

A magazine for Hewlett-Packard people

March-April 1999

MEASURE

Banking on the
future of the
formerly poor

HP realigns:
Coming
in next
issue

www.HPARCHIVE.com

Loyal *MEASURE* readers know that the last two editions of the magazine have featured a sparring match on the subject of "What's wrong with HP?"

In one corner, Professor and HP consultant Al Vicere landed several punches in the November-December 1998 *MEASURE*, alleging that IIP's culture is the chief obstacle to greater company success.

In the other corner, retired HP Executive Vice President John Doyle countered with several jabs in the January-February 1999 *MEASURE*, contending that if HP indeed has problems, they generally are twofold: We identify too little with HP's Corporate Objectives these days, and we have too many consultants.

Now that you—the judges—have had a chance to submit your scorecards, I can announce the results: John wins by a split decision.

We printed a few of your pro-Al comments in the Your Turn section of the January-February *MEASURE*. Some of you contacted him directly. In fact, Al reported "I have received literally dozens of e-mails and phone

calls. All have been in support of my comments, with most saying I was too tepid. Several attached detailed narrative."

Never let it be said that IIP employees are bashful—or brief—when it comes to expressing themselves.

John's supporters have emerged in full force through e-mails (see page 28) and comments on the reader-response cards in the last edition. Among the comments were:

"Some people at HP just don't get it. It's nice to hear from someone who knows what makes HP great."

"The HP Corporate Objectives are Al. I still have my original 1977 copy, which I carry and use every day."

"It was good to hear from someone who hasn't jumped on the consultant bandwagon."

"I like John's article because it dared to say that the emperor has no clothes."

One employee, however, expressed a slightly different view.

"The article showed that John Doyle remembers the old HP and has no clue how screwed up this place is now."

Well, there you have it—definitive evidence that it's virtually impossible to get a consensus on anything at HP.

After careful consideration, I think Al's right. Sometimes consultants have the best perspective on how to improve HP. And John's right: We can find a lot of the answers to today's business challenges in the Corporate Objectives, not in consultants.

One reader offered the best "fight" analysis: "Just the fact that *MEASURE* was allowed to air both sides makes me feel better about HP. That was a healthy debate, and we need more of that."

—Jay Coleman



On the cover: After two years, Anwara Begum will own her cell phone, financed by Grameen Bank in Bangladesh. In return, she agrees to be her village's pay-phone operator. Read the story beginning on page 18 to learn about HP's role in the innovative microloan program.

Photo by Ken Kobre

Stop the presses

HP just announced the historic split of the company as *MEASURE* went to press in early March. The May-June edition of *MEASURE* will take a close look at the announcement and what it means to HP employees.

In the meantime, check the internal Web site at <http://hpnow.com> for updated information on the new two-company structure.—Editor

FEATURES



Page 4

4 The only way to fly
For many passengers to Asia Pacific, Singapore Airlines offers unequaled customer service.

8 Who you gonna call?
Ever since HP teamed with Motorola, callers and receivers can send and receive phone calls almost anywhere on Earth

11 The case for one-to-one
A guided tour through relationship marketing at Hewlett-Packard.

14 Meeting the Triple 5 Challenge
Taking 5 percent out of three areas will significantly reduce infrastructure costs, says Chief Financial Officer Bob Wayman

18 The power of small change
A remarkable story is unfolding around the world, where a little faith and loans of U.S. \$60 are breaking a cycle of poverty.



Page 22



Page 14

MEASURE

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DEPARTMENTS

- 22 People**
Julianne Wirthborn overcame adversity in her climb up the career ladder.
- 24 Web-wise**
Dr. Cyberspace consults with the mystics to find information on HP's intranet
- 26 Letter from Lew Platt**
HP's chairman, president and CEO discusses HP's prestigious President's Club
- 28 Your turn**
MEASURE readers share their views on matters of importance.
- 29 ExtraMEASURE**
News from around the HP world
- 32 Parting shot**
HP's Leland Wong spots man's best friend reading.



For many passengers to Asia Pacific, Singapore Airlines' unequaled customer service makes it

The only way to fly

By Todd Shapera

SINGAPORE—Beginning with the smiling greeting from “Singapore Girl” flight attendants as you board the aircraft and continuing through dinner and your second breakfast before arriving in Changi Airport some 20 hours later, the elegant service and cabin comforts aboard Singapore Airlines (SIA) provide welcome anesthesia during the long journey over the Pacific.

All the more reason, then, that shortly after early pampering with hot face towels and champagne, it can be startling to hear the pilot include in his airborne greeting a request that “passengers refrain from sleeping in the aisles.”

Surely, this message is not targeted to the plush first-class cabin, where a \$7,800-plus-tax round-trip ticket buys mini-suite comforts with fully reclining leather seats, hotel-style turn-down service and 14-inch personal video screens.

Obviously, too, no sane traveler, who antes up \$4,220-plus-tax for lavish *Raffles Class* in a Megatop 747, would choose the carpet over the wide, firm and amply reclining seats.

But even in coach, how, from the floor, could one select among the 23-

channel entertainment center at each seat? And even if the films and games can't occupy you for nearly a day and a night, why would anyone lie down in the way of in-flight service that rates acclaim as “best in the world”?

Indeed, “best” is just how *Travel and Leisure* magazine readers in the United States have rated the airline for the last four years. And just what *Condé Nast Traveler* magazine's readers have said for 10 consecutive years. Even reviewers in Asian countries—with national carriers that compete directly with SIA—weigh in with superlatives.

Even so, maintaining SIA's standards through Asia's economic turbulence over the past year has not been easy. Indeed, last fall Singapore's Senior Minister Lee Kuan Yew compared the severity of the crisis to the Great Depression. Sharp declines in trade and travel forced most Asian carriers to retrench; several simply collapsed.

Even SIA wasn't spared. Traffic on profitable routes such as Singapore-Japan fell 30 percent in the first half of 1998. Overall, with its first slumping year after a decade of double-digit growth in passenger loads, SIA revenues plummeted 44 percent for six months through September 1998. By August, airline employees from senior management to ground crew had volunteered to accept a wage freeze. “A touching demonstration of loyalty,” SIA Deputy Chairman and CEO Dr. Cheong Choong Kong said one month later at a press conference to launch the airline's \$300-million cabin and service overhaul.

Best of the Best



Customer satisfaction? Any list of the best companies in the world for customer satisfaction would have to include Singapore Airlines. In this, the fourth article featuring the Best of the Best companies—companies that excel at customer satisfaction, creating new businesses and improving business processes—MEASURE examines a top-flight company that keeps demanding more of itself.—Editor

Whether you're traveling in \$7,800-a-ticket first class or \$4,220 Raffles Class, passengers can experience the ultimate in airborne customer satisfaction aboard Singapore Airlines

*The gentleness,
charm and
grace of the
Singapore Girl
flight attendant
often represent
the airline's
competitive edge.*

Still, the ambitious launch went off because SIA was better positioned than most Asian carriers to weather the storm, based on its reputation, a predominance of lucrative global routes outside of crippled Asia and a cash war chest of over \$1 billion.

Indeed, the campaign, dubbed "Now More Than Ever, A Great Way To Fly," was a move to consolidate SIA's position with customers in Asia, and with an eye to SIA's long-term future among premier global carriers.

To that end, Dr. Kong's speech at the lavish September 11 product launch ceremony amounted to a battle cry: "We will not allow anyone to wrest from us our supremacy in airline service and product." The aim, he added, "is to offer our customers a standard of travel that is one class higher than can be expected from any other airline."

Not surprisingly, front and center in the launch's advertising campaign was the "Singapore Girl" flight attendant. One photo shows her in a blue designer sarong kebaya, raising her arms like magic wands over the airliner's cabin, with a speckled cabaret hat in her right hand.

SIA says its surveys show that when other factors are equal—aircraft, fares, routings, etc.—the gentleness, charm and grace of the Singapore Girl flight attendants often represent the airline's competitive edge.

At SIA's massive training center near Singapore's Changi Airport, Chew Tai Lu, Singapore Airlines' senior manager for cabin crew performance, unhesitatingly states that SIA's competitive service advantage over North American carriers begins with "Asian culture and heritage. The basic raw material we have to

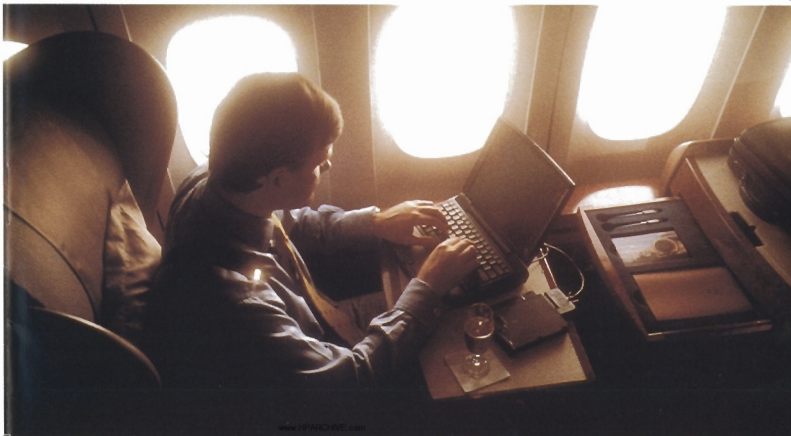
work with is different."

And long before a Singapore Girl ever pours her first in-flight champagne, she undergoes four months of training, which SIA says is about double the industry standard. Some carriers train for as little as three weeks.

