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A magazine for Hewlett-Packard people

September-October 1999

MEASURE

**In stride
with HP's
new CEO**



I can't say exactly when I became a big fan of CEO Lew Platt, but I think it was one day in February 1993.

I had written a *MEASURE* article about HP's order-fulfillment problems. A couple of senior executives felt the tone was too honest. Lew was asked to arbitrate the dispute. In many companies, that would have been an easy decision: senior executives 1, employee publication 0.

Lew walked over to my office and explained—almost apologetically—that the article had some problems and needed to be pulled from the magazine, which was due to go to the printer within a few days. I countered, "You mean there's no middle ground? There's no way to edit the story to make it acceptable for printing?"

Lew picked up the article, quickly identified the controversial paragraphs, made some thoughtful edits and then pronounced the story fit for print.

He very easily could have sided with his execs and ruled the matter closed. Instead, Lew looked at both points of view, weighed the evidence and made a CEO-like decision (that happened to agree with mine). The vice presidents may not have been delighted, but *MEASURE* readers were able to read a more honest and credible story.

"You and I didn't take these jobs to be popular, did we?" Lew has said often.

On the contrary, I'd bet that Lew is one of the most popular HP employees ever. He doesn't just talk about company values and the HP Way. He lives them.

Anybody who has spent much time around Lew probably has a story to tell. It might be the unexpected phone call Lew made or the note he sent. It could be the time he dropped in to a

meeting to talk with customers or visitors—and ended up staying longer than either of you imagined he would. He cares deeply about the personal touch.

For the past few years, Lew has gotten into the habit of eating lunch with several of us from HP Communications. I think he enjoyed the fact that we rarely talk about work. Name a topic—sports, current events, fine wine, photography, literature, wombats—and Lew invariably knows more about it than anyone at the table.

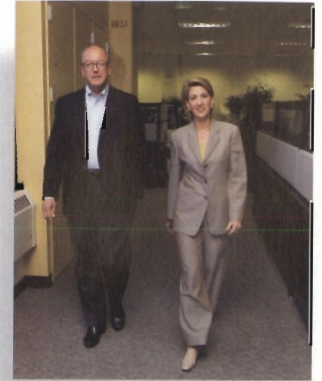
Here's a guy who regularly counsels and dines with CEOs, world leaders and royalty; yet, he seems equally happy eating chicken strips and fries in the company cafeteria and talking with any employees.

His sarcasm and quick wit can be lethal. But he always appreciates a good duel—even when his opponent scores a few stinging cuts. I can't imagine another CEO at a *Fortune* 13 company—or at many top *Fortune* 500 companies—who is as approachable as Lew.

Lew will be retiring soon, but it looks like HP has found an able replacement in Carly Fiorina. She's bright, warm, funny, focused and a big believer in employee communications.

Thanks, Lew, for eight years of leadership, friendship and always thinking of what's best for HP. We'll miss you.

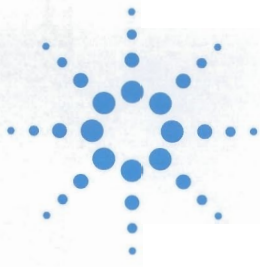
—Jay Coleman



On the cover: Carly Fiorina, HP's new president and CEO, sets a fast and energetic pace for the company to follow. Retiring President and CEO Lew Platt is non-executive chairman of the HP Board while overseeing Agilent Technologies' spin-off from HP. The story begins on page 4.

Cover photo by Steve Castillo

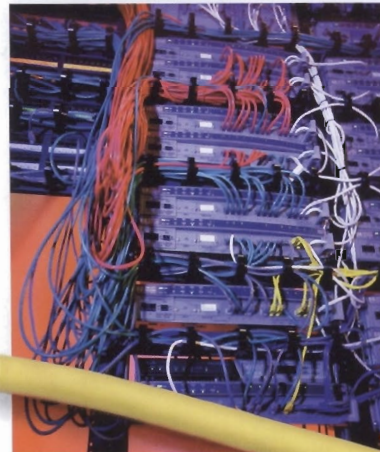




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MEASURE

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Hewlett-Packard Company—a leading global provider of computing and imaging solutions and services for business and home—is focused on capitalizing on the opportunities of the Internet and the proliferation of electronic services. HP has 123,500 employees worldwide and had revenue of \$47.1 billion in its 1998 fiscal year.

HP plans to launch Agilent Technologies as an independent company by mid-calendar 2000. Agilent consists of HP's test and measurement, semiconductor products, chemical analysis and healthcare solutions businesses, and has leading positions in multiple market segments.

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Keeping up with Carly

Carly Fiorina, HP's new president and CEO, sets a fast and energetic pace for the company to follow.

By Jay Coleman

Early morning...late evening—it never seemed to matter what time of day Kate Silvery would call Carly Fiorina at home, the result was the same.

“Carly’s an avid runner, and she almost always would be running on her treadmill while she talked on the phone,” says Kate, Carly’s executive assistant at Lucent Technologies for nearly the past four years. “She’s definitely a high-energy person.”

Barely two months into her job as HP’s fifth president and CEO, Carly already has quickened the pace. The pulse rate for this 60-year-old company is beating just a little faster since the 44-year-old leader arrived.

All of the excitement surrounding the search for a new CEO began on March 2, when HP announced that it would split into two companies and that President, CEO and Chairman of the Board Lew Platt would retire at the end of the year. A four-person board committee reviewed more than 300 candidates before selecting Carly, president of Lucent’s \$20 billion Global Service Provider Business.

The July 19 announcement of Carly’s hiring triggered a landslide of media and employee

interest. Within a few days, Carly and Lew had held conference calls with nearly 300 financial analysts and international press representatives; hundreds of newspapers and magazines printed articles about the new CEO; every TV network and business show in the United States requested interviews; and the HPNow intranet site logged more than 500,000 hits in a 12-hour period following the announcement. *Business Week* magazine made Carly and HP its August 2 cover story.

The demands on Carly’s time were incredible, and yet, she seemed to keep a step ahead of everyone.

“Carly’s energy is contagious,” Kate says. “Just being around her,

you feel you can do more. She has a wonderful gift as a motivator. Sometimes you drag yourself into her office, then come out like she’s given you a shot of B12 vitamins.”

But it isn’t just energy for energy’s sake, says Carl



Managing the next



STEVE CASTILLO PHOTOS

HP President and CEO Carly Fiorina (left) sets the pace for meeting with employees (top photo) and listening to customers (bottom photo) at the HP booth during HP World '99.



Kelly, Carly's primary speechwriter at Lucent the last four years. "She's very good at clearing away the clutter and getting right to the core of an issue so you can address it."
No matter whom you talk to, speed, motion and personal magnetism are the qualities that keep popping up when people describe the first woman to head a Dow 30 company.

• Hiring Carly gives HP "a sort of speed injection," said Laura

Conigliaro, computer industry analyst for Goldman Sachs.

• "Carly is the most dynamic person I have worked with," said Dan Plunkett of the Delta Consulting Group, a management consultant company that worked with Lucent.

• "Whenever she appears in front of a crowd, she captivates them," said analyst Alex Cena of Salomon Smith Barney.

Kate Silvery recalls an internal campaign at the end of 1998 on the eve of the Chinese celebration of the year of the tiger. Carly came up with the idea of sending all 20,000 people in her division a card with the phrase, "Let's roar into 1999." The card included an embedded voice recording on a computer chip. When opened, the card actually roared.

Being approachable and in touch with employees always has been one of Carly's priorities. "She treats everyone with respect—probably more so than anyone I've ever run across at the executive

level," says Carl Kelly, her former speechwriter.

Adds Kate Silvery, her former executive assistant, "Carly received hundreds of e-mails when she announced she was leaving Lucent. Many employees had never met her face-to-face, but felt like they knew her personally. She's just that kind of person." **M**

Carly at a glance

- **Full name:** Cara Carleton "Carly" S. Fiorina
- **What's the significance of her name?** Cara Carleton is a family name. Carly is the ninth Cara Carleton since the U.S. Civil War.
- **What does the S. stand for?** Sneed, her maiden name
- **Undergraduate degree:** Medieval history and philosophy, Stanford University
- **Master's degrees:** Business administration, University of Maryland; master of science, Massachusetts Institute of Technology's Sloan School
- **Experience:** Nearly 20 years with AT&T and Lucent Technologies, including president of Lucent's Global Service Provider Business; executive vice president, Corporate Operations for Lucent; senior executive in AT&T's Network Systems unit, including president of North America, senior V.P. of Global Marketing, president of the Atlantic and Canadian Region, V.P. of Strategy and Market Development, and various AT&T positions in sales management, marketing, finance and engineering
- **Board memberships:** HP, Kellogg Company and Merck & Company
- **First HP job:** Secretary, shipping department, Stanford Park Division, while attending Stanford University
- **Personal:** Married to Frank Fiorina, retired AT&T executive; two adult stepdaughters and a 3-year-old granddaughter, Cara, who calls Carly C.C.
- **Hobbies:** Running, gardening, sailing, animal lover



Carly balances the enormous demands of her work schedule with family time, including her husband, Frank, a retired AT&T executive, her 3-year-old granddaughter, Cara, and her 52-foot boat.

