the distributed headquarters management model.

The idea of a Nordic structure came about during a workshop in May 1991 at the European Multicountry Region

The traditional notion of a headquarters will not exist.

(EMR) general managers' meeting. The reasons for the reorganization, according to Terje, were "cost-saving, combining resources and offering better service to our customers." He adds, "We saw that we could pool our skills together with other Nordic countries."

Sharing expertise proved beneficial recently in winning a huge government project in Norway, when neighboring HP Sweden joined in to help get the deal. "In this situation and many others," comments Terje, "one plus one equals



Says G.M. Terje Christoffersen, the real challenge for the "Nordic structure" is "doing what's best for the customer."

more than two."

With all the Nordic countries together, the so-called "distributed HP model" has more than 1,000 employees, but there will only be a handful of managers to coordinate the new structure. In more ways than one, the concept of distributed management is being used in place of creating a separate Nordic headquarters structure.

For instance, the traditional notion of a headquarters will not exist. Unlike some American competitors who have set up mini-headquarters for the region, HP managers for the Nordic territory will remain based where they are today.

Terje as general manager will remain located in his home country, Norway. Berndt Blomqvist, the Nordic sales finance and administration manager, will continue to work from his base in Helsinki, Finland. Also in line with countries hosting managers in the Nordic Area, HP's Nordic controller, Sven-Erik Beck will return from European headquarters in Geneva, Switzerland, to be based in his home-country, Sweden.

This distributed headquarters model will reduce cost and ensure close customer contact for everyone on the Nordic management team.

Refusing any hierarchical management structure, the Nordic Region sets a top priority on meeting customer demands while increasing business effectiveness. David Baldwin, managing director for the European Multicountry Region, points out, "We are trying to flatten the organization and get borderless structures across the Nordic countries."

Part of the approach is to let HP employees take the initiative, assuming local and regional responsibilities. Terje insists, "The people who do the work should have in their hands the means to change so that they can adapt quickly to the needs of customers."

So the Nordic structure is not just tinkering with boxes on an organization

It's not just tinkering with boxes on an org chart.

chart—it's working to dramatically improve performance. Terje says that this is possible with the HP culture because it "gives individuals the possibility to say what they mean and to act within a certain overall framework."

The effort is focused now on forming high-performance teams, redesigning work and unbridling the flow of information across Nordic borders. In this way, the Nordic structure is helping to design the 21st century organization. Underlying all these changes is the real challenge, which as Terje concludes, "is doing what's best for the customer." ■

(Mary Weed is executive and internal communications manager for HP in Europe.—Editor)

Reaching for a star

By Jay Coleman

HP's little-known movie star makes a big impression wherever she goes.

SANTA ROSA, California—One of the first things you notice in Margarita Fernandez' office—after the autographed photos of football star Ronnie Lott and actress Carrie Fisher—is a Gary Larson cartoon.

In the cartoon, a young man has entered a store. He looks up to see two shelves of merchandise about 20 feet in the air—far from reach. The caption reads, "Inconvenience store."

A co-worker left the cartoon for her, Margarita says, as "a little joke." Margarita smiles. She appreciates the humor, as well as the poignancy.

"That cartoon sums up my philosophy," Margarita says. "I'll do whatever it takes to reach what I want in life."

Very little has exceeded Margarita Fernandez' grasp in her 33 years.

- As an actress, she has been associated with some of the all-time highest-grossing movies, such as "Return of the Jedi," "E.T. The Extraterrestrial" and "Batman Returns."

- As an HP employee, she has worked her way up from a job as an assembler to a buyer in the Microwave Test Accessories section of the Microwave Technology Division.

- She drives one of those status cars—



After playing a lovable, furry Ewok on TV and in "Return of the Jedi," Margarita Fernandez treated herself to a little luxury and bought a status-symbol BMW.

a BMW—and many people look up to her, including Junior Achievement students she advises.

That's all pretty remarkable for a person who doctors never thought would live past the age of 5.

Oh, yes. One other thing. She's a "little person"—all 3 feet, 5 inches of her.

But if you look at her and see only limitations, then *you're* short-sighted.