"We train the whole person," says Senior Training Manager Dr. Goh Ban Eng. Beyond instilling product knowledge, there are make-up specialists from Lancôme, hair consultants, training in soft communication skills for handling varying demands of passengers, and overall indoctrination in the airline's culture and service ethic. Classes graduate singing the company's anthem



Service is a religion for SIA, where flight attendants undergo four months of training—twice the industry standard.





SINGAPORE AIRLINES PHOTOS

Pampered passengers take the time to send the airline three complimentary letters for every complaint

"You can call it brainwashing, but service is a religion to us. You must eat, drink, think and breathe service, otherwise you're not cut out for it," says Abdul Rashid Rahim, a cabin crew trainer, during a flight.

Charm and grace aloft not withstanding, ask pilot Captain Elmo Jawardena what sets the airline apart from competitors and he replies: "We fly new *and* beautifully maintained planes. They're a pilot's dream, and it takes a big load off me."

Indeed, the airline's obsession with minted Boeing and Airbus jets, while selling older planes, has meant flying one of the industry's most modern fleets, averaging 5.2 years—nearly one third the industry's 13-year average. The fleet of the largest U.S. carrier in Asia, Northwest Airlines, clocks in at 20.7 years. (American Airlines' trans-Atlantic fleet averages nearly nine years.)

Pilot Jawardena also points to SIA's training ethic that assures that no person gets complacent on the

job. "We have the ability to say we are not good enough," he says.

Still, an ongoing challenge with 6,000 cabin-crew members is assuring consistency in service on more than 580 flights a week to 71 global destinations. At SIA headquarters, Elizabeth Prakasana, vice president of customer affairs and a 22-year SIA veteran, responds to passenger letters. She demands replies to complimentary letters within one day, and three days for answering most complaints. "Complicated cases must close within 30 days, but if it takes that long people should be holding their heads in shame," she says.

Two years ago, when Executive Vice President (Commercial) Michael Tan addressed cabin crew managers, he labeled service complaints as "the cabin crew Achilles' heel." At issue were 1,600 written complaints during the previous 12 months. How many more dissatisfied passengers didn't bother to write, he asked?

Not until the end of the executive's remarks did he acknowledge that "for

every one written complaint, we receive nine compliments." Nowadays, the monthly charts show it's closer to three to one. That's still impressive after carrying more than 12 million passengers on approximately 71,000 flights a year.

Still, the Singapore Girl image isn't universally pleasing. Offensive to some is the impression that older women are grounded to keep up the airline's youthful image, while middle-aged men remain aloft.

Moreover, with greater employment options in Singapore's economy, the sarong *kobaya* may be losing its mystique as an employment ideal among better educated Singaporean women. "It conjures up a bad image," says 24-year-old Lim Bee Lian (not her real name). She works for a European fashion import company. "Even if you are pretty, if you are intelligent, you wouldn't want to be a flight attendant."

At IIP in Singapore, Vivien Lee, who works in finance, says as an Asian woman, she used to be ambivalent about the airline's service. Then, a few years ago, on a flight to Jakarta, Vivien discovered she'd left her wallet behind and would land in Indonesia with no money.

News of her problem worked its way quickly up the cabin-crew chain of command. The flight attendant summoned the chief attendant, who informed the chief steward. "Don't worry,

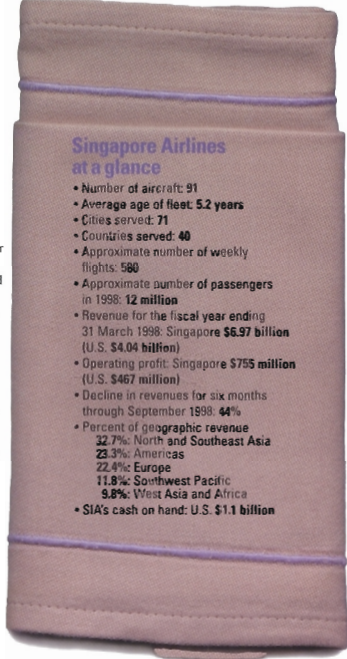
Condé Nast Traveler magazine has named Singapore Airlines the world's best for 10 consecutive years.



we'll take care of you," he reassured her. Sure enough, an airline employee met her at the Jakarta ramp, carried her bag, helped her through immigration and arranged for her to call the HP office to have cash waiting when she arrived by taxi.

"My impression of SIA improved tremendously by the way they responded," Vivien says. Yet, Vivien concedes since she never wrote the airline, her gratitude never showed up as a compliment or, Elizabeth Prakassan's moving averages. **M**

(Todd Shapera is a free-lance writer who lives in the Hudson Valley of New York state —Editor)



Singapore Airlines at a glance

- Number of aircraft: **91**
- Average age of fleet: **5.2 years**
- Cities served: **71**
- Countries served: **40**
- Approximate number of weekly flights: **580**
- Approximate number of passengers in 1998: **12 million**
- Revenue for the fiscal year ending 31 March 1998: Singapore **\$6.97 billion** (U.S. **\$4.04 billion**)
- Operating profit: Singapore **\$755 million** (U.S. **\$467 million**)
- Decline in revenues for six months through September 1998: **44%**
- Percent of geographic revenue
 - 32.7%**: North and Southeast Asia
 - 23.3%**: Americas
 - 22.4%**: Europe
 - 11.8%**: Southwest Pacific
 - 9.8%**: West Asia and Africa
- SIA's cash on hand: U.S. **\$1.1 billion**



Flights of fancy

- Number of seats in first and business-class lounges in Singapore's Changi Airport: **600**
- Approximate price of round-trip first-class ticket from San Francisco to Singapore: **\$7,800**
- Number of seats in first class: **12**
- Estimated cost of each new first-class seat: **\$60,000** (estimate from a *Wall Street Journal* article)
- Size of seat when folded into a flat bed: **6-feet-4-inches**
- Color of the cotton Givenchy pajamas for sleeping first-class passengers: **blue or purple**

- Size of TV monitors in first class: **14 inches**
- Size in business class: **6.5 inches**
- Number of entertainment options on seatside monitors in all classes: **60**
 - Movie choices: **13**
 - Nintendo games: **10**
- Price for unlimited champagne in coach: **free**
- Brand of china used for meals in all classes: **Givenchy**
- Population of Singapore: **3.1 million**
- Number of SIA employees: **28,000** (note: not all are Singaporean nationals)

- Rank of airline among employers in Singapore: **1**
- Number of cabin crew: **6,000**
- Approximate number of nationalities among pilots: **40**
- Years rated best airline in world by *Travel & Leisure* magazine: **4**
- Years rated best airline in the world by *Condé Nast Traveler* magazine: **10**
- Years named by readers of *The Far Eastern Review* as the "preferred" Asian airline: **6**
- SIA's Deputy Chairman and CEO: **Cheong Cheong Kong**

Who you gonna call?

Ever since HP teamed with Motorola to test the Iridium constellation of satellites and receivers, callers can send and receive phone calls almost anywhere on Earth.

By Thomas Ulrich

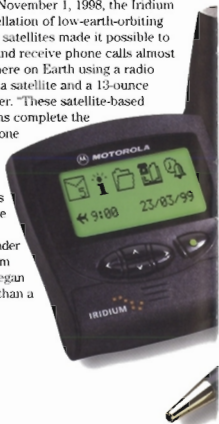


Rising above the horizon like the Milky Way, the Iridium constellation relays the human voice at the speed of light. Circling the Earth like a convoy of moons, it reduces the planet so that its most distant people are only seconds apart.

Iridium LLC—a consortium of 19 international companies—launched the first global wireless communication service in November 1998. Engineers from HP's Test and Measurement Organization (TMO) joined Motorola, the consortium's prime contractor, to design and integrate custom and standard hardware for testing Iridium satellites and telephones.

Before Iridium, communication satellites circled the Earth in geosynchronous orbit—22,300 miles above the Earth's equator. Their motion followed the Earth's rotation, limiting the reach of the telephone to people served by conventional technology, such as copper wire and fiber-optic cable.

On November 1, 1998, the Iridium constellation of low-earth-orbiting (LEO) satellites made it possible to send and receive phone calls almost anywhere on Earth using a radio wave, a satellite and a 13-ounce receiver. These satellite-based systems complete the telephone coverage of the Earth's surface that Alexander Graham Bell began more than a



A network of more than 60 Iridium satellites and 12 receiving stations completes the telephone coverage of the Earth's surface that began 100 years ago with Alexander Graham Bell.

HP's Test and Measurement team helped design electronic tools so that Motorola and its Asian counterpart, Kyocera, could test more than 100,000 satellite telephones last year.

the system's inaugural call

These satellite telephones transmit calls across the Iridium constellation and most land-based telecommunication systems. Iridium replaces a patchwork of incompatible communications systems with a global network that allows customers to send and receive high-quality voice transmissions from a single telephone number worldwide. Business travelers, tourists, residents of rural or underdeveloped areas and disaster relief teams who need the power and flexibility of a wireless telephone benefit from Iridium's global reach.

Peering through the atmosphere from 455 miles (780 kilometers) overhead, more than 60 Iridium satellites and 12 receiving stations complement a land-based phone system that includes

century ago," U.S. Vice President Al Gore told former National Geographic President Gilbert Grosvenor, who is the great grandson of Bell, during

microwave towers, telephone lines, undersea cables and geosynchronous satellites.

Each Iridium satellite is a communication hub for the entire constellation. The moment an Iridium customer places a call, the satellite telephone transmits a signal to the nearest satellite. The satellite sends a message across the constellation to the satellite closest to the receiver and passes the signal to the land-based network if the person receiving the call uses a conventional telephone. If the person receiving the call uses a satellite telephone, the signal travels to the satellite closest to its destination, where it is beamed directly to the receiver.