Back in the limelight

Nearing self-imposed retirement, Dick Hackborn takes on new roles as board chair and mentor to HP's persuasive new President and CEO Carly Fiorina.

Photos by Steve Castillo

Dick Hackborn, who retired from HP in 1993 as head of the Computer Products Organization, was on the verge of retiring quietly from the HP board of directors when he ran into a whirlwind. The whirlwind is Carly Fiorina, who became HP's fifth president and CEO on July 19.

Dick was a member of the four-person CEO search committee that unanimously selected Carly to lead HP into the new millennium. Instead of fading away, Dick was thrust into the spotlight when Carly coaxed him into becoming the non-executive chairman of HP's board of directors, effective January 1, 2000.

MEASURE interviewed Dick recently about the board's decision to hire Carly and how she talked him into taking a more active role.—Editor

HP asked each of the CEO finalists to undergo a battery of management and personality tests. How did Carly score?

Dick: She emerged extremely strong in terms of being a strategic visionary, having the ability to create

excitement and buy-in from the management team or with customers in terms of the strategy she articulates. Then, very importantly—she also is strong in following through by setting tactical goals and expecting operational results. Those seem to me to be the ideal characteristics of a CEO. And she was exceptional in both areas.

Historically, HP CEOs have had engineering backgrounds. To what extent was Carly's lack of an engineering background a factor in the board's decision to hire her?

Dick: It wasn't a major factor. Rick Belluzzo (ex-Silicon Graphics CEO and former HP Executive V.P.) is not an engineer, nor is Lou Gerstner (IBM CEO) or Michael Dell (Dell Computer CEO). We certainly have a number of really outstanding leaders in the industry who do not have engineering degrees.

I don't think it's a "show stopper." What is important is being heavily focused on customers and, in particular, having an excellent understanding of their key needs—both present and future. That's every bit as important—if not more so—as having a technical background.

Carly's really been involved in the high-tech business. Telecommunications as it evolved into digital networking at Lucent is a very technical business. She knew all the right questions to ask when I reviewed the HP businesses with her. I was very impressed by that. Also, while not involved directly, Carly has had a lot

Dick Hackborn, a 39-year veteran of Hewlett-Packard Company, has come full circle to greet and champion a new HP and its new CEO, Carly Fiorina.



One of the things that really stood out about Carly to me was that she asked people-related questions. None of the other external candidates I interviewed asked even one people-related question.

of experience with the information industry. The directions she established at Lucent required interactivity, understanding and partnering with computer companies.

The ability to relate to customer needs, to integrate input from numerous areas into a compelling strategic vision and then being able to champion your vision—those are really important skills at the CEO level.

Did the management evaluation give you a good feeling for her ideas about HP's culture and the HP Way?

Dick: I think it goes even deeper than that. One of the things that really stood out about Carly to me was that she asked people-related questions. None of the other external candidates I interviewed asked even one people-related question.

Carly obviously was aware of the HP culture, having been at Stanford and having lived in the Bay Area. She had studied our culture and showed that she understood it as much as an external person can. She was very keenly interested in how people work together and how we manage at HP.

I never got those questions from the other outside candidates. That interest in people is every bit as important as being a great strategic



Above: Dick Hackborn (left) and Lew Platt compare notes during a recent meeting in Palo Alto. Dick will replace Lew as HP's non-executive chairman of the board when Lew retires. They made up half of the HP

Board's four-person CEO search committee that unanimously selected Carly Fiorina as HP's new CEO.



Above: Sam Ginn (left), head of the HP search committee and Board member, talks with Susan Bowick (center), V.P. of Human Resources, and Carolyn Ticknor, president of LaserJet Imaging Systems.

Below: The CEO search committee, which included John Fery, considered more than 300 candidates before selecting Carly Fiorina.



and operational leader. It just so happens that she seems to be capable of doing all of this well.

How did Carly convince you to take on a more active role?

Dick: I planned to finish my term on the HP board this year and not stand for re-election next year. Carly asked about the board during our first meeting. I thought that showed wonderful insight. No other CEO candidate asked that question, but it's an important one. The CEO needs to know the board and who he or she will be dealing with.

I told Carly that I was planning on this being my last year on the board. She was disturbed by that, but didn't say a whole lot. During the second meeting she said to me, "I really need somebody who knows HP and particularly the imaging business very well."

She also said that my background on the Microsoft board gave me wide exposure to the computer industry. She felt those were attributes that would be a major help to her. And she

said that—although it wasn't hers to offer by any means because she hadn't even been offered the CEO job at that time—if she were CEO, she'd like me to be chairman of the board.

I told her I was headed in the other direction, but I'd really think about it. I talked with (board and search-committee members) Sam Ginn and John Fery, and finally agreed that if that's what the board wanted and what Carly wanted, I'd be happy to do it. I'm really interested in seeing her get off to the best possible start—particularly with respect to HP employees.

Just what is a non-executive chairman?

Dick: A non-executive chairman is a chairman who is not also the CEO.

How long do you anticipate being the chairman of the board?

Dick: I told the board and Carly that I'm not going to make a career

The reason that the search committee and the board unanimously chose Carly is that she has a strategic knowledge of the broader information industry and the skills a high-tech CEO needs to provide strong leadership.

out of this job. But I do greatly enjoy interacting with the HP management team, and this will take it to the next level for a while. HP has a phenomenal management team and I am looking forward to being more involved with them and Carly.

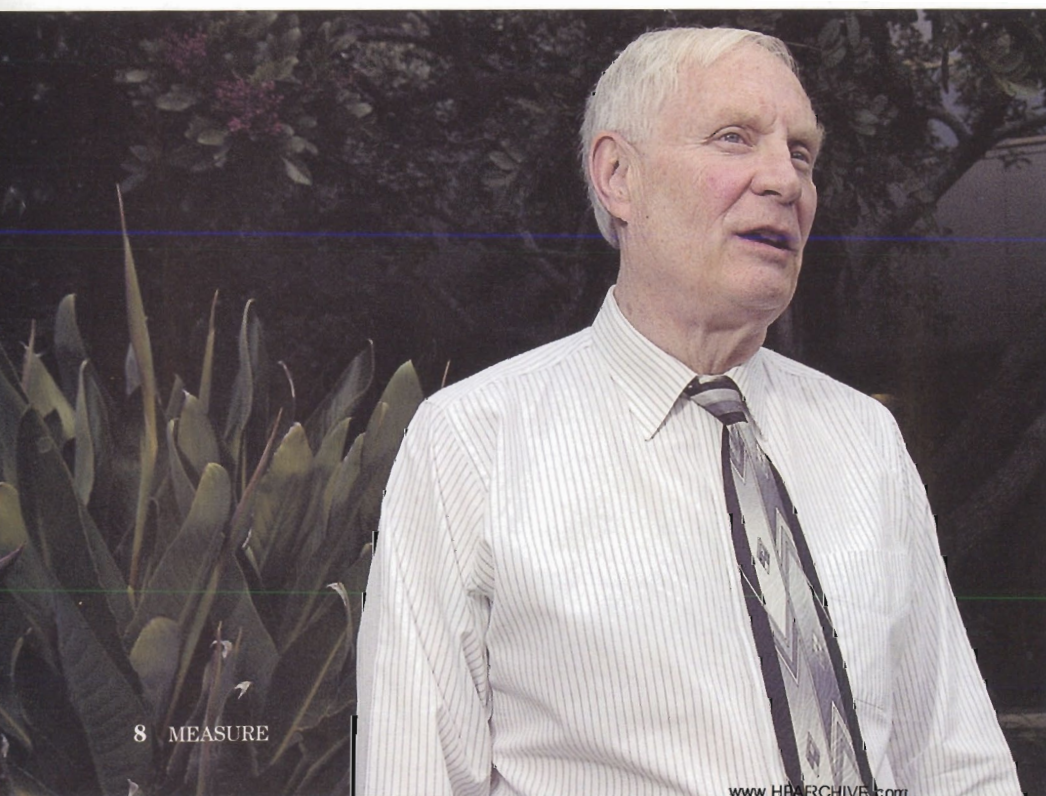
Hewlett-Packard probably could have found a very capable person, perhaps male, perhaps 50ish, perhaps with two or three engineering degrees. Instead, we hired a person who happens to be female, in her 40s, without an engineering background. Was HP thinking outside the box and practicing some savvy marketing?

Dick: The reason that the search committee and the board unanimously chose Carly is that she has a strategic knowledge of the broader information industry and the skills a high-tech CEO needs to provide strong leadership. Carly has this natural enthusiasm that's contagious. I've watched it and it's incredible.

At the same time, she can focus on the operational side. When you're a company the size of HP, you have to make sure that the organization is paying attention to everyday business fundamentals and getting good financial results. She has this great blend.

We simply didn't see that in any of the other final candidates. The key

What we're looking for is a long-term CEO who's going to be outstanding. Being a woman was incidental.



short-term requirements are to round out Carly's understanding of the computer industry and, most importantly, to gain an in-depth understanding of the company. This will not be difficult because she's very bright and a very fast learner. That's not an issue.