"People tell me that I always walk so tall and I'm always positive," Margarita says. "I tell them that not every door is open for Margarita. But I believe in myself and I believe I can overcome many obstacles."

"I'm in the public eye the minute I leave my house, but I don't let that affect

how I conduct myself. I don't see any limitations for myself, even when I'm standing with a group of 6-foot people."

Margarita, the last of five children, is the only little person in her family. Between the ages of 2 and 16, she spent as much time *in* the hospital as out, often for corrective surgery on her legs. It was a life of leg braces and body casts.

"My family never allowed me to fall into the 'Why me?' syndrome," she says. "I was expected to do virtually everything my sisters and brothers did."

After graduating from high school in Healdsburg, California, and business school in Santa Rosa, Margarita headed for Los Angeles to become an actress. "To this day," she says, "I don't know

exactly why.”

One of the first people she met was famed actor and little person Billy Barty. Within a few days she beat all of the odds and got a job as a stunt “double” for the child actress who played Michael Caine’s daughter in the movie “The Hand.”

More TV and film work followed, including the less-than-successful “Under the Rainbow” and “Howard the Duck,” and the enormously successful “Return of the Jedi” and “Batman Returns.”

“They used me as a model for the Ewok costumes in ‘Jedi,’” Margarita says. “They flew me to London to make a cast molding of my entire body.”

And although she wasn’t in the movie, Margarita has played the E.T. character

“Margarita does an excellent job of separating her movie career from her HP career.”

in TV commercials and at public appearances since the actor who played E.T. died shortly after the movie’s release.

“I was given the privilege of playing the character for the Kennedy family during a Special Olympics event,” Margarita says. “After all of the trouble I’d gone through, this was a special treat for me.”

Although she landed several Hollywood jobs, acting was a part-time love.

“My goal was to become an HP employee, and I was willing to learn anything to do so,” Margarita explains. She “didn’t know a thing” about assembly when she started working the swing shift at HP in 1984.

After two years in assembly and a 7-month medical leave for more leg surgery, Margarita worked in person-



It’s virtually impossible to tell a real emperor penguin from an actor, Margarita says. She may or may not be to the left of actor Danny DeVito (center).

nel for a short period and two years in admin support in the Network Measurements Division purchasing department. From there she progressed to Microwave Test Accessories (MTA) coordinator and buyer.

Margarita continued to act during some weekends and vacations in various commercials or public appearances. And when feature-length film opportunities happened, fate took over: her division had a shortage of work and encouraged voluntary time off at exactly the times she was asked to appear in “Jedi” and “Batman Returns.”

“Margarita does an excellent job of separating her movie career from her HP career,” says her manager, Bill Merritt. “She doesn’t talk about her movies unless someone asks.”

“She’s just a dynamite employee. Because of her business training, she actually trains some of our administrative people. There’s no assignment we don’t give her. She’s totally capable. Clearly, it’s to our advantage to make the situation work for her.”

Through Margarita’s urging, the site has made several adjustments for employees of short stature and those in wheelchairs. Elevator buttons, eyeglass cases in the assembly area and automated-teller controls have been lowered.

Glass windows used to be installed in the upper half of bathroom and conference room doors so you could see people coming and not bang the door against them; now those windows are on the bottom half, which benefits all.

As well known and popular as Margarita has become on the Santa Rosa site, she still isn’t sure how new people will react to her. She was a bit nervous three years ago when she joined MTA. On her first day there, a co-worker good-naturedly said, “I knew we were a little short of help, but I didn’t think we were *that* short of help.”

The tension broke immediately.

“If you can’t joke about yourself,” Margarita says, “you’re going to have a miserable life. I live a very happy life; I’m blessed in many ways just being the

WARNER BROTHERS PHOTO

Reaching

3-foot, 5-inch person I am.”

For “Batman Returns,” Margarita was asked to help find six “little people” to dress as emperor penguins. She used her contacts in the 3,000-member Little People of America organization to help locate extras who were 3 feet, 5 inches to 4-feet tall and who weighed less than 80 pounds.