"HP and Motorola advanced telecommunication technology when Motorola satellite telephones signaled satellites traveling at 17,500 miles per hour," says Ray Millington, vice president and director of engineering for Motorola's Subscriber Division. "Rather than transmitting a signal with a fixed radio frequency, our telephones communicated with satellites using a variable radio frequency. We accounted for this shift when we designed the test equipment."

HP's Test and Measurement team helped design electronic tools so that Motorola and its Asian counterpart, Kyocera, could test more than 100,000 satellite telephones last year. HP provided them with custom test systems built to Iridium specifications and based on standard and custom HP instruments. The test bays contain digital signal-processing hardware and software, VXI systems; and RF switching, generation and analysis equipment.

With 15 successful launches (each deploying up to seven satellites) in a span of 12 months, the Iridium team

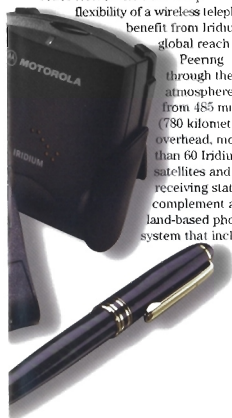
seeded a satellite network faster than anyone has in the 39-year history of satellite communication.

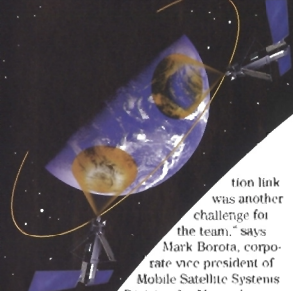
To shorten production time for such a complex communication system, Motorola assembled Iridium satellites on a production line, not a laboratory bench. Instead of taking 12 to 18 months to manufacture each satellite, technicians from Motorola's factory in Chandler, Arizona, produced one satellite every four-and-a-half days. Such a demanding production schedule required comprehensive electronic tests before the satellites left the factory for the launch pad.

Once Motorola established test requirements for the communication payload—the hardware that receives, processes and transmits the phone call—TMO engineers designed and built several payload test systems to ensure that switching equipment performed as specified. TMO supplied microwave test equipment, oscilloscopes, network analyzers, power meters and custom switching hardware that Motorola engineers used to test satellites.

IIP measurement systems tested the communication payload, which includes the electronics that link the satellite to Earth and other satellites in the constellation. Additional equipment tested other satellite operations such as routing, timekeeping, handling off calls and managing resources.

"Dynamically handling off messages from one satellite to another without interrupting the communica-





tion link was another challenge for the team," says

Mark Borota, corporate vice president of Mobile Satellite Systems Division for Motorola Satellite Communications Group. "Our satellites now hand off phone calls very successfully."

With so much at stake, design engineers looked for ways to simulate the orbiting constellation before the consortium launched the system. Engineers from the Advanced Integrated Solutions Operation (AISO) created an Iridium network simulator that mimicked the behavior of the constellation, imitating such operations as transferring messages between satellites.

The test bays imitated the primary transmitter, interference transmitters and telephones, then simulated the scenario to reflect real-world conditions. AISO engineers placed Iridium demodulators along with peak power meters, vector signal analyzers, cus-

tom RF matrices, spectrum analyzers and custom timing generators into HP test systems to evaluate the performance of one to six satellites simultaneously.

"HP's sophisticated test-system design allowed us to customize the test equipment to simulate enough of the constellation to verify its overall design," Ray Millington says. "The flexibility of HP's test systems allowed teams of Motorola engineers to work in parallel on satellites and telephones during the development of the constellation. Any change in the design of the telephone prompted a change in the design of the satellite.

"The HP team adapted to the challenges of concurrent engineering," says Diane Benz, HP's Motorola account manager. "We had to dramatically change our plans to ensure that our test systems met Motorola's needs as their satellite telephone evolved."

The Iridium constellation includes six convoys of satellites, which cross the Earth's axis near the North and South Poles. Eleven satellites make up a convoy. A satellite-routing computer tracks the orbit of the satellite and its companions. From its com-

putations, the satellite points its antennae, which mark the position of its companion satellites. It also computes range and range-rate data to adjust the timing of signals traveling between satellites.

"Thoroughly testing our equipment before system launch was our most important accomplishment," Ray says. "It is virtually impossible to test all these conditions in the field. Without a good test system," he adds, "we would be years away from the commercial system launched by Iridium LLC this November."

As we add new features and services, we believe that HP test systems will validate those changes and improve our production process."

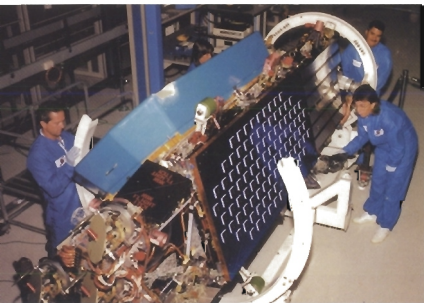
As wireless communication evolves, satellite telephones will deliver more than voice and paging services. Fax, data and electronic mail have extended the reach of wireless communication, and they will be part of the service supported by Motorola and Kyocera satellite telephone products.

"As we add new features and services, we believe that HP test systems will validate those changes and improve our production process," Motorola's Ray Millington adds. The Iridium communication service, which currently includes satellite, cellular and land-based communication links, connected people located in hundreds of countries and territories by the end of 1998.

For more information about AISO, check the Web site at <http://aiso.ptp.hp.com>. M

(Thomas Ulrich writes for HP's Automotive Solutions Operation in Sunnyvale, California.—Editor)

HP test systems had to adapt rapidly to changes in Motorola's Iridium satellites, which rolled off the assembly line every four-and-one-half days



The case for one-to-one

A guided tour through relationship marketing at Hewlett-Packard

By Sanjay Khanna

In 1996, Scott Sampl, a marketing manager at HP's Electronic Measurement Division, realized the division needed to communicate with—and serve—its customers more efficiently. It needed to increase the relevance of its customer-focused communications while decreasing costs. But how?

While trying to imagine solutions, Scott met Don Peppers, author of *The One to One Future*, and attended an HP class on one-to-one marketing. The class galvanized Scott's thinking. Soon, the division had a plan to develop one-to-one strategies, identify profitable and unprofitable customers, and save money on mailings (see case study on page 13).

In 1999, one-to-one marketing is being positioned to support HP's fortunes for the next millennium and is a major part of how HP is transforming marketplace status into unassailable competitive advantage and long-term profitability.

One-to-one marketing involves tailoring your products, services and information for individual customers, and using the market knowledge gained from interacting with your customers to not only keep, but grow, the business relationship.

Across HP's business lines, one-to-one marketing is proving practical, cost-effective, profitable and critical to HP's future.

Across HP's business lines, one-to-one marketing is proving practical, cost-effective, profitable and critical to HP's future. It's also—thanks to innovations such as data warehousing, marketing databases and intelligent Web sites—more technologically feasible than ever before. HP's Barcelona (Spain) Division, for example, has developed HP DesignJet Online, a relationship-marketing Web site that, according to Michael

Customers who visit the HP DesignJet Web site (top image) can gather information and share stories—about HP Australia in this example—while password-authorized HP employees can “drill down” (middle image) to pull customer information, including broad or segmented reports (bottom image).



Reinhardt, marketing manager at the division, "...will boost revenues by driving sales of products aimed specifically at our installed base of users."

"It is the time to be in relationship marketing at HP," says Lane Michel, marketing director for marketing development and leader for the HP one-to-one initiative worldwide. "We have the technology and the know-how to capitalize on the HP Way and direct our energy toward putting the customer at the heart of everything we do. We need to be the most customer-focused, technology-driven company in our industry."

HP's one-to-one marketing efforts begin with an assessment of a cus-



Creating interactivity with customers is a key to one-to-one marketing, says Lane Michel, director of HP relationship and product marketing, who works with Tava Ergueta, services marketing manager for the Personal Systems Group

At the Barcelona Division in Spain, (from left) Michael Reinhardt, Aurelia Panksep and Joan Miro discuss their relationship-marketing program that has attracted more than 60,000 loyal users to their Web site.

1. HP DesignJet Online—Inkjet Products Group, Barcelona Division, Barcelona, Spain

To save time and increase profits, HP developed DesignJet Online, a global relationship-marketing Web site that boasts 60,000 users. Currently, HP has a 70 percent market share with engineers and a 55 percent market share with graphics professionals.

DesignJet Online lets Barcelona Division employees stay in touch with its installed base rapidly and inexpensively. The site gives "HP the intelligence we need to develop new product-development, cross-selling and marketing strategies," says Michael Reinhardt, marketing manager. By sending e-mail messages to customers, based on their profiles, HP can accurately target customers based on their needs and industry experience.

The site offers customers an online DesignJet Diagnosis, e-mail based support with personal answers from HP, new-product announcements, quarterly newsletters, training

videos, service notes, answers to frequently asked questions, bulletin-board forums, success stories, warranty watch and more

Some of the most successful one-to-one efforts, such as the HP At

Home newsletter, involve cooperation across divisions and business lines and enable HP customers to see a unified HP, one that offers its products and services from a single, logical place.

2. Premier Accounts Program—Enterprise Accounts Organization

The Premier Accounts Program fosters relationships with HP's most strategic customers.

The program offers HP's most strategic customers—the biggest customers for the past 10 years—a wealth of

customer's future profit potential. After this step, the most valuable—and most potentially valuable—customers are viewed as long-term assets and treated differently from other customers.

Within HP businesses, one-to-one relationships must be implemented in a way that is appropriate to each unique scenario. This is why deciding how one-to-one should work is time-consuming but necessary work, says Scott Sampel. "We worked hard to focus all the one-to-one principles into strategy and tactics that would bring our business quick results."