What we're looking for is a long-term CEO who's going to be outstanding. Being a woman was incidental. It just so happened that our best choice also happens to be a woman. So maybe we weren't thinking in terms of marketing, but we ended up making a great choice.

Is there any doubt in your mind that she will strike that right balance between retaining what's working well at HP, but initiating changes that are necessary?

Dick: In the May-June *MEASURE* I said that when we talk about the HP

I really feel that Carly will emphasize the HP Way that I remember back a few years. She will absolutely protect the core principles with a fervor.

Way, we have to ask, "Exactly what are you talking about?" because there are a number of HP Ways. There's the HP Way as I remember it in the 1970s and 1980s and there's the HP Way today. Yes, they're 80 to 90 percent the same, but there are some important differences.

I really feel that Carly will emphasize the HP Way that I remember back a few years. She will absolutely protect the core principles with a fervor—principles such as the way people interact with each other, the commitment to excellence, integrity—all the practices I remember from Dave and Bill's days.

I think she's going to push hard to get rid of some of the things that have crept in in recent years. For example, the declining emphasis on fast action and being measured against market and financial results.

I believe you'll see a much more aggressive HP emerge.

The media and analysts have been enthusiastic about our decision to hire Carly, but what really excites me is the enthusiasm I've seen among HP employees. That's far more important to me. Wherever I go, I get an enthusiastic response from HP employees. They shake my hand and hug me and say, "Oh, thank you so much for finding what really looks like a great HP CEO." **M**



India's "youngest industry" comes of age

The India Software Operation, which began as a 10-person group a decade ago, has exploded into a dynamic team that's 700 strong today.

By Betsy Brill

Photos by Ken Kobre



In just six years, the number of Indians working with computers jumped from 5,000 to a quarter of a million—and HP ISO, at both the Bangalore and Chennai centers, has helped tip the scale as a rapidly growing, profitable new software venture. HP has offices/manufacturing sites in Bangalore, Bombay, Calcutta, Hyderabad, Chennai and New Delhi (headquarters).



BANGALORE, India—Bangalore, in India's southern state of Karnataka, is the country's high-tech capital—an attractive, green city with a pleasant climate, where dozens of multinational technology companies have set up sites.

While Hewlett-Packard was one of the first—establishing both a manufacturing plant and a software facility in 1989—familiar names such as Texas Instruments, IBM, Motorola and others dot the leafy streets.

Cybercafes—just starting to appear in other major Indian cities—are familiar fixtures in what one author calls "Asia's Silicon Valley."

What makes India so fascinating are the layers of time that are visible on every stroll: a bullock cart plodding down the street alongside a sleek new Ford, a palm reader at work outside a computer store, a goat herder ushering his charges across four lanes of city traffic. Hundreds of years of human activity are on display—not just in museums but on the roads and byways.

Yet the mesmerizing blend of past and present is such that observers often fail to realize that India is among the world's 10 most industrialized countries. Its space program is said to rival those of some western European countries.

A burgeoning middle class—about 20 percent of the country's population of one billion—nearly matches in size the entire population of the United States. Five million graduates emerge from India's universities each year—thousands upon thousands of engineers and scientists.

"It's rare," says Craig

...observers often fail to realize that India is among the world's 10 most industrialized countries.

Chatterton, operation manager for HP's India Software Operation (ISO), "to find the broad range, the depth of talent and expertise that we have here." Craig, a 22-year HP

veteran, came to Bangalore four years ago from California. There were 60 people in ISO then. Today there are more than 700 in Bangalore alone. Some 150 work in the coastal city of Chennai (formerly known as Madras). Ten people in Bangalore formed the core team in 1989, when Radha Basu started the operation. Today, both the Bangalore and Chennai centers are part of the E-Solutions Division (ESD) within the Internet Business Unit.

The escalating size of HP's Indian software team parallels the growth in India's exploding software industry. Author Gita Mehta reports that as recently as 1990 only about 5,000 Indians were working with computers in India. By 1996, that number had grown to a quarter of a million. "Our youngest industry," she observes, "is also our fastest growing, already exporting a billion dollars' worth of electronic goods abroad every year."

Nowhere is India's pulsing software industry more evident than at HP's two side-by-side modern office complexes in Bangalore. The operation, which started as support for internal HP customers, has evolved into a hub for the company's shift from its traditional hardware business to its creation of a profitable new software venture. At any one time,

Craig Chatterton,
operation manager
for HP's India
Software
Operation



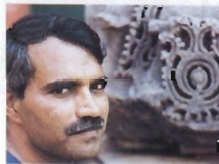


Together, employees of HP ISO (India Software Operations) spell teamwork and success. In 1998, the Commercial System Division—where the India R&D labs worked around the clock with the Cupertino, California, labs—won the President's Quality Award.

working hand-in-glove with colleagues in Cupertino.

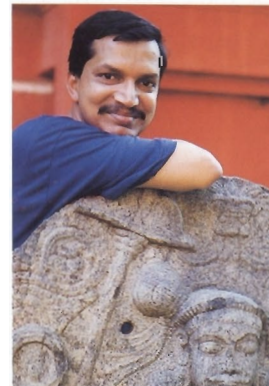
"There are 80 of us on the CSY team here in Bangalore and 65 in Cupertino," Subbu says. "There's only so much you can do unless you're working around the clock. We're able to hand off our work to Cupertino and they do the same. That gives us a 24-hour capability, which cuts down HP's time-to-market tremendously." CSY—incorporating both the Indian and Cupertino labs—won the President's Quality Award in 1998.

Projects like "Amadeus," says Craig Chatterton, represent a "turning point" for the India Software Organization. With Amadeus, explains Ayee Goundan, networking technology R&D lab manager, the challenge was to create a brand new system from the bottom up that would replace IBM mainframes with HP object-oriented client-server systems. The assignment: funnel the information generated by hundreds of thousands of users from varying sites, machines and applications around the world through two newly developed HP client-server systems—one mirroring and backing up the other—and rapidly translate and redirect the information to airline reservations systems.



Ayee Goundan,
networking technology R&D lab manager

Here, ISO members were working



directly with the customer as well as with as many as 10 or more HP divisions around the world. Fifty-five programmers from Bangalore,

Subbu Vempati,
operating systems R&D lab manager

at least 30 projects are under way in Bangalore. The R&D programs span the gamut from operating systems, networking and network management to solution and application development across industry segments such as financial services, manufacturing and telecommunications.

Subbu Vempati, operating systems R&D lab manager, was the second of the original hires in 1989. Subbu, who oversees ISO's work with the Commercial Systems Division (CSY),

among other projects, celebrated his tenth anniversary with HP in February. "I have seen more of HP sitting right here," he muses. "Any division I visit, I find someone I've worked with."

Initially, Subbu recalls, ISO supported single projects for various HP divisions. While that is still true, he says, ISO today operates as a virtual R&D site that lets HP work around the clock for its customers. At any time, for example, his CSY team is



Heading in new directions with cutting-edge technologies such as HP Changengine, HP ISO's Nameeta Chopra (left) and M.M. Prathiba radiate with hope and optimism.

Germany and Cupertino developed the software, while hundreds worldwide were simultaneously working on the HP-UX 10.30 operating system and other dependent products. During one three-month period, dozens of people participated in daily teleconferences at 9 p.m. India time. The new system went live earlier this year.

But the paradigm shift for Hewlett-Packard and the India Software Operation, Craig says, started with HP Changengine—one of HP's revolutionary new object-oriented technologies. "Changengine," Craig predicts, "could well revolutionize the way the world develops application software. And HP will be the premier provider of products that use this technology."

Changengine, at its simplest, allows developers to create separate layers of an application instead of one monolithic piece of software. In the past, one change could mean rewriting an entire application. Changengine allows changes to be made within one layer without affecting another, greatly reducing the "time to market" for a new application or an upgrade.

In December 1997, ISO took on a major role in developing Changengine and in creating a family of HP software products built on it. Beyond handling specific assignments within HP or even working as part of a multidivisional team, ISO has become, Craig says, a strategic R&D center for a whole new business effort within HP—the development of Internet-based business software.

"Changengine," says Padma Ravichander, R&D lab manager for E-Business Solutions in ESD, "puts ISO on the HP map and puts HP on the software map of the world." In Bangalore, around 40 people worked on the core engine and another 40 or so on the entire project.

Basic computing functions, Padma says, are separated from the specifics of various business processes. Traditionally, any change in a business process—say the number of signatures required to withdraw money at a bank or even the amount of a withdrawal requiring a signature—would require the software to be rewritten completely.

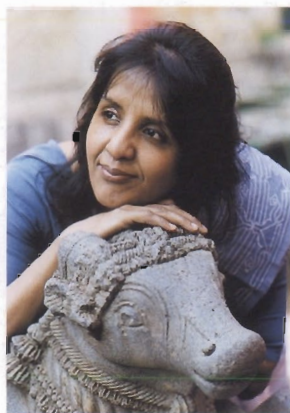
Changengine allows "static" functions—such as calculations—to be

separated from the business processes. It also allows the processes to be compartmentalized so that any one of them can be changed simply and quickly without affecting the others. While such a change could have taken two or three months of sophisticated programming in the past, Ravichander explains, a business itself should be able to make the changes within a week or less. "That's a tremendous value added for our customers," she says.