“Some of the smaller penguins thought we were real and would peck at our behinds.”

“For a little person to be told ‘You’re too tall’ is pretty hard to accept,” Margarita says.

Being one of the six chosen penguins was a mixed blessing. Margarita weighs 65 pounds; the penguin suits weighed 50 pounds. And, because there were *real* penguins—emperor and miniature—in the movie, the set was kept at about 30 degrees Fahrenheit for their comfort.

“Some of the smaller penguins thought we were real and would peck at our behinds,” Margarita says. “Our hands were down at our sides inside the costumes and we couldn’t move. People on the set had to be warned not to nudge the little people because we could tip over into the water and have no way of protecting ourselves.

“We filmed for 12 hours a day, 6 days a week over a 6-week period. Believe me, I was exhausted at the end of each day.”

Margarita saw “Batman Returns” three times during the first month it was in the theaters, but can’t say for sure how many scenes she’s in.

“When Danny DeVito, who plays the Penguin, is carried off by the emperor penguins, I’m leading that march,” Margarita says. “But there are some



“You can accomplish anything you really want to,” Margarita tells Junior Achievement students Michael Niukkanen and Tonia Wyatt, and HP advisor John Imschweiler during a morning break in Santa Rosa.

scenes where I can’t tell which are the real emperor penguins and which are little people.”

Margarita doesn’t actively seek movie roles these days. Usually, when she’s approached to work in a film, her role is “in the bag,” she says. And often, the producers are Steven Spielberg or George Lucas—her role model.

“George is very much like Bill Hewlett and Dave Packard because he’s always doing things for his people,” Margarita says. “He respects everyone for who they are.

“I haven’t used an agent in eight years. If I need contract advice, George has one of his people review it for me. I’m his biggest fan.”

There’s one contract that Margarita needs no help on. It’s a marriage contract that she and fellow little person Doug Farrell plan to exercise in June 1993. Doug, a champion weight lifter who has bench-pressed 340 pounds,

seemingly has one flaw—he works for rival IBM in San Jose, California.

Margarita hopes to continue her HP career and transfer to another HP facility in the San Francisco Bay Area within the next year.

“HP has been very generous in letting me take time off for some acting jobs and enabling me to advance in my work career,” she says. “They’ve given me wonderful opportunities and I think I’ve proved I can do any job I’m given.

“As I always say, it may take me a little longer to get something I want, but give me the chance and I’ll reach it.” ■

News from around the HP world

Why dinosaurs are extinct

"HP systems attack mainframe Dinosaurs," read the front page of *Computerworld* after HP Australia launched its "Dinosaur Killers" campaign to introduce the new line of HP systems (code-named Emerald).

The idea behind the campaign was to describe the slow but steady replacement of mainframes with alternative business computer systems by comparing the experience of mainframes with that of dinosaurs.

"We wanted to position the Emerald as dinosaur killers," explains Vikram Mehta,

market-development manager for HP Australia. "So we launched the product among dinosaur skeletons."

HP held the press conference at the Australia Museum's Fossil Gallery, where HP renamed the dinosaur skeletons with titles befitting the endangered mainframes.

The curator of the museum opened the presentation by describing many similarities between mainframes and dinosaurs.

It was an enormously successful event, receiving more pages of press cover-



HP Australia used a fossil gallery as a setting to emphasize the point that—like dinosaurs—mainframe computers are dead.

age than any HP product launch in Australia, sponsors said. Headlines included the dinosaur theme and, in

Australia, the systems now are referred to as "Dinosaur Killers."