All successful one-to-one pioneers have learned to avoid creating an overly grand vision. Susan Bruno, marketing manager of *HP At Home*, suggests, "Don't re-invent the wheel. Take advantage of our organizational learning so far and you'll be able to accelerate the process." Some of the most successful one-to-one efforts, such as the *HP At Home* newsletter, involve cooperation across divisions and business lines and enable HP

customers to see a unified HP, one that offers its products and services from a single, logical place.

Finally, begin a regular dialogue with your customers. That's the lesson of HP's Premier Accounts Program in the Enterprise Accounts Organization. Michael Cohn, manager of premier sales programs, says that there are times when you must "stop selling."

"Ask customers how well you are serving them, then stop and listen," Michael says. "After you learn what your customers appreciate, you get relationships that are built to last. That's how you win."

How is HP pursuing one-to-one marketing? Here are four examples that represent some of the relationship-marketing programs worldwide:



resources and services to develop and maintain straightforward, long-term HP business relationships.

HP Premier Accounts, bellwether accounts for HP's cutting-edge, mission-critical enterprise technologies, get a dedicated account-management team and a dedicated vice-president who will respond to any issues. HP brings customers together to continually assess the relationship. In addition, HP invites chief-information officers from selected premier accounts to participate on HP's Global Advisory Board, where they can offer valuable ideas about how HP can improve its offerings.

In 1998, the Customer Relationship Management Group awarded the Premier Accounts Program its annual Customer Relationship Management Award. Recently, Premier Accounts has worked with customers to create interactive, personalized Web sites and begun offering access to the Enterprise Solutions Network to highlight consumer, commercial, enterprise and measurement solutions

3. Consumer Products Business Organization—HP At Home *customer newsletter*

HP At Home, distributed to 500,000 of HP's most valuable home-computing customers, helps start true one-to-one relationships with customers who need HP supplies, printers, scanners, PC photography systems or home computers. HP identifies high-value customers when they register with HP.

HP At Home works across five businesses. Direct Marketing, Product Support, Pavilion PCs, Inkjet, and LaserJet. Initially, these businesses spent \$1 million on producing and distributing four issues each year. Customers loved the magazine, but HP believed the outlay was too great. Ziff-Davis stepped in, sold advertisements to HP businesses to finance the publication and circulation increased from 200,000 to 500,000. Customers interact with HP by e-mail and the Web.

4. Customer Information Action Organization—*Measurement Organization*

The Measurement Organization implemented a marketing-information system so it could better use customer information to improve marketing communications, get better information in the hands of customers, build and implement customer information management systems, and reduce marketing expenses as a percentage of sales.

The Electronic Measurement Division (EMD) can identify which customers are profitable at given colleges and universities, including high-value customers. By eliminating catalog-mailings to unprofitable customers, the division dedicates its budget to boosting profits with its high-value customers.

For more information about one-to-one, contact Lane Michel at (650) 857-4729 and see CRLs on page 31. **M**

(Sanjay Khanna is a free-lance writer, based in Vancouver, British Columbia, Canada—Editor)

Meeting the Triple 5 Challenge

Taking 5 percent out of three areas will significantly reduce infrastructure costs, says Chief Financial Officer Bob Wayman. As we split HP into two companies, we must remain focused on current business priorities.



We're hearing about projects under you, one called the Infrastructure Project and another called the Triple 5 Challenge—or 5x5x5. What are they? And when and how did they get started?

Over the last couple of years, HP has had pressure on its financial performance. We've done a lot of things to control expenses, including what we call infrastructure costs. As we got into FY98, we realized we were not going to be able to do this again just by brute force, that we needed an approach that allowed us to fundamentally take costs out of the system as opposed to just squeezing costs out of the system. We wanted to figure out how we can do a better long-term job that would serve us well whether business is good or bad.

As one of the outcomes of last year's General Managers Meeting, we formed the Infrastructure Project, and I was fortunate to get two people—Barry O'Connell and Greg Spray—to commit full time to this project. They talked to all kinds of people—suppliers of infrastructure services, users of infrastructure services, managers of various HP businesses, as well as consultants and other companies.

One of the things we felt we needed was a near-term goal. That's where the Triple 5—or 5x5x5—came from. Here's what the 5x5x5 theme means:

We'd like to see 5-percent reduction in three areas: 5-percent price reduction from infrastructure providers, 5-percent demand reduction by users of these infrastructure services; and 5-percent reduction in the area of operations procurement.

Five percent may not sound like much, but HP's infrastructure costs are about \$5 billion a year. We also spend about \$7 billion on operations procurement, although there is some overlap between these two categories. It adds up to a huge amount of money. In fact, our goal is to reduce these costs by \$700 million.

One more thing. There are infrastructure costs that naturally go down, like IT costs. When we talk about a 5-percent rate reduction, we mean an incremental 5-percent reduction beyond what would naturally have been achieved.

Is this project still relevant since the decision to split HP into two companies?

Absolutely. It's essential that we work to reduce our infrastructure costs. As the newly appointed transition team works through the details of separation, we must remain focused on current business priorities, including our infrastructure efforts.

Can you define "infrastructure"? What exactly does it include?

For this project, it includes IT, facilities, site services, finance, HR, legal, communications and Geographic Operations. One of the biggest areas is IT—computers, telephones, communication equipment, services, the help desks, etc. The next biggest one is the combination of facilities and site services.

"We needed an approach that allowed us to fundamentally take costs out of the system as opposed to just squeezing costs out of the system. We wanted to figure out how we can do a better long-term job that would serve us well whether business is good or bad."

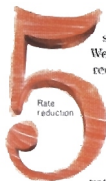
—Bob Wayman,
HP Chief Financial Officer



We've looked carefully at where each of these services resides, who owns it and who can influence it. Some are owned by corporate functions, some by Geographic Operations (GO) and others by HP's businesses. Infrastructure is owned about half by Corporate and GO, and half by the businesses. And, of course, the businesses are the largest consumers of infrastructure, whether they own it or buy it from the GO or corporate functions.

Could you talk about each of the 5s in a little more detail?

Sure. The first one is rate reduction. We've looked at things like the cost of a payroll transaction, or the cost of an accounts-payable transaction, or a telephone call, or occupying a square foot of space. We are in the process of reducing the unit price of these services to users wherever they are in HP. When you get into telecom and datacom, it gets tricky because those rates are coming down anyway—but we're really trying to get an incremental reduction in those rates.



In some areas, we've already made great progress. Infrastructure includes such things as country managers, country finance and administration (F&A) managers, HR managers, etc. Lee Ting, HP V.P. and managing director of Geographic Operations, and Franz Nawratil, HP V.P. and managing director of Europe, Middle East and Africa, have reduced costs so that now most of our country managers wear two hats: They are both the country manager and responsible for a sales force or finance and administration. These changes will mean a lower cost structure going forward, not just squeezing costs temporarily.

And in site services and some of our HR services, Laine Meyer (of Corporate Real Estate) and Susan Bowick (Human Resources), respectively, plan further process standardization across a number of sites that we believe will lower costs with equal or, in some cases, better levels of services.

What is the second 5?

That's the one that I think is most relevant to employees because it's about reducing their usage. For example, in HP, as we have tried to make computers, communication and telecom a key part of everyone being productive and doing their job, we have found that people basically view most of these resources as free. In a market economy, you understand what things cost and you make choices. We want to get every employee who uses any kind of a resource to understand better what the cost of those resources are so he or she can make trade-offs.

We also want to better inform managers so that they can make choices about the right service level and costs that match the needs of their work group. We still have a lot to do in that regard. We're developing the appropriate financial tools to allow us to have a better understanding of our costs, and ultimately better decision-making about some of the key cost tradeoffs that need to be made.

As part of this evolution, service providers are beginning to move to more of a market-based model where they have service-level agreements





with their internal customers specifying the level of service that they expect to buy and the prices they'll pay for it. In IT, for example, they're beginning to develop product and service differentiation. So, in the future, instead of everyone in HP having the same level of COE (Common Operating Environment, HP's desktop-computer environment) services, there may be levels of COE at different prices.

Right now we have a very powerful e-mail system. You can get immediate delivery everywhere in the world at the press of a button. That absolutely is needed by some people in HP. But maybe not by others. And if you're willing to accept a lower level of service, you should pay a lower price.

And what is the last 5?

That's operations procurement. There are certainly some areas of procurement where we have paid a great deal of attention for quite some time. Travel is just one of these. We have long had a focused travel-expense management group of professionals who work with our vendors to get the information to employees to make the right choice and move market share in order

to get us a better deal. They negotiate heavily with alternate carriers so that they know the one with the best price, and we'll try to get volume for them. They've negotiated preferred hotel discounts and all of those things.

There are areas that have not been attended to because usage is spread so thin and so broadly, like office supplies. Every single person uses office supplies: how do you make the right trade-offs in terms of bringing information on the cost of these supplies? There are some key elements that I think are critical to the success of this. One is a set of tools that will allow people to find the relevant information, place their orders, track volume and usage

so that we can both negotiate for better deals based on that usage and feed back improved price and service into the system. The only way to deal with that in a highly decentralized company like HP is with a very easy-to-use, very powerful or effective—and in these days probably a Web-based—system (see story on page 17).

To give you some idea of the size of the problem, currently, in the United States, we buy goods and services from 71,000 vendors. That is probably 10 times too many. We benchmarked other companies, and there are clearly opportunities to save further if we consolidate our purchasing and negotiate lower prices by promising more volume.

That's the basis on which we are going to approach all of our indirect service and goods providers. We have begun that effort in operations procurement, naming Greg Spray manager. I hope that a couple of years from now we will have fewer suppliers with better service and noticeably lower costs.