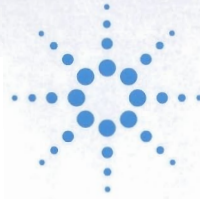
In addition to Changengine, ISO has been working with many of HP's other new start-up Internet software products and technologies, including e-speak. As part of ESD, ISO is integrally engaged in the development and deployment of HP's Internet products and solutions, as well as partnering with many of HP's systems divisions and IT organizations.

Padma, who was educated in Canada and spent most of her career there, returned to India just a few years ago, joining HP in March 1995. She finds outstanding technical expertise and unusual camaraderie among her ISO colleagues. "It's almost like an extended family. When I was working for Transport Canada, we had a large team engineering the change from mainframes to client-servers. It took two-and-a-half years to develop the kinds of working and personal relationships I see happening spontaneously here." **M**

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



Padma Ravichander, R&D lab manager for E-Business Solutions (ESD)



Agilent Technologies

Innovating the HP Way

Showtime for Agilent Technologies

With great fanfare, "NewCo" unveils its long-awaited and closely guarded new name.

By Muoi Tran

Photos by Steve Castillo

SAN JOSE, California—As sleepy downtown San Jose gradually awoke to an ordinary Wednesday, the San Jose Repertory Theatre surged with extraordinary energy and excitement.

The few passers-by at that early hour on July 28, saw about 300 employees, including more than 70 ambassadors from around the world, celebrating a common joy and anticipation—the announcement of the new name for the company spinning off from HP.

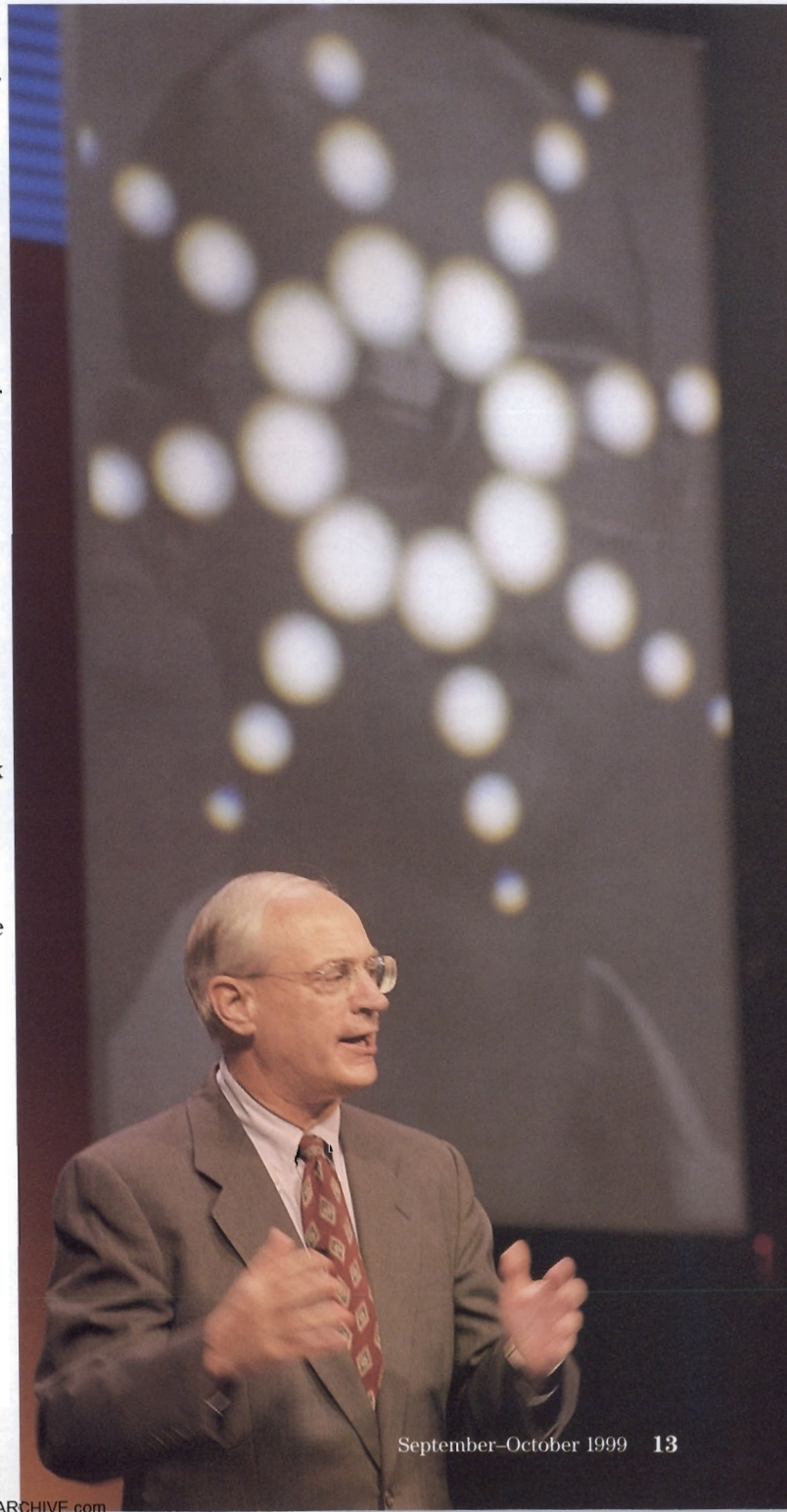
It was a tight squeeze in the halls and stairways that led to the guarded auditorium, but this gave everyone a chance to greet one another and exchange playful speculation. A quick poll revealed that the new name had been successfully kept a secret, and the temporary name of "NewCo" still was prominent.

Finally, after a 45-minute buildup staged by Dick Clark Communications—where "Name reveal" was 17th of 21 items on the program—the new name was announced: Agilent (pronounced *Agile-lent*) Technologies.

For a name derived from the word agile, meaning "nimble and well-coordinated" and "mentally quick and resourceful," it sure was a long-



Before revealing the name on center stage, Agilent Technologies' CEO Ned Barnholt (top center) meets with Bill Hahn (left), V.P. of Strategic Programs, Byron Anderson, G.M. of the Electronic Products and Solutions Group, then is fitted for a microphone.





Showtime

awaited surprise. But it was well worth the wait because the audience welcomed it with a standing ovation—which wasn't part of the script.

After seeing the name for the first time, Vonda Smith, an ambassador to the event from HP Labs—now known as Agilent Labs—said, “It made me smile because I immediately picked up on the ‘agile’ part of the name.

“I wondered if we really were going to be quicker to new markets with great products,” she said, “and that was indeed part of the idea.”

“The name Agilent has a built in ‘gut check,’” Ned said when he introduced the name. “We must always remain agile in the eyes of our cus-



Walter Hewlett (left), son of HP co-founder Bill Hewlett, and Susan Packard Orr, daughter of HP co-founder Dave Packard, join the celebrations for the new name, which includes three primary elements—the name itself, the logo and the “heritage line”—says Shirley Horn (below), Agilent’s director of Brand Management.



Ambassadors from Penang, Malaysia, (from left) Hon-Foong Lai, Rodzi bt Mat and Santana Mary d/o Yesulian, eagerly await the name-launch ceremony. In a quick change of scenery, soon after the unveiling, Agilent banners replaced the flags from around the world that lined the San Jose Repertory Theatre.

tomers and employees or else we are not living up to our name.”

Ramon Acevedo, an ambassador from Mexico for the Healthcare Solutions Group, liked the name, but said, “We still need to get used to it and, more importantly, we need to reinforce the story behind the name over time.”

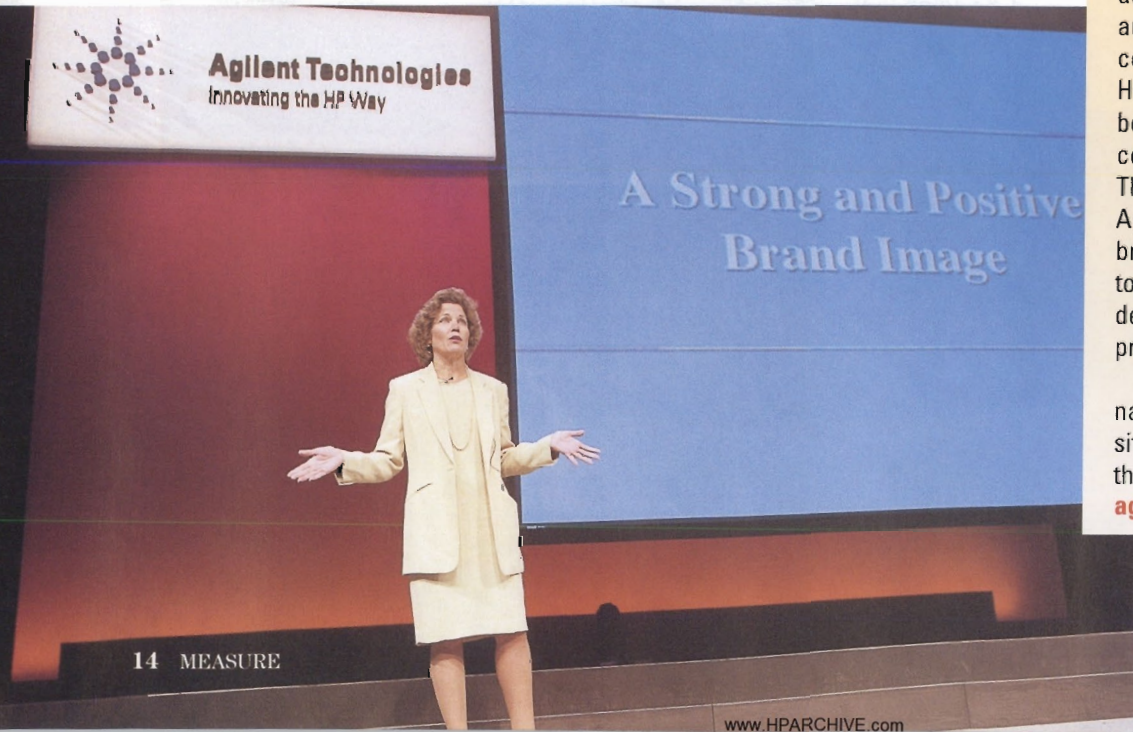
And that’s exactly the next step for the 43,000 employees of Agilent Technologies—to build the story behind the new name.