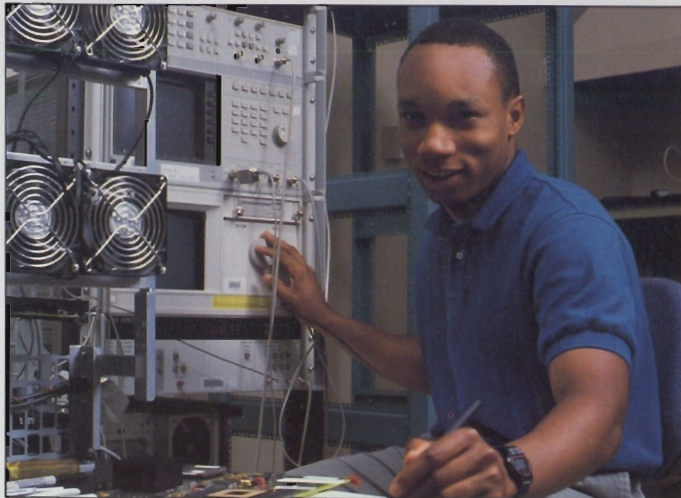


Row, row, row your boat

Dragon Boat Races are a traditional Chinese custom, and the HP racing team in Hong Kong recently captured a semifinal victory with its colorful craft.

The HP social committee in Hong Kong funded the 23-person team, which races as a form of friendly competition between teams from Hong Kong companies, universities and clubs.

Team members practiced every Saturday for six weeks before they felt prepared to compete. Long hours of practice paid off when the team scored its best finish in five years during the semifinal round at Stanley Beach.



MARC LONGWOOD

Martin Harris, a fourth-year summer student from Cal Poly, San Luis Obispo, literally wrote the book on the HP 28S calculator.

A SEED student blossoms

When Martin Harris won an HP 28S calculator, the HP campus representative jokingly told him, "I want you to learn everything about that calculator before I come back to campus."

Martin not only learned everything about the calculator, he wrote a book about it.

HP gave Martin the calculator in his freshman year for maintaining the highest grades in the Student Employment and Educational Development (SEED) program.

"I saw some limitations in some of its functionality," says Martin, an electrical-engineering student at Cal Poly, San Luis Obispo. "But it was programmable, so I could tailor it to my own needs."

In 1990, Martin decided to publish his discoveries about managing memory on the HP 28S. The first edition,

produced in the fall of 1991, sold out quickly, and a second edition was printed.

The Fox Project: Memory Management Solutions for the HP 28S now is sold at the Cal Poly, San Luis Obispo bookstore, and is advertised in a nationwide catalog, EduCALC.

"The book isn't specific to engineers and scientists. It's specific to the calculator," Martin says. "It saves work, and makes the calculator faster and easier to use."

In 1992, Martin spent his fourth summer with HP as an associate engineer in the Systems Technology Division in Roseville, California. He designed and developed electrical tools for systems.

After graduating in March 1993, Martin hopes to design computers for HP Roseville. "HP is a good place to work; it's a down-to-earth company," he says.

CHANGE AT THE TOP

Hewlett-Packard's two top officers—**John Young**, president and CEO, and **Dean Morton**, executive vice president (EVP) and chief operating officer—announced July 16 that they plan to retire October 31. They also will retire at that time from the Board of Directors. (See other coverage in this issue.)

Effective November 1, **Lew Platt**, EVP and head of the Computer Systems Organization (CSO) will succeed Young. At that time V.P. **Wim Roelandts** will move up from general manager of the Networked Systems Group to replace Platt.

Platt and **Dick Hackborn**, EVP and head of the



HP PHOTO

Dick Hackborn

Computer Products Organization, have been elected to the Board of Directors effective November 1.

The Office of the CEO which Young and Morton have shared and the position of chief operating officer will not be continued in the new organization.

BOTTOM LINE

HP reported a 15 percent increase in net revenue and a 1 percent decline in net earnings in its FY92 third quarter, which ended July 31. Earnings from operations grew 1 percent and orders rose 12 percent compared with the year-ago period.

(3Q FY91 numbers below in parentheses.)

Net revenue, \$4.0 billion (up from \$3.5 billion). Net earnings, \$191 million or 76 cents per share on some 252 million shares of common stock outstanding (down from \$192 million or 76 cents per share on the same number of shares).

Earnings from operations, \$305 million (up from \$303 million). Orders, \$4.0 billion (up from \$3.5 billion).

NEW HATS

John Boose, G.M. of the Greeley Storage Division in Colorado, and **Bob Tillman**, G.M. of the Computer Peripherals Division in Bristol, England, have exchanged assignments in the Mass Storage Group.