How do you think we're doing so far? Are we making progress on Triple 5?

Well, we're making progress, but it's still early. We started the Triple 5 project in September 1998. We've decided to use FY98 end-of-the-year costs as the reference point, and started measuring from there.

Let's look at this from the internal service providers' point of view. What's going to change?

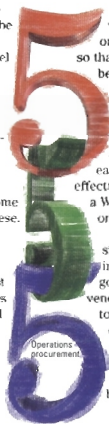
As an example of what went on this year, ESSG (Enterprise Systems and Software Group) went out, with Chief Information Officer Mike Rose's full support, and got a quote on e-mail services from the outside. That's the kind of thing we need to get so that we're sure that we're paying the right price for these services.

I assume we're going to see more of that where infrastructure providers are involved.

Right. We want to get to a market-based model where HP functions have the inside track, but at the same time, the businesses go outside when that option is better.

How long do you expect the Infrastructure Project to last?

I think we should view it as a 12- to 18-month project. I hope that as we get to mid-2000, most of these



"...the single thing I'd like every employee to have is a personal understanding of the resources that he or she uses—from the space you occupy to the telephone you use to the time you spend on the Web. None of this is free."

things will have been implemented broadly so we've captured our \$700 million goal. Some people think we're driving too hard and some people think this is doable.

What about beyond mid-2000? Do you see this concept as sustained?

Yes, hopefully what we will get out of this are some new structures and capabilities, new tools and,

most importantly, new behaviors. I hope we'll have a truly leading-edge infrastructure driven by the market forces that affect all parts of HP.

How can employees participate?

Although an individual's role in the company will determine how useful or urgent this initiative is, the single thing I'd like every employee to have is a personal understanding of the resources that he or she uses—from the space you occupy to the telephone you use to the time you spend on the Web. None of this is free.

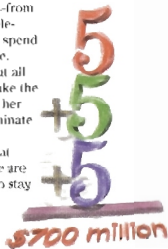
Every employee should find out all he or she needs to know to make the right choices to support his or her professional activities and eliminate unnecessary costs.

After all, these resources that we've made available to people are valuable. They've allowed us to stay

competitive and grow. We're not trying to drive all costs out of the system. We're trying to drive unnecessary costs out of the system and allow every employee to be an educated consumer. I've been really pleased at how many employees have taken the time to write e-mails or leave voicemails on ideas that they have, or examples they've seen of misman-

agement of costs, that they think are opportunities for improvement. That is just the kind of action that's needed

For more information about the HP Infrastructure project, check the internal Web site at <http://hpinfra.eup.hp.com>. M



A few mouse clicks for one-stop shopping

Need a new stapler? A PC projector? A qualified change-management consultant? Soon HP employees will be able to order these products and services—and thousands more—with a few clicks of a mouse.

HP Operations Procurement—a worldwide organization of 500 people—is building an e-commerce catalog on HP's intranet that they say will be in trial use by year-end and in widespread use by 2000.

Greg Spray, director of Operations Procurement, says, "HP today spends about \$7 billion a year just for goods and services that don't go directly into HP products. That represents a huge opportunity to save money."

Not only will shopping be easy, but HP also expects that working with fewer suppliers, encouraging better employee spending habits and streamlining the procurement process will save HP hundreds of millions of dollars per year.

The power of small change

A remarkable story is unfolding around the world, where a little faith and loans as small as U.S. \$60 are breaking a cycle of poverty.

By Betsy Brill

Photos by Ken Kobre



Borrowers smile brightly while saluting a Grameen Bank loan officer. Grameen borrowers develop confidence that is not typical for rural Bangladeshi women, who do not dare to look outsiders in the eye. Researchers attribute the confidence to Grameen members' activities with the bank and their success with their loans.



NEAR DHAKA, Bangladesh—Women wrapped in bright fabric and carrying worn pink bankbooks arrive singly and in pairs. They slip through the sides of a tin-roofed bamboo shelter and drop to the woven mats covering the smooth earthen floor.

Either squatting or folding their legs under their thin bodies, the women arrange themselves in eight neat rows. Many carefully count out piles of money that they then pass to the woman at the row's end. As each row fills with five women, a young man on a black bicycle pedals up. The chattering women clamor to their feet and, standing tall and smiling brightly, raise their hands in salute to greet him. He sits on a bench in front while the women arrange themselves on the mats again.

The Grameen ("village") Bank is open.

In villages across Bangladesh, a similar scene is unfolding at this hour.

Twice a morning, five days a week, 40 women—eight groups of five called "centers"—gather in bamboo shelters

they have erected to repay loans and request new ones for their tiny businesses. In sight of all, a bank worker who travels by bicycle collects their money and records their payments. In nearly 38,000 villages every week, 2.3 million people—most of them women, all of them poor—repeat this ritual.

Without one *taka* (two U.S. cents) of collateral, these unusual borrowers boast repayment rates exceeding 95 percent. The group is collateral for the individual. Five women organize themselves into a group, electing a leader and a secretary.

Group members divide among themselves which two will receive the first loans—usually the neediest. When the first two have made payments for five weeks, the next two receive their loans; after they have made five payments, the final borrower receives her loans. Initial loans average around 3,000 *taka* (U.S. \$60).

Subsequent loans grow larger, and a missed installment stuns not just the borrower's record, but those of her group members, as well. No one



At weekly center meetings across Bangladesh, women repay their loans to the Grameen Bank and request new ones. Each group leader counts the payments of the five members of her group. In view of all, she pays the bank worker and he records the payments. The women have helped build the bamboo shelter that serves as the center house where they meet each week.

credit, he says, not charity. They need what every rich business owner needs to get richer—credit and capital to build businesses and incomes.

From an action research project begun with his students in 1976, Yunus created the Grameen Bank. Its clientele are people who have so little land they can't raise enough food for the year.

At first, Yunus offered loans to men because they, typically, were the breadwinners. But men frequently would gamble or drink away the money, he learned. Women turned out to be far more reliable borrowers and, unlike their husbands, they invested their incomes in food, clothing and education for their children—a phenomenon that has proved true from Bangladesh to India to Latin America and beyond.

Today, the Grameen Bank is an independent financial institution that has loaned nearly \$3 billion, upwards of \$40 million a month in 1997. After years of reliance on donor money, the bank supports itself with interest from its loans and even makes a profit. Yunus and the bank are in the forefront of a movement to extend credit to 100 million poor people by the year 2005.

Building on its success, Grameen has spun off other nonprofit and even commercial enterprises (see story on pages 21–22) that all aim to help the poor help themselves. One remarkable venture is revolutionizing communication in the impoverished country.

Miles from where the phone lines end, down a long and rutted dirt road, past clusters of bamboo huts, and just beyond a stand of tall bamboo, a telephone rings. Shuffling her bare feet through a circle of grain

spread on her smooth courtyard, a laughing woman lifts the sleek black cell phone she carries while working. "It's Singapore," she calls to the family waiting on her shaded porch.

In 1997, the Grameen Bank began leasing cell phones to successful long-time borrowers. Anwara Begum, who 12 years ago first borrowed money to buy a cow, today is one of more than 100 Grameen borrowers who are running village pay phones—connecting their neighbors not just to Dhaka, the capital, but to the world at large. In another year, Anwara will own her phone and will continue to operate it at subsidized rates as long as she acts as her village's operator. Neighbors pay her to make and receive calls, and she even takes and delivers messages.

With less than 1 percent of Bangladesh's population having telephone access, the bank plans to finance phones in the nearly 35,000 villages it serves—leapfrogging existing technology and the expense of expanding it by placing mobile phones in the hands of poor villagers. Previously isolated from the centers of commerce and information, farmers will be able to check market rates for their products and demand fair prices from wholesalers who may have cheated them in the past. Muhammad Yunus foresees the marriage of the wireless network with Internet technology and predicts that the newly educated next generation will telecommute from villages instead of migrating to the city or other countries to work.

The village pay-phone program is the result of the efforts of a Grameen Bank spinoff, Grameen Telecom. Grameen Telecom partnered with the Norwegian company Telenor and two smaller stakeholders, Japan's

can receive a larger loan if one person is in default. Even the other 39 women in the center are affected because certain large loans are available only when entire centers have maintained spotless records.

Beyond borrowers' remarkable repayment rates, however, is their success in boosting their families' incomes with their businesses. One World Bank study recently concluded that the Grameen Bank "...alleviates poverty on a sustainable basis and makes a net contribution to local economic growth." Another study found that half of 10-year borrowers were leaving poverty.

"We hope that soon we will be able to say we are a bank of the formerly poor," says Grameen's founder, Muhammad Yunus.

Yunus, a former economics professor, has upset all kinds of notions about "the poor" with a remarkably simple observation. Poor people need

"We hope that soon we will be able to say we are a bank of the formerly poor."



Marubeni Corporation and New York-based Gonophone, to create Grameen Phone, Limited, which lauded the nationwide license to provide cellular service throughout Bangladesh. Grameen Telecom's ambitious five-year plan is to expand service to all 68,000 villages with pay phones and phones for individual subscribers.

"This revolution is causing a stir among high-tech companies and financial institutions because it provides a model of how to sell technology to all the markets we don't currently address in these developing countries and to do good at the same time," says Sukumar Srinivas, general manager of HP's Internet Imaging Operations. He met Muhammad Yunus at the 1997 State of the World Forum, at which CEO Lew Platt spoke. Sukumar hopes to accept Dr. Yunus' invitation to IIP to visit Grameen Bank this year and to continue their discussion about using the broadband network that serves the cross-country railway as a way to provide cellular service

and Internet access through all the country's villages.