“It’s hard for people to adjust to new names,” says David Redhill, executive director of Landor Associates, the leading international

A spark of insight

Agilent Technologies’ symbol represents a “spark of insight.” The symbol represents many things. Some see it as a rising star or a starburst. Others see it as a pebble cast into a still pool, or as an idea that starts out small, but ripples out to touch and affect a broader audience. The company color is the blue that HP used prior to 1967—before it entered the computing and printing businesses. The spark of insight symbolizes Agilent’s unique combination of breakthrough technology and customer insight, which ignites the development of innovative new products and services.

For more information about the name, visit Agilent’s internal Web site at <http://agilent.hp.com> or the external site at <http://www.agilent-tech.com>.



One step forward, two steps back

It only took a few seconds for Agilent CEO Ned Barnholt to remove the covering on the sign displaying the new name, but the process to reach that point was long and complex.

It started out when Landor Associates conducted interviews with employees and customers. Bill Hahn, Agilent's V.P. of Strategic Programs and head of the 10-member search team, received more

than 3,000 ideas from employees.

The next step was to narrow down the list by straining them through a complex set of legal, suitability and availability filters. Some names took longer than others to research, and the group ended up meeting more frequently than had been scheduled.

After passing the original 90 day-deadline, Bill sent a memo to G.M.s updating them on the search: "We progressed through stage one on schedule. We were progressing through stage two, but as we neared the end of it, all the favorite names encountered hurdles. We attempted to acquire legal clearance on a couple of them, but could not."

There's no doubt that finding a name for an \$8 billion company—with subsidiaries in more than 40 countries and more than 80 product

lines—is difficult. And keeping it confidential is just as tough.

"We knew the new name would be sought after, both internally and externally, so we took several measures to cover our tracks," Bill says. "We did this because, early on, we had an objective to be the first to announce it to our employees." This also was to prevent others from finding out about the name and securing rights to such things as Web addresses.

"We never took anything in writing away from our meetings, and we referred to the name candidates in a code that was one letter after the actual initial of the name," Bill says. "For example, Agilent was referred to as the B-word."

"We also registered literally dozens of names, always through third parties," he adds. "So, if anyone started tracking down the registrations, they would find so many that they wouldn't know which was the real one."

"And we kept the number of people who knew the name prior to the morning of the launch to the bare minimum: Only two of Ned's 12 staff members knew the real name before that morning and only about 20 in total within HP (half of whom were on the actual naming team)," Bill says.

Bill Hahn (far right photo), Agilent's V.P. of Strategic Programs and leader of the name-selection team, helps reveal the name to the external press.

For a listing of the media coverage, go to <http://agilent.hp.com/company/features/name/coverage.htm>.



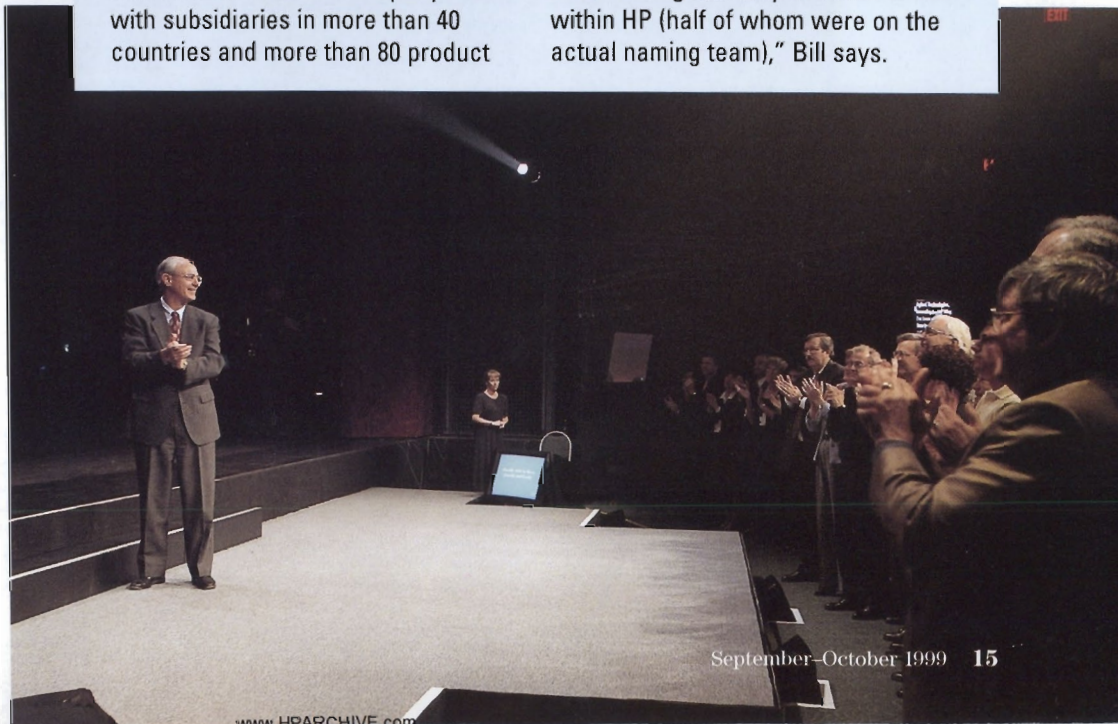
naming and branding firm that helped to pinpoint the title. "For example, when Apple was first introduced, people asked, well, what does that have to do with computers? The now-famous name, brand and image were built as people associated them with certain things.

"The good thing about 'Agilent' is that it will not limit the direction in which the company grows and develops—and it still will be relevant in 10 years and more," David says. "So, for Agilent, only finding the name is complete. But building on it has just begun."

"The official use of the name is targeted to roll out on November 1—but from this moment on—we are Agilent Technologies, innovating the HP Way with a spark of insight," Ned said.

"This is a new company, with a new name and a new attitude—built on the strong foundation of HP," Ned said. "We will need to go out and earn a strong image for our company through our actions and our deeds." **M**

The crowd rose and cheered the new name. From that moment on, they were ready to spread the word about Agilent Technologies.





Beneficial news for Agilent

What kinds of benefits can Agilent employees expect? Human Resources issues its first transition-related benefits package.

By Barbara Kawamoto

Benefits touch employees and their families more closely and personally than most workplace issues. With the planned split of Agilent Technologies from HP, employees at both companies are asking:

“What’s going to change?”

“Will my benefits be the same as they were before the split?”

An enticing benefits package typically can influence a person’s decision to join a company. However, by the end of June, thousands of people around the Agilent Technologies world found themselves saying, “Please sign me up,” without completely knowing what kind of benefits they’d receive from the new company. Call that trust and give HP some of the credit.

The two companies’ Human Resources departments jointly have begun to announce a number of decisions affecting employees. Distribu-

tion channels such as Transition News and a host of other communications materials help keep employees updated on program or policy changes resulting from the realignment.

“Much of the ultimate success for splitting into two companies depends on whether Jean Halloran (Agilent’s Human Resources V.P.) and I have met our goal of creating two new companies that are exciting, attractive places for people to work in,” says Susan Bowick, HP Human Resources V.P. “The numerous benefits decisions we are beginning to announce and implement are a key indicator of what the companies stand for, so we’ve spent extra time and serious thought about everything that affects employees.”

The majority of benefits and compensation programs will remain the same for HP and

ANNE KNUDSEN



Just before the start of a phone conference with other Human Resource employees in the United States, Susan Bowick, HP Human Resources V.P., and Jean Halloran,

Agilent HR V.P., discuss a few ideas for the meeting.



The majority of the benefits and compensation programs will remain the same for HP and Agilent employees through the distribution date, which is estimated to be in the third quarter of fiscal year 2000.

Agilent employees through the distribution date, which is estimated to be in the third quarter of fiscal year 2000. At that time, HP and Agilent will become two separate and independent companies.

Employees who accepted the transfer to Agilent Technologies had plenty of questions. Among the most commonly asked were:

“How will service credit in benefit and compensation programs be counted?”