In the Workstation Business Unit, **Mark Canepa** to G.M., Advanced Systems Division.

Mike Bandy to G.M., AOT Operation within the ATE Business Unit.



CARLOS ASBORNO

Edisa, HP's Brazilian subsidiary, is part of a campaign to make all of the Tiete River as pristine as the area near its source.

A card with a message

Edisa, HP's subsidiary in Brazil, is participating in an innovative campaign to help clean up the Tiete River.

Edisa's marketing-services department developed a Christmas card depicting the river's beautiful and pure headwaters.

What the card doesn't show is the river as it crosses the city of Sao Paulo—25 miles from its source—where it turns into one of the most polluted rivers in Brazil.

The river is a major focus of the state's environmental

plans, and Edisa produced the Christmas card in 1991 to show support for restoring the river to the beauty of its springs.

The photograph was taken by Carlos Asborno, district manager of telecommunications for Test and Measurement, who has worked for HP for 13 years.

The card reads: "Environmental preservation is the best way to assure mankind's future."

Quoteworthy

“...the number of opportunities as a company that we have to employ our technology for the good of society and to get rather rich at the same time is just unbounded.”

Joel Birnbaum, V.P. of R&D and director of HP Labs, in the "HP Directions for the '90s" videotape.

“Whatever it is we do today, we have to figure out how to do it for 25 percent less cost next year...”

Dick Watts, V.P. and manager of Worldwide Sales, Distribution and Support for the Computer Products Organization, in the "HP Directions for the '90s" videotape.

CSO CHANGES

In CSO, the Networked Systems Group has been replaced by four new groups: the Systems Technology Group under G.M. **Carl Snyder**, the Workstation Systems Group under G.M. **Gary Eichhorn**, the Systems and Servers Group under G.M. **Rich Sevcik** and the Integrated Systems Group under V.P. and G.M. **Mike Leavell**.

The latter group includes a Software Business Unit formed in June under G.M. **Tilman Schad**.

Former NSG marketing functions now report to **Franz Nawratil**, V.P. and G.M., CSO Worldwide Sales and Marketing, with CSO's geographic sales organizations also adding marketing duties.

Worldwide Customer Support Operations will move out of CSO and report to **Lew Platt**, president and CEO.

THREE NAFO SALES REGIONS

North American Field Operations has reduced the number of its U.S. sales regions from four to three, among other changes.

A new Eastern Sales Region (ESR) combines the existing region by the same name and the Southern Sales Region's

(SSR) Southeast Area. G.M. is **Mark Milford**. The newly formed Mid-America Sales Region (MSR) under G.M. **John Regan** includes the former Midwest Sales Region and SSR's West Area.

OTHER CHART CHANGES

In the Communications Test Business Unit, the former Colorado Telecom Division and the Intelligent Networks Operation have been combined into a new Network Test Division under G.M. **Bill Tomeo**.

Within the Personal Information Products Group (PPG), the former Network Server Division has ceased to exist. Current manufacturing has moved to the Disk Memory Division on the same Boise, Idaho, site, with products under development going to other PPG divisions.

NEWS IN HUNGARY

On July 21 HP assumed full ownership of a joint venture established in Hungary with **Controll Rt.** in 1991. HP had held minority ownership.

The name of the new subsidiary is **Hewlett-Packard Magyarorszag Kft.** Continuing as G.M. is **Rumen Stoyanov**, G.M. of the former joint venture.

Rock 'n' dog

Sometimes the best photos happen accidentally. Dick Harmon happened upon this impressive picture while on vacation in July 1991.