Following the '97 State of the World Forum, a small group of HP employees, coordinated by Barb Waugh, worldwide personnel manager for HP Labs, and representatives from other corporations and agencies have engaged in monthly teleconferences with Grameen to explore potential partnership opportunities. A pilot project, for example, might put computers in villages for use as electronic kiosks—small businesses funded by Grameen lease loans. The kiosks would provide Internet access, e-mail and possibly even Internet phone service.

"Working with Grameen could be a significant opportunity for HP," says Webb McKinney, IIP vice president and general manager of the Business PC Organization. "We need to further investigate the best way to move forward."

HP's donation adds up

The Grameen Bank and other "microfinance" organizations around the world now serve some eight to 10 million people. Research shows that access to repeat loans is actually helping families climb out of poverty—and across cultural and geographical boundaries, poor entrepreneurs, particularly women, are proving to be profitable as well as reliable borrowers.

For example, SEWA Bank in India, a cooperative bank of poor, mostly illiterate working women, has been profitable since 1976—its second year of operation. In 1997, five years from its inception, the microfinance arm of Egypt's National Bank for Development generated 33 percent of the bank's profits and promised another record-breaking year for 1998. Since 1992, profits from Bank Rakyat Indonesia's microfinance department have exceeded the bank's overall profits and made up for losses

Left: SEWA Bank in India is another micro-finance pioneer. At the urban bank, illiterate borrowers (who sign with a thumbprint) are identified with a photograph instead of a signature

Right: Grameen borrower Anwara Bagum, far right, threshes grain with her feet while her neighbors receive a call from Singapore on Anwara's cellular pay phone, a business she financed with a lease loan from Grameen Bank

Bill Higley, Internet program manager for the Inkjet Products Group R&D, also sees Grameen and other microfinance groups as potential business partners. "We can get computing and communication solutions to customers we might not normally address," he says. "We can help people in developing economies and gain additional customers for life. As Lew Platt has said, 'Doing good and doing well are not mutually exclusive. In fact, doing good may be the best way to do well.'" **M**

(Betsy Brill is a San Francisco, California-based freelance writer—Editor)



on corporate loans. Poor entrepreneurs have turned out to be a long ignored—and profitable—new market.

Given its potential impact on poverty—and its ability to replenish its own coffers—microcredit is earning considerable interest from governments, private aid

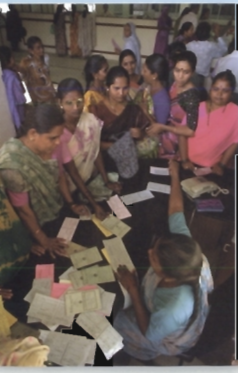
agencies and even from the corporate sector. As previously poor families emerge from poverty, they also represent potential new markets for other products and services.

At a recent Partners for Development Summit hosted by the United Nations Conference on Trade and Development in Lyon, France, development professionals turned to successful microlenders as well as to HP and other corporate leaders such as MasterCard and Bank of America in a discussion on how to bridge the gap between development and profitability. Microcredit is one tool that has proven to be effective.

The SEWA Bank in Ahmedabad, India, built rupee by crumpled rupee from the pockets of poor women, has been profitable since 1976. Today, its deposits are growing by 30 percent a year, its net profits by 23 percent a year. The bank enjoys a 96 percent repayment rate on its loans to poor women.

As a summit sponsor, HP's Financing and Complements Group (FCG) donated 200 financial calculators to aid microlenders in their credit analyses. "The donation is really a symbolic gesture to say HP cares," says Constantin Salameh, vice president and general manager of HP's Financial Services Operation in Europe, Asia Pacific, Middle East and Africa. "We're looking for other ways to be involved."

HP stands to play a far more vital role, Constantin says, in a potential project for the United Nations that would establish a database of the world's microfinance organizations. The database would allow international investors to evaluate the financial strength of microfinance groups—many of which are generating greater profits than conventional banks—and to invest in them.



"Some-times you have to fight to live"

The odds were against her, but Julianne Wirshborn overcame adversity in her climb up the career ladder.

By Gregg Piburn

LOVELAND, Colorado—Julianne Wirshborn got a belated 16th birthday present on November 3, 1994—a baby daughter she named Emily.

Born eight days after Julianne's birthday, Emily's arrival drastically changed the course of what had been a fairly typical teenager's life in Fort Collins, Colorado. Now, a little more than four years later, Julianne is a full-time marketing-support technician for HP in Loveland, Colorado. Not surprisingly, the path from single teen mother to single working mom has been steep and rocky.

One person thrilled she made the climb to HP is her manager, Kelly Spink, NET product line manager for the Customer Care Center. "Julianne routinely exhibits everything I need from my support team: professionalism, empathy, honesty and follow-through," Kelly says. Yet, he is the first to admit the company took a gamble by hiring her. More on that later.

Julianne lived with her mom for the first five months of Emily's life. Then the young mother and baby daughter lived alone in the house for a month while Julianne continued her studies as a high-school sophomore and searched for reliable child care. From May to October 1995, Julianne and Emily lived at the home of a youth pastor and his family. But during her junior year, Julianne dropped out of school because of the pressure of supporting a child.

"You have to fight your way through the system," says the 5-foot-1-inch woman. "It's hard to get child support and it's hard to work with the system. Sometimes you have to fight to live."

It turns out, Julianne, now 20, is quite a fighter. Take 1996, for example. In January of that year, the 17-year-

"It's good to see someone given an opportunity like Julianne was, and turn that into a success story. I know it makes HP stronger."

old high-school dropout had surgery for endometriosis. Julianne also has battled fibromyalgia, which causes

muscle pain and fatigue, since sixth grade. Two months after surgery, she passed a high-school-graduation-equivalency test and started taking classes at Front Range Community College (FRCC) in Fort Collins.

Between time spent with her daughter and studies, she worked three jobs, including a full-time position with the City of Fort Collins Parks Department. It was there that she discovered her passion for computers. Her job changed from that of a filer to department computer guru, creating an employee database and trouble-shooting problems, among other things.

She earned a computer internship with a support specialist and upgraded the computers of many city employees.

On two or three nights weekly she delivered pizza from 5:30 to 10. On Saturdays she kept score for softball tournaments. "That year (1996) was terrible," Julianne confesses. "Emily had full-time daycare and different people watched her on the nights I worked. She had no consistency."

By late 1996, Julianne and Emily lived in an apartment, thanks to government assistance. In the summer of 1997, she received a grant to take more courses at FRCC. She took computer classes in the morning, then ate her lunch in the car while driving to her half-time job with the city. To earn her network support certificate, she quit her job with the city and focused on 16 college credit hours in the fall of 1997.



That December, she got a job at HP Loveland through a contract company. After a short time as a temporary worker in the Customer Care Center, Kelly offered her full-time HP employment.

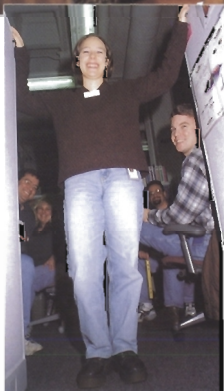
"Julianne was missing some of the fundamental experiences we typically look for in a new hire," her manager says. "But based on her attitude, personality and desire to succeed, we took a chance on her."

"It's good to see someone given an opportunity like Julianne was, and turn that into a success story. I know it makes HP stronger."

The relationship with HP strengthened Julianne, too. Among other things, it means insurance coverage and flexible hours—huge benefits for this family of two.

"Getting hired seemed so wonderful," she says with a grin. "After all the hard work, I finally got somewhere worthwhile. When you're faithful, you get rewarded. It feels really good to say, 'I'm an HP employee.'"

With Julianne, though, the hard work continues. Last Christmas she



and Emily got up at 3 a.m. every day to deliver newspapers for three weeks. In January, she started pursuing a business degree from Regis University, which could take up to four years to earn. In addition, she speaks to youth groups and public schools as a community volunteer in

A single parent and former high school dropout, Julianne Wirshorn now is a marketing-support technician for HP in Loveland, Colorado. Her ambitious schedule includes two important luxuries—grabbing a treat with her 4-year-old daughter, Emily, or a rare, quick breather from her HP job.

Helping Educate Abstinence & Relationships to Teens (HEART Choices).

She also spends more time than ever with Emily. "We read together, play with pretend make-up, go for drives and laugh a lot," Julianne says. "I want Emily to have boundaries and feel safe and loved. You know, she's a strong-willed child." A strong-willed child who has a strong-willed mom. **M**

(Gregg P. Burn, an author, columnist and consultant based in Loveland, Colorado, is a former HP communications manager.—Editor)

ASK Dr. Cyberpace

Finding information on HP's intranet shouldn't require consulting the mystical powers of the Tarot—though the answers may lie in the cards.



For anybody familiar with HP's intranet, you know that shuffling through it is like being dealt the death card.

Well, HP-ites, something's brewin' that'll make finding information easier and faster.

The people behind major HP Corporate Web sites—E:BIS (the Sherlock folks), HP Communications (owners of my favorite site, HP Now), Human Resources and other key functions—have combined forces to create a single gateway to the

intranet. Expect to see phase one of the gateway—or portal—later this year.

This is one *steppus majorus* in the never-ending evolution of HP's internal galaxy.

Imagine having everything you want in one place. Say "later" to Web surfing and never mind irrelevant search results. Alakazam! The answers to questions will appear before your eyes like magic.

I know what you're thinking: "Looks like the doc isn't playing with a full deck."

OK, maybe it won't work like magic, not at first anyway. But go through my Tarot reading; afterward you, too, may have a positive outlook of the future.