This will be determined by the timing of an employee's actual move. An employee can switch companies any time up to 30 days before the distribution date in order to receive full benefits and service credit for time worked in either company.

On the distribution date, HP and Agilent service credit moves with the employee to the company for which he or she will work.

“How will cash profit-sharing be credited?”

Cash profit-sharing for the second half of FY99 will be based on total HP results (computing and imaging, and measurement), excluding transition costs. In addition to the profit-sharing announcement, results will be reported for each company, as if they already were two independent companies.

Profit-sharing for the first half of FY00 will be based on separate business results of HP and Agilent, using the current profit-sharing formula. HP intends to apply this approach worldwide; however, some countries' regulations may require HP to make adaptations or changes, subject to local legal and corporate review and approval.

“How will the distribution affect me as a shareholder?”

HP intends to distribute a dividend of Agilent Technologies' shares at some point during Q3 FY00. When the distribution occurs, shareholders will receive a dividend in Agilent stock representing some ownership in Agilent. The dividend will be determined based on a formula reflecting Agilent's value in proportion to HP's overall value. When that portion is determined, the formula will allow HP to determine how much of an Agilent share to give as a dividend for each share of HP stock.

“What about stock options?”

HP's core strategy addressing stock options, which will be implemented in most countries, including the United States, ensures that when the market

value of HP stock is adjusted on the distribution date, employees' options will have the same intrinsic value (bargain element) immediately after the distribution that they did immediately before. This applies regardless of which company one works for after the distribution.

After that time, the value of an employee's options will fluctuate with market conditions, the economy and performance of the respective companies. Those factors will determine the value of Agilent Technologies and HP stock prices.

You can go to the stock option Web site at http://hpweb.corp.hp.com/publish/hwp/stock/stok_opt.htm to see how you are affected. **M**

(Barbara Kawamoto is a San Jose, California-based communications consultant.—Editor)

The fine print

HP's intent is to follow the above guiding principles in all countries in which we operate. However, country-specific laws, regulations and structures may require HP to make adaptations or changes, subject to local and corporate review and approval.

In those countries where provisions must differ, differences will be communicated on a country-by-country basis as soon as possible. Nothing in this article should be taken as altering any right that HP has to modify program provisions at any time.

HP may translate this information into a number of local languages to support effective communication of the information captured here. If a conflict occurs between the English and a translated version, the English version will govern.





LETTER FROM NED BARNHOLT

Agilent Technologies' president and CEO talks about the importance of employees, the need for change and Agilent's values.

Photos by Steve Castillo



Given the sheer volume of work that's been accomplished, it's hard to believe it was just six months ago that we announced our intention to split HP into two companies. Since our naming in July, we've been working to establish Agilent Technologies as a separate company with its own identity. While we still have a way to go to reach our goal of creating two separate companies, I'm confident we can do it, given the commitment, diligence and enthusiasm shown by employees in both companies so far.

My many years working at HP have convinced me that the success or failure of any enterprise hinges on the commitment and contributions of its employees. Of course, at HP, I've been fortunate to work with some of the best people in the world.

Agilent's management team shares this belief. That's why we insisted that once we selected a name for our company we would unveil it to employees before we announced it to the media and the rest of the world. That's why the special event on July 28 was exclusively for employees (see related story on pages 13–15). And we worked hard to avoid leaks beforehand, including registering more than 100 false names for Internet addresses.

The name-launch event was a great success, a first-class event that represented the quality company that Agilent will be—in the same league with HP.

I wish all 43,000 of us could have been together. But with our far-flung

Agilent ambassadors, including (from left) Monisha Bhutani (Semiconductor Products Group), Sue Clark (Automated Test Group), Lamont Cloy (Electronic Products & Solutions Group), Peng Cui (Healthcare Solutions Group), Bernhard Olt (Chemical Analysis Group) and Xing Ye (Communications Solutions Group), received banners of the new name and logo from Ned to share the news.

operations in more than 100 countries, that just wasn't possible. The 75 "ambassadors" from our major entities and geographies who attended the event were outstanding representatives, reminding me once again of the intelligence, optimism and genuine enthusiasm I've become accustomed to at HP. Whether you were at the live event in San Jose, California, in the television audience or watched it on video, you no doubt caught the excitement of everybody involved for our new company and our new name.

In fact, the overwhelmingly positive response to our name surprised Landor Associates, the consultants who helped develop it. It's the first time they've seen an audience give a spontaneous standing ovation for a new name.

The day before the naming event, we held a town hall meeting with the ambassadors and our Agilent management team. The ambassadors asked tough questions. They wanted to know what our new company is all about and why we're better off separating from HP. That night at dinner, each member of the management team had the chance for more intimate discussion with a small group of ambassadors. I hope by now Agilent employees have heard about the two-day event from your ambassador. It's from events like this that we'll begin to build the stories of Agilent Technologies, about our people, our products and our culture.

Because employees are key to Agilent's success, we plan to implement other innovative employee communication programs that keep you informed and continually encourage your feedback.

One change we'd like to focus on in our new company is the one inher-



ent in our name—Agilent. It's our capacity to remain open to continual change and to stay flexible and responsive to changing market needs. This agility is imperative to being successful in the fast-changing, highly competitive businesses we're in. Every one of us will have to learn to embrace change and use it to our advantage.

I'd like to challenge you to think about how this applies to your function and to your individual job. What

All change begins with individual initiative. Change isn't something that happens to us. It happens because of something that we do differently.

is it in your own area that's making us seem slow and bureaucratic? What can you do to help us remove the barriers to speed, responsiveness, focus and accountability?

All change begins with individual initiative. Change isn't something that happens to us. It happens because of something that

we do differently. Acting differently. Making decisions differently. Communicating differently. Instead of waiting for a signal from above, it's up to each person to take ownership for helping us make necessary changes.

Agility—quick and easy movement, nimbleness—is just one of the six values of our new company that we announced at the July name-launch event. Since we recently held our first General Managers Meeting and had lengthy discussions about values, you'll be hearing a great deal more about them, and about our mission and vision.

We've kept three of our values from our HP heritage:

- Innovation and contribution
- Trust, respect and teamwork
- Uncompromising integrity

To these we've added three new values that we believe are essential for our success:

- Focus
- Speed and agility
- Accountability

I ask that you become so familiar with them that they are second nature to you. We must live them if we're to establish Agilent Technologies as one of the premier technology companies.

We've had a bright start. I couldn't be more excited about our prospects. While we have a lot of work ahead of us to make Agilent Technologies known and to live up to our own expectations, I know we'll do it. Because I know Agilent people and what they're capable of.

Primed for the 21st century

Business-savvy teens get ready to ace Information Age careers at a high school that acts more like a start-up.

By Karen O'Leary

Photos by Andy Freeberg

NAPA, California—Start-up ventures launched by 20-something business moguls are yesterday's news. Students at a small school in Napa Valley are redefining the concept of "young entrepreneur." Teenagers are developing companies and operating as CEOs before they even graduate from high school.

New Technology High was launched in September 1996 to prepare students to compete in an advanced, technology-based society. Using business-operating principles in a state-of-the-art computing environment, they get a classic high school education in a new millennial setting.

"They call it the 'school that business built,' " says Mark Riller, the Mountain View-based Hewlett-Packard sales representative who dedicated two years to help build the infrastructure for the technologically advanced high school.

"Essentially, IBM and HP were invited to bid on the first 125 computers," reports Mark Morrison, director of New Tech High. "Hewlett-Packard won the bid because of its technology and because it was willing to work with us to break the mold of education."

It's a showcase for any business—not just education, Mark Riller says. "At Hewlett-Packard, we didn't have a focus on the education market at the time, but everyone came to bat. More than 50 division people during pre- and post-sales and installation came up to the school. Throughout the process, we were very creative and gave New Tech High a lot of ideas

on setting up the network.

"It's designed to look exactly like a start-up company," Mark adds. "They have departments and each student has his or her own PC. In the center of the school is a glass room with highly visible switches, hubs and servers. You can actually see how it all works, but it looks great. Silicon Graphics designed it to look like a modern office setting."

"We're creating an environment that has the same access to information that the real world uses and integrating that with an educational program," says Paul Accampo, the San Francisco-based HP network specialist who designed the school's computing environment. "That's the critical difference. It's a lot different than a high school simply saying 'We need computers' and then continuing to operate in the same old ways."

"HP got it," says Dr. JoAnne Miller, New Tech High's director of external relations. "It knew what we were trying to create and signed on early to support it. Large numbers of HP representatives came to offer advice, design the network and walk with us every step of the way. The technology is central to the way the students operate on a minute-by-minute basis. We can't afford to be down—ever—so we need top-tier equipment."

The state-of-the-art network designed by HP and configured by CompuCom originally included the HP NetServer LX Pro and LH systems, 145 HP Vectra VL PCs, HP LaserJet





Each New Tech High classroom is a modern office setting, where students like Erica Kissinger (left photo seated right) research the Internet to help complete school assignments. Miles of networking cables—circling the walls, feeding to the many visible network cradles (lower photo) and joining at hubs (below)—connect the school.

—are fairly inedible. Besides, students at the avant-garde school are highly motivated to actually do the work.