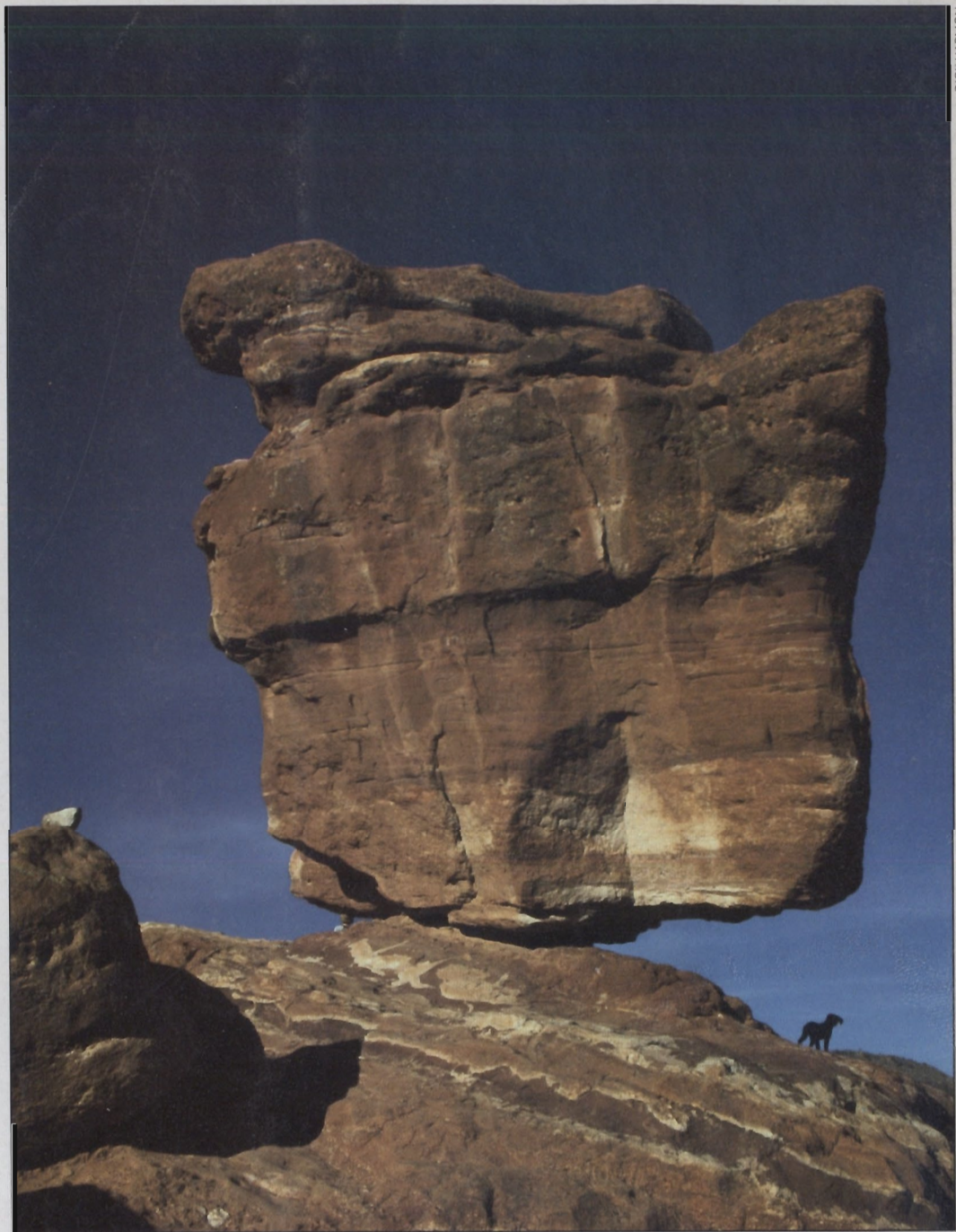
He spotted the dog while posing his wife by the rock. "It was just luck—the dog happened to be there."

"It's at HP's Garden of the Gods site in Colorado Springs," Dick explains. "It's actually near the road leading to the HP plant."

The photograph was taken with an automatic-exposure Minolta X-700 camera using AS200 Ektachrome film.

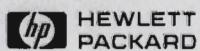
Dick has been interested in photography for many years, and while working for HP published many portraits in magazines.

Now retired from HP's Corporate Communications department, Dick is a consultant and teaches classes in speech writing.



DICK HARMON

MOVED LATELY? CHANGE OF ADDRESS SHOULD BE REPORTED TO YOUR PERSONNEL DEPARTMENT.



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