The ace of Infrastructure

Barry O'Connell, manager of HP's Infrastructure Project, leads the effort

"I'm one of those people who subscribes to the notion that HP suffers from a case of 'if only we knew what we know,'" Barry says. "Ironically, a lot of the information we need is at our fingertips, but we just can't find it. My vision for accessing HP's intranet is to have a gateway, or portal, through which we can intuitively access information and discerningly request services."

The high priestess of communications

Bojana Fazanic, director of Global Marketing Services and Communications, is an executive sponsor of this project

"HP employees need intuitive and quick access to information available on our intranet," Bojana notes. "Today hundreds of Web sites for various HP functions and organiza-

tions provide a wealth of useful information to improve how we work. By providing the right navigational framework and a clear gateway to this information and valuable internal resources, this initiative promises to significantly improve our efficiency and productivity, while reducing the frustration many of us are experiencing today."

The knight of IT

Mike Rose, vice president of Information Systems and HP's chief technology officer, also is an executive sponsor of this project.

"Our expectations increase as we experience the dynamic pace of change on the World Wide Web," he says. "As employees, our expectations for how we work within HP are moving just as fast. Bill Hewlett implored us to build the proper environment for creative people. The HP Infrastructure Program plays a key role in bringing together service providers who must build our future work environment to meet our growing expectations."

The sorceress of search

Pam Schultz is part of E-BIS—the Sherlock crew.

"This combined effort will provide the expertise and resources needed to develop a highly effective portal for HP employees," Pam says. "In addition to providing quick access to frequently used information, we will work to improve the quality of the results generated from a search. Our primary goal is to solve the information overload problem at HP. This project is a big first step in the right direction."

The prince of HP.Now

Kevin O'Connor is editor of HP Now (<http://hpnow.hp.com/>), HP's internal news and information source

"HP people are telling us that they want top-level news and information about HP and its businesses and they want us to make it easier to find that information," Kevin says. "While we're providing companywide content on HPNow, there's lots of useful information on the intranet. Making these resources visible through a gateway page that's developed and managed in a coordinated fashion is a logical next step to making HP's intranet more valuable."

The pentacle of benefits

Steve Rice, worldwide HR tools and processes manager, is working to improve the delivery of HP services through the intranet

"Our vision is to significantly improve our ability to provide employees and managers with easy-to-use tools that satisfy their need for information and help them complete administrative transactions and report data via the Web," Steve says. "With emerging technologies, we believe that we can bring our customers closer to managing their own benefits and personal data in a more intuitive and simple fashion."

There are more than six cards in a deck and I bet you have a few cards up your sleeve. What do you think the gateway to HP's intranet should look like? If you want to have a hand in changing the future, send your ideas to hpnow@hp.com/. **M**

HP's chairman, president and CEO discusses the President's Club—the annual celebration of HP's top 100 salespeople.



President's Club criteria

- Sales performance (quota and skills)
- Customer satisfaction
- Resource management
- Sales planning and implementation
- Contributor to team
- Informal leader
- Enthusiastic, positive outlook
- Role model

Recently, I attended an annual HP event that always reinvigorates me and makes me feel excited about HP's future.

The President's Club is our once-a-year salute to roughly the top 1 percent of HP's worldwide sales forces. It's an opportunity to recognize the achievements of 100 of HP's best salespeople and acknowledge the support of their partners.

This year's two-day President's Club event—our 13th annual—was held in Hawaii in January. It was a first-class event, to be sure, although it lasts about half as long as most companies our size, and we don't give away lavish gifts.

Among the attendees at the celebration were 30 HP executives, including the Executive Committee. We bring HP's top salespeople and managers together because the salespeople especially enjoy being

recognized by their managers in front of their peers. Additionally, the meetings produce great discussions about where our business is headed, our

product programs, marketing plans and customer satisfaction.

Employees in the sales forces consider the President's Club to be the ultimate recognition in HP. It isn't a 100 percent club; meeting or exceeding your sales quota doesn't guarantee you a place. Instead, we select winners on a number of criteria (listed on this page), including their leadership qualities, teamwork and ability to use HP resources wisely.

I'm always in awe of the creativity and energy of the people in HP's business organizations, and that's particularly true for these salespeople. Their stories of sacrifice and achievement are truly inspiring. One person exceeded quota by more than 500 percent in one year. Another completed a critical installation on Christmas Eve because the customer needed the equipment in time for a government audit. A third rep moved from one industry to another and still made the President's Club for the second time in three years.

These accomplishments are especially noteworthy when you consider what a difficult year 1998 was. The sales force is under a lot of pressure to perform, regardless of the world's economic situation or the strength of our product programs. These are the people on the front line. They work across organizational silos to develop customer solutions. They shield customers from HP's organizational complexities, which can be no small task at times.

When you think of HP's three areas of focus—improving our exe-



During a break from President's Club meetings in Hawaii, Law chats with (from left) Monica Järnefelt, her husband, Kristian Järnefelt, sales rep from the commercial sales force in HP Finland, and Magnus Paulsson, district manager for the Consumer sales force in HP Switzerland

Most of these top performers have spent several years building and maintaining strong accounts. As I listened to their stories, I heard a universal passion for customer satisfaction. Those examples can inspire all of us to work harder to serve our customers.

That's why I believe the President's Club is one of the most important events HP hosts all year. Usually, in typical HP fashion, we focus on what didn't go right or what we could've done better. But during the President's Club, we make a point of celebrating some incredible accomplishments.

All indications are that 1999 will be another challenging business year, like 1998. But after two days with the best of our sales forces, I'm convinced that HP has a great future.

cution, promoting innovation and intensifying customer satisfaction—HP sales reps typically are masters at all three. And they do this with a substantial portion of their pay at risk through sales commissions each year.

Sales, as you probably know, is an exciting profession. When we started the President's Club 13 years ago, the standard way of reaching customers was through direct contact. Today, sales reps often work through retail stores, distributors and other third parties. Whether it's talking with customers directly or working with our important partners, we know this

about the 1998 President's Club winners. They:

- come from 23 countries;
- have an average quota performance of 147 percent;
- represent Components (three), Chemical Analysis (five), Medical (seven), Software and Services (13), Test and Measurement (18) and the Enterprise Group (27);
- handle commercial accounts (22) and sell directly to consumer accounts (five);
- are sales reps (88) and district managers (12); and
- have from two to 21 years of HP service.

(For more information about the President's Club and a list of winners, check out the internal Web site at <http://marketing.corp.hp.com/about/presclub/index.htm> or go to <http://marketing.corp.hp.com> and use the search feature for President's Club. —Editor)

YOUR TURN

MEASURE readers share their views on matters of importance.

Food for thought

John Doyle's comments in the last *MEASURE* were food for thought that left me hungry. He reminded me of my first manager, Matt Tausz, who constantly spoke of the Corporate Objectives and the HP Way.

In the 20 years since, this focus on objectives and the practices that come from them has eroded to where they are more concepts than guidelines for business decisions and behavior. I'm particularly interested in how John taught the objectives and in the chart he used to make them relevant to every job.

I'd like to see an example of John's chart on HPNow, along with his teaching tips.

JONATHAN TEMPLE
Andover, Massachusetts

John has volunteered to interrupt his retirement to find his notes and prepare a Web version. Keep an eye on the MEASURE site on the internal Web at <http://hpnow.hp.com>.—Editor

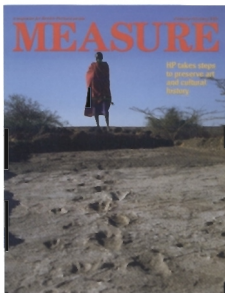
Something to think about

John Doyle's article was very stimulating. Fads come and go, but the core, our Corporate Objectives, remains tried and true. I was particularly moved by John's practice of teaching the objectives.

Please send mail

Do you have comments about something in *MEASURE*? If we publish your letter, you'll receive a Dr. Cyberspace *MEASURE* T-shirt.

Send your comments to Editor Jay Coleman. The addresses and fax number are on page 3. Please limit your letter to 150 words, sign your name and give your location. We reserve the right to edit letters.



When was the last time you were "taught" the HP Corporate Objectives? It has been quite some time since I last studied them. I encourage all HP employees to read, think about and discuss these core values.

KEVIN KEYT
Boise, Idaho

Quick, get the Jargonator

After reading John Doyle's letter, I am struck with the degree of complexity that we have introduced within HP.

Earlier, people used simple tools and simple words to communicate effectively. Today, we use complex tools and even more complex language which has made communication difficult for anyone but management school graduates.

A countless number of people spend countless hours trying to refine simple statements so that they sound like they have been put through Dilbert's Jargonator. These statements have to be refined every time a new management fad hits the town.

I think a back-to-basics campaign is needed. Simple words, simple instructions are what are required for youngsters to be motivated. As implementers, they don't need to be involved in choosing the most appropriate phrases describing their activities. Complexities are better left to management. Unfortunately, today we tend to involve everyone in our jargonization campaign.

ADHISHIEK SINHA
Singapore

Feedback on feedback

I enjoy reading *MEASURE* and would like to send in a feedback card. *MEASURE* is available online, why isn't the feedback card available there, too?

GORDON HO
Hong Kong

We've corrected that oversight and welcome reader comments—in any format.—Editor

A sharp-eyed reader

In the story about the Sharp Corporation in the January-February *MEASURE*, it states that Sharp developed the first AC vacuum-tube radio in 1929.

If this means the first one made in Japan, well, maybe. It's certainly not the first in the United States. I own a working 1928 model Atwater-Kent AC vacuum-tube radio, and it wasn't the first.