The way the students operate is similar to fast-track employees at a well-run company. Strategic plans, story boards, critical analysis of product and process and multimedia presentations are all part of the learning process.

“Our environment is like an office,” JoAnne says. “Every student gets assignments, takes notes and conducts research on the Internet. They even get their grades online.”

Additionally, the students are getting infrastructure, Paul says. “If they have to do a paper on Abraham Lincoln, the assignment will be to research information using the Web. The point is not to write a paper but to deliver a presentation using PowerPoint. It’s just the way a business would research a topic and present it. Suddenly, you’ve got kids learning how to deliver a presentation using the same media that we do, and yet the topic is history.”

“As you’re learning details about the Industrial Revolution, you can be as creative and in-depth as you want,” says Randi Powell, who is entering her senior year. “And students give you feedback. They might say, ‘That PowerPoint slide doesn’t work. It



and DeskJet printers, HP ScanJet scanners and HP AdvanceStack hubs and switches.

“HP truly has a showcase installation with eight product lines coming together to provide a complete solution for New Technology High,” says Norm MacDonald, CCO Small/Medium Business Web site manager. “Education is becoming a priority market for many of our product lines and High Tech High is an excellent demonstration of what could be a lucrative and rewarding business for us.”

Providing a launching pad to propel students to top-flight colleges and high-tech careers wasn’t the only idea behind the development of the information age high school.

“Local Napa Valley business leaders need a dynamic new workforce,” says Mark Morrison, director of New Tech High. “They want to expand and diversify the economy beyond wine and tourism. And existing businesses want to increase their productivity.”

With the growth of the economy at stake, local businesses are integrally involved in the development and continued success of the school. They provide grants for technology and technical support, develop software applications that match up with the academic needs of the school and provide internships for all of the students.

“The dog ate my homework” would never fly at this school. Assignments—given and conducted via the network

Teen tycoons generate serious cash flow

Chris Straughn is the CEO of New Technology High’s student-founded business, Dynamic Designs. Graphic design and Web-site hosting and design for local businesses are among its money-making ventures (<http://www.nths.nvusd.k12.ca.us>).

Overseeing 13 students, Chris already has management savvy. “To motivate people, you have to tie into what they’re really excited about.” Chris and his team learn sales, marketing, billing and managing tips from local business leaders.

The school’s latest endeavor is a raffle for a luxury car and a weekend in Napa Valley that Chris expects will create a sizable cash flow every semester.





Making the most of their time and talent through technology, students of New Tech High also ace on business and interpersonal skills.

should be eye-catching but not distracting or disruptive. And the colors should be neutral.' It's a challenge to present it well. I've learned to speak with confidence. And I try to get the audience really into it.

"Technology is the future," Randi says. "You can start off as a senior, making \$45,000 if you're technically proficient." She runs a small but profitable Web design business in her spare time.

Providing a smooth segue so students could move into Information Age jobs and careers upon graduation may have been the original idea. But New Technology High School now also serves as a place for students to make a contribution as part-time

employees with local businesses while they're still in school.

"Local businesses wanted students to be prepared to use technology, manage their time well and be dependable and productive," says New Tech High's Mark Morrison. "They had some pretty basic criteria. Our students far exceeded expectations."

While Ryan Tharp was in his senior year, a local Internet service provider (ISP) hired him to run its IT department for \$30,000 in a part-time job.

"Tipper Gore (the wife of U.S. Vice President Al Gore) is among the 2,000 people a year who have toured the school," Mark Morrison says. "She

uses it as a model to show what education can and should be.

"The technology is the scaffolding. We're giving students skills for the highest-wage jobs available," Mark adds. "They're trained in the latest technology—such as designing and deploying secure money-gathering Web sites. But they're also learning all the leadership traits they need to excel. We give them interpersonal and business skills that allow them to work with people, manage their time, solve problems and market themselves.

"Whether it's being a software developer in the south of France or going to the best college in the United States, we're preparing students to do absolutely anything they want to do. They get very excited about their futures." **M**

(Karen O'Leary is a Palo Alto, California-based free-lance writer.—Editor)

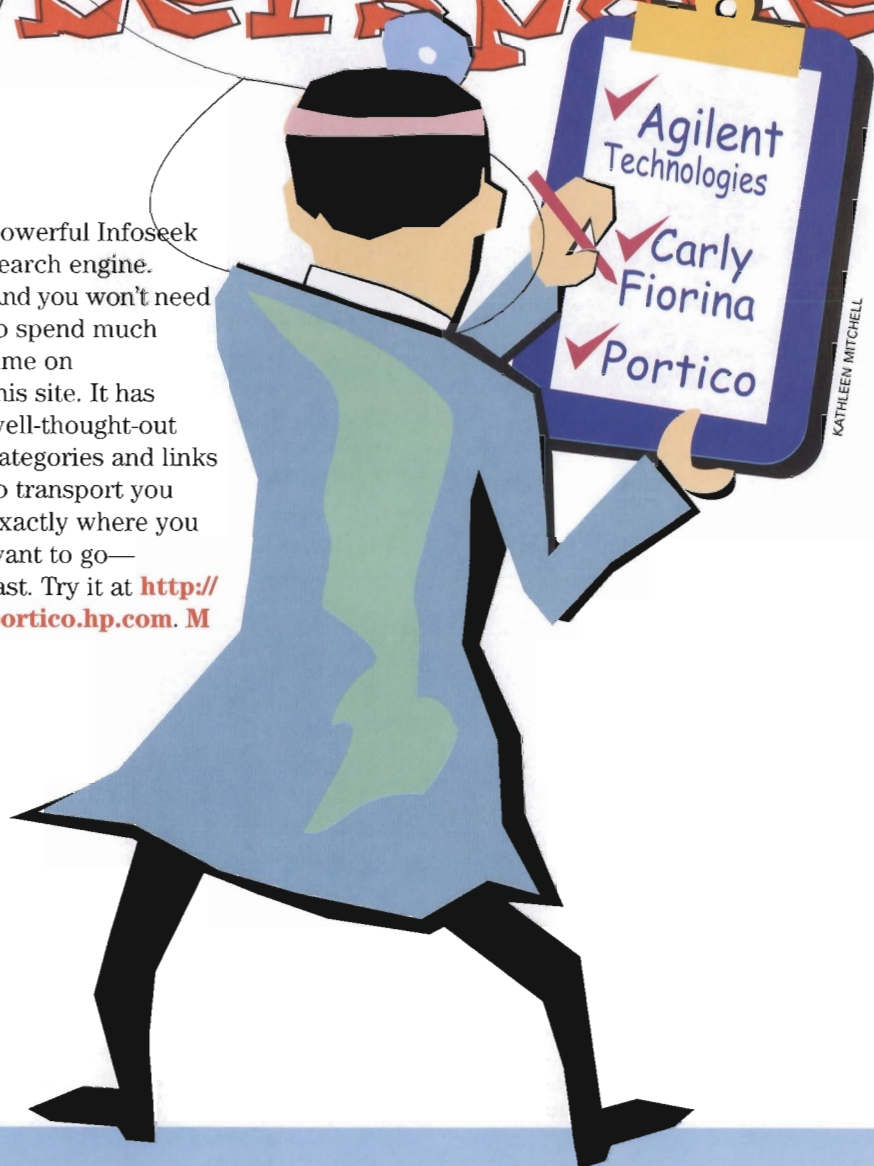


Students learn early that if you can dream it, you can achieve it

"Project-based learning is great," reports Robin Fiske, (left). "We work in teams on everything and everyone does their part." Robin excels in American Studies using PowerPoint software. Students are graded on collaboration, technology literacy, curriculum and oral and written communication.

"In this environment, you learn that you can make anything happen," says Randi Powell (right). "We have the drive, and the school provides the technology and the support we need to achieve whatever we set out to do." Besides co-founding a Web site business, Randi launched a debate club.

Dr. Cyberspace



What's new these days? Try Agilent Technologies' internal news and information Web site—HP.Now's sister site. The site is just getting started, but already has thousands of kilobytes of information on the name launch event, the television and print advertising campaign and tons more. The staff is welcoming any suggestions and ideas you might have, so check out the site at <http://agilent.hp.com>. By the way, the external site is live, too. You'll find it at <http://www.agilent-tech.com>.

What else is new? The new CEO of Hewlett-Packard, of course. Get the lowdown on Carly Fiorina—everything from her personal messages to employees to an ongoing record of external media coverage—on HP.Now at <http://hpnow.hp.com>.

My last hot item is Portico, the gateway to HP's intranet. Still in its beginning phases, Portico is shaping up to be a real superstar. Beginning September 20, you can search the intranet with its ultra-

powerful Infoseek search engine. And you won't need to spend much time on this site. It has well-thought-out categories and links to transport you exactly where you want to go—fast. Try it at <http://portico.hp.com>. **M**

Dr. C's Web report

• **Define this!** Here's a site that'll help you decipher code, not programming code, but those high-tech acronyms and hybrids. Go to <http://www.techweb.com/encyclopedia/>, type in a term and the encyclopedia will search its more than 13,000 definitions and return a layman's definition of the term.

• **Do you Google?** Check out <http://www.google.com>, for a different way to find information on the

Web. It's a search engine that returns results based on a page's importance to the Web community. So what makes a page important? It's how many other pages are linked to it. Pretty nifty, eh?

• **It's on video.** We've heard a lot about splits lately, but some things are starting to merge; try cable television and the Internet. Just the other night, I tried to record a show from my favorite news channel. To my dismay, I hadn't set the VCR properly but immediately, I jumped online and went to <http://www.cnn.com>.

The show I wanted was available on tape, so—click—I ordered it. Too bad programming a VCR isn't as easy as buying something online.

• **Health nut.** Can magnets relieve pain? What fats are good for you? Can walking improve your mental health? Find out on <http://www.onhealth.com>, an online health magazine.

Have you come across any interesting sites, either internal or external? Let me know through the HP.Now feedback form.

"It takes a village to raise a child..."

Thanks to the HP Way, Julius Paras is building a "village" of his own for Filipino-American youth.

By Desiree Sylvester

In HP's Transition Headquarters, all eyes are on the projected milestones status report as Julius Paras (HP transition coordinator) meets with Ernst & Young associates (from left) Diane Butler, Yvette Zelaya, Christine Wang and Libby Hartman.



STEVE CASTILLO

"He's like a surrogate mother," says Rina Mae Acosta. Coming from a high school student, this is an oddly flattering description of Julius Paras, director of Project PULL, an organization in Palo Alto, California, that prepares Filipino-American youth for higher education.

Julius, who doesn't consider himself a "classic Asian-American whiz kid," is definitely an energetic force behind the academic improvement of

hundreds of adolescents who need a little extra guidance.

Julius originally conceived PULL, an acronym for People United through Learning and Leadership, as a network for youth without support. PULL enables high school students to share their experiences—academic or personal. "I constantly see young people in a state where they're unloved, ignored or there's no one supporting them. To me, that's a very ridiculous notion," Julius says.

Like many Filipino-Americans, Julius is still exploring his heritage. He was born in Quezon City, Philippines, and grew up in Illinois, Louisiana and Texas.

Julius came to the Bay Area to study industrial engineering at Stanford University, but became disillusioned by Stanford's reputation as a world-class institution. "People are supposed to be the cream of the crop at Stanford, but I actually had better conversations with high school students while I was in college than I did

COURT MAST





Julius Paras (second from the left), discusses Philippine and Filipino-American history with Academy '99 participants, (from the far left) Jordan Cabrera, Glen Andag and Heather Boyer.

community of learners and leaders through the innovative and effective application of academic, community-based, media, professional and technical resources.”

The Academy is the organization’s leadership challenge and college preview for high school students. PULL held its third Academy in June, which was the first supported by HP with both funding and equipment. Academy '99 drew 21 Filipino-American high school students to a week-long, residential program at Stanford. The workshops included leadership training, Philippine and Filipino-American history and college admissions preparation.

“I’ve always been very conscious about my academics,” says high school senior Frances Borrromeo from Sunnyvale, California, “but this program showed me you don’t have to be the ideal 4.0 student to get into college.”

PULL has a 100 percent success rate—all participants from the project’s first year (1997) are in college.

According to Julius, Academy participants are a mix of affluent students, former gang members and students from the Bay Area and other parts of the country who display a high degree of motivation and initiative in their chosen academic and extracurricular activities.

Julius’ motivation and zeal proved infectious among young people.

“He walks the talk,” Rina Mae Acosta, high school senior from San Pablo, California, says with a smile. “He’s living his dreams and he’s living his goals.”

This year’s participants came for many reasons but they all left with an increased understanding of themselves as well as Filipino history.

“It really gives the students a sense of identity and allows them to see what kind of leaders they can be,” says Michelle Mariano, HP database systems engineer and member of the Academy '99 core team, from Roseville, California.

Julius’ work continues even beyond Project PULL. In 1985, he co-founded the HP Asian-Pacific Employee Network (HAPEN), a professional-development group.

Besides the irreplaceable reward of influencing people’s lives, Julius’ mantle is overflowing with prestigious awards. He was the recipient of a 1999 *Filipinas Magazine* Achievement Award and was selected by *A. Magazine* as one of the 10 “Hot Asian American Entrepreneurs Under 30”—both for his work with Project PULL.

Julius’ tremendous devotion to the community doesn’t leave him with much spare time. He’s definitely a bachelor with a big heart. “The students at Project PULL are my family. If I were married and had a family of my own it would be a little different, but I’m cool for now,” he says.

He hopes to continue to build support—brick by brick—for that family. “(U.S. first lady) Hillary Clinton says, ‘It takes a village to raise a child.’ Well, who’s in the village?” Julius asks. “We have schools in the village, businesses in the village and a million other institutions. So, I’m putting that to the test.” **M**

(Desiree Sylvester, a Santa Clara [California] University Communications major, was MEASURE’s 1999 summer intern.—Editor)

with a lot of my peers,” he says. “I thought there was something wrong with that.”

So, he transformed his virtual network for Filipino youth into a non-profit organization, PULL (<http://www.projectpull.org>), in 1994. Since then, it has grown to be a community institution with an extensive reach.

Julius, HP’s transition coordinator, says he owes a lot of the organization’s success to the opportunity he received from HP. He approached his supervisor at HP after receiving a grant from the Echoing Green Foundation, a philanthropic foundation in New York. “I was able to work part time at HP for a year so that I could spend the rest of my time developing this program,” he says.

Julius is back at HP full time helping to make the company’s split into two companies run smoother.

Like his role in HP’s transition, Julius wants to create a sense of community among Filipino-American youth. Project PULL’s programs, for example, are designed to “build a

HP's retiring President and CEO Lew Platt reflects on his 33-year career.

This is my last letter to employees in *MEASURE* and I'd like to take this opportunity to look at how far we've come in the last eight years and where I see the company headed. I also want you to know how strongly I believe that HP is in good hands with Carly Fiorina as president and CEO.

First, I'd like to bring you up to date on my plans after my retirement from HP.

Since we announced on March 2 that HP would split into two companies and that I would retire when a new CEO is fully on board, I've received many interesting job offers. The offers have included board memberships for nonprofit organizations and for-profit companies, as well as CEO positions.

At this moment, I'm weighing all offers as I complete my commitments to HP as non-executive chairman of the HP board of directors, and of overseeing the separation of Agilent from HP. One of the things I plan to do initially is practice better work/life balance. I intend to travel with my wife, Joan, and get in some long-overdue fishing. Whatever course I take, I definitely plan to stay active.

Actually, staying active never has been a problem during my 33-year



career with HP. When I graduated from business school in 1966, the theory was that you switched companies every two or three years to build your resume. But I was fortunate to join HP's Medical Products Group during an exciting, high-growth period. There wasn't time to get bored or a reason to move on; there were always new challenges.

I also was fortunate to work for managers who were concerned about my personal development. They insisted that I move around to get experience in marketing, manufacturing and engineering. With that experience, I was able to move into a G.M. position in 1974 while at the Waltham (Massachusetts) Division. In 1980, I moved to Palo Alto to head up what was then the Analytical Group.





The media interest in retiring President and CEO Lew Platt and his successor, Carly Fiorina, was incredible on July 19, the day of the announcement. The 12-hour day included (left photo) six TV interviews during a satellite media tour and two conference calls (bottom photo) with financial analysts.

we barely had much visibility a few years ago. The basic character of HP hasn't changed in 60 years—and that's pretty amazing when you consider how much we've grown.

This is an ideal time for me to retire and leave HP in Carly's capable hands. She has been on my list of candidates since we began the CEO search six months ago and I'm thrilled that she was our unanimous selection. She brings a fresh perspective and will make the changes that are needed for even greater future success.

Although I won't be working at HP after this year, I'll continue to be a significant shareholder—so you know I'll watch Hewlett-Packard with great interest.

With Carly's experience, talent and energy—and your enthusiastic support—I believe that a great company will become even greater. Thanks for 33 memorable years.

In 1984, I began my career in the computer business—and nothing has been the same since. Over the years, I had virtually all parts of the computer business reporting to me. That gave me broad experience within the industry, which was very helpful when I became CEO in 1992. I have very fond memories of that period because John Young did an elegant job of handing off the CEO responsibilities to me.

Being CEO has been a fantastic experience, largely because of the tremendous support I've received from HP people. During my tenure, we've been able to increase revenue nearly 300 percent; earnings have increased more than five times, and HP stock has hit an all-time high of

\$118 per share. Lots of people congratulate me on these results, but it's you who deserve the credit.

Yes, we've had our challenges during the past couple of years. There was the Asian economic crisis, a lack of strategic clarity in some of our businesses and a slowness to capitalize on our experience in the Internet space. But I feel good that we've started a period of renewal, introduced new initiatives for growth and begun reshaping HP's infrastructure. HP people have stepped up to the challenges once again and your creativity is beginning to bear fruit.

I'm very proud of our overall financial performance, our profitability and our recent growth. We're one of the most admired companies in the world, even in some countries where

LETTER FROM CARLY FIORINA

Just as I imagined, the two-month period since I joined Hewlett-Packard has been one of the fastest—and most exciting—in my life.

I've received and read many hundreds of e-mails from employees, talked with key customers and interviewed