JOHN CHAPMAN
Colorado Springs, Colorado

Clip and save

I like the summary list of Web sites mentioned in the magazine that you printed on page 31 of the January-February *MEASURE*, but I have a suggestion: Include a short phrase or sentence that describes the content of the various URLs. Then I can save this page for easy reference.

CASEY HOEKSTRA
Corvallis, Oregon

Good idea, Casey. We don't always have room to print descriptions, but we will whenever we can.—Editor

News from around the HP world

By Muoi Tran

Learning hand in hand

SINGAPORE—HP and Raffles Girls' School (RGS) are surging to the head of the class with a new "e-learning" project, a one-year pilot program that supplies HP Jornada 820 handheld PCs to 94 secondary-school students (age 13 to 14) and seven teachers in the RGS Gifted Education Program.

With the handheld PCs, students and teachers experience a unique curriculum inside and outside the classroom by connecting wirelessly to the school network and Internet from anywhere.

For in-class flexibility, teachers can connect their handheld PCs to projectors to conduct lessons. They also can distribute notes electronically, send e-mails or leave assignments on the network for students.



Students from Singapore's Raffles Girls' School make their own history as the first to use HP Jornada 820 handheld PCs in lessons that extend beyond the classroom.

For the students, "The world will become their classroom," says Carmee Lim, RGS principal. "The

HP Jornada handheld PCs offer the students a powerful tool to be creative, productive and independent."

Visit the HP Singapore site at <http://www.hp.com.sg/> for more information about the program.

OK with Y2K

There's ample uncertainty about exactly what will happen at the stroke of midnight on December 31, but there's no doubt about HP's

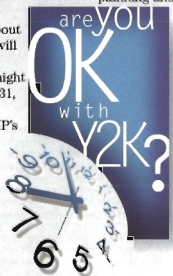
planning and preparedness for a possible Year 2000 (Y2K) glitch.

HP employees can expect "modified work schedules, controlled time off and a limit on

travel and internal meetings at the end of 1999 and the beginning of 2000 to deal with any customer's Y2K issues that might appear," says Bernard de Valence, general manager responsible for HP's Y2K program.

HP's Y2K preparations also include a "Year 2000 Links" Web site at <http://y2kweb.rose.hp.com/>

y2klinks to help you become OK with Y2K at work and at home. You'll find a comprehensive list of Y2K links—both inside and outside HP—ranging from sites in the United States and other parts of the world to those of competitors and government, and even news and entertainment sites.



Expertise in the IT and K-12 arenas, respectively, helped HP's Kevin Hinkston and Bess Stephens win Black Engineer of the Year Awards.

STEVE CASTELLO

Riddle HP this

LOVELAND, Colorado—What has three divisions and 36 teams, is 15 years old, has raised more than \$40,000 for nonprofit organizations and has produced 12,000 questions? Give up? It's the Loveland Trivia Bowl.

For 15 years, HP has participated in and unofficially sponsored the citywide annual event. "HP people have entered the Trivia Bowl since it started in 1985, and the first HP team was formed in 1987," says Jim Willard, HP's public affairs manager in Loveland. Jim has researched and written all 12,000 questions for the game.

Groups of four people sign up for one of three divisions—business, service clubs and open—and are

drilled with hundreds of questions in the categories of sports, pop music, print media, movies, television and potpourri.

In the history of the Trivia Bowl, HP has won five times in the business and open divisions. This year, the "Help Me, Rhonda" team lost its first match in the January event, but came back through the consolation bracket to play the winning team. HP won 16 to 7, Jim says. This forced a tense playoff for the championship, where HP placed second to a team from a local radio station.

What is a nematode? HP's John de Cunha (with glasses) quickly pulled the fact from his high school days and answered, "It's a round worm, one of the three phyla of worms." To help teammates (from left) Kevin Thompson, Linda Kline and George Prokop.

Retiring plaudits
in the News
Products of others

People

Ganesh Ayyar has succeeded **Suresh Rajpal** as G.M. of HP India. Rajpal has retired.

Within the Personal Systems Group, **Webb McKinney** is now an HP V.P. and G.M. of the newly formed Business PC Organization. **Jacques Clay** succeeds him as G.M. of the Home Products Division.

Joel Birnbaum, who retired in February, has taken on a new consulting role as HP's chief scientist.

Jean-Rene Bouvier is now G.M. of the Telecom Infrastructure Division.

Within the software sales force, **Joe Cinque** has been named North American sales and marketing G.M.

At HP Japan (HPJ), **Shingo Oda** was promoted to senior director; **Masaki Iizuka** was elected a director; and **Bill Russell** was elected a non-resident director.

Toshiteru Suwa and **Shu Asai**, who worked for HPJ since it was

established in 1963, resigned from the HPJ board. They will continue as consultants.

Robin Abrams, formerly president and CEO of VeriFone, has left the subsidiary to join 3Com. **Ken Wach** was named VeriFone's acting G.M.

The new G.M. of International Sales Europe is **Roland Fleischmann**. He succeeds **Hallstein Moerk**, who left the company to join Nokia Corp.

Plaudits

Its *Fortune* magazine's latest "Most Admired Company in America" ranking, HP placed 18th, slipping from its fifth-place showing last year.

Printers

HP has formed a wholly owned subsidiary—**APOLLO Consumer Products**—that will produce inkjet printers priced less than U.S. \$100. **Mohan Garde** will lead the subsidiary as its G.M.

For more information, search Newsgrams at <http://hpnow.hp.com/news/nghome.htm>.



MIKE WEINSTEIN

Celebrating their 1998 President's Quality Award were representatives from 11 winning organizations: (from left) G.M. **Chuck Welter**, WorkGroup LaserJet Division; **Dieder Legat**, Enterprise Accounts Organization Europe, Middle East and Africa; G.M. **Haribert Schmitz**, Customer Support Business Unit Germany; G.M. **Jimmy Shar**, Commercial Channels Organization Taiwan; G.M. **Bill McGlynn**, Personal LaserJet Division; G.M. **David L. Harris**, Network & Peripheral Solutions Division; G.M. **Katsumi Takizawa**, Computer Integration and Distribution Japan; G.M. **Andrzej Dopierala**, HP Poland; G.M. **Maurizio DeBerardinis**, Commercial Channels Organization Italy; G.M. **Hugo Strachan**, HP Argentina; and **Himanshu Jeni**, HP India.



Doubling HP's winnings

BALTIMORE, Maryland—For HP's Bess Stephens and Kevin Hinkston, expectations and actual results were at opposite ends of the spectrum during the 13th annual Black Engineer of the Year Awards Conference in February. Since this was the first time that HP

applied for the awards, Bess and Kevin were pleasantly surprised when they won national prizes.

Bess, manager of HP's K-12 Education Program, was honored for Corporate Promotion of Education, and Kevin, an IT engineer, for Outstanding Technical Contribution. Both work in Palo Alto, California.

goals are outstanding. But a President's Quality Award (PQA) is the ultimate recognition of excellence—for achieving all three.

Just ask the 11 HP teams that accomplished all this, and much more, to win

More than 7,000 of the country's top African-American executives, professionals and college and pre-college students in math, science, technology and engineering attended this year's conference and saluted the winners. As in the past, HP provided information booths, seminars and workshops at the three-day event.

1998 PQA honors. "Many organizations apply for this award but only a few are selected," says Lew Platt, HP's chairman, president and CEO. "Winning this award takes both great leadership and a great team."

The best of HP's best

A customer-centered culture is good. Loyal and satisfied employees are desirable. Strong processes and methods that meet financial

URLs inside HP

This issue's related Web addresses:

<http://hpnow.hp.com/>

HPNow Web site

<http://aiso.ptp.hp.com>

HP's Adv. Integrated Solutions Op.

<http://marketing.corp.hp.com/cpm>

One-to-one marketing program

<http://hpinfra.cup.hp.com/>

HP Infrastructure project

<http://hazen.hpl.hp.com/microloan/>

Micro-lending and HP

<http://marketing.corp.hp.com/about/presclub/index.htm>

1998 HP President's Club

<http://y2kweb.rose.hp.com/y2klinks>

HP's internal Y2k Web site

<http://www4.ce.hp.com/qms/pqa.html>

President's Quality Award

URLs outside HP

This issue's related Web addresses:

<http://singaporeair.com/index.html> and

[http://www.hp.com.sg/](http://www.hp.com.sg)

Singapore Air and HP Singapore

<http://www.mot.com>

Worldwide home page for Motorola, Inc.

<http://www.hp.com/designjet/>

DesignJet products

<http://www.grameen.com>

Grameen Bank and microcredits



JACK CARROLL



Caveat canis

ROSEVILLE, California—Alarmed? The fire hydrant is—but you shouldn't be, assures Leland Wong, HP technical support engineer. "This time, the warning is for the dog," he says.

At first, however, Leland was quite baffled by the placement of the admonishing sign. It wasn't until he

spotted Kincaid, the golden retriever pictured, that the answer to the perplexing scene finally occurred to him. "HP allows employees to bring and train Canine Companions for Independence (CCI) dogs on site," Leland says. "So, I figured the sign must be used to teach the canines how to read!

"CCI dogs do amazing things, such as turn light

switches on and off for people in wheelchairs and alert deaf people to the sound of a fire alarm," he adds.

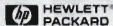
"Those dogs sure are smart. Who knows what they can be trained to do next?"

"Actually," says Bryan Cowger, Kincaid's trainer and HP product marketing

manager, "the sign isn't part of the extensive program that teaches these special dogs how to help people with disabilities." But Bryan didn't mind coaxing Kincaid to look at the off-limits hydrant for Leland to take this humorous shot.

The expression of disappointment was Kincaid's own doing, Bryan says. **M**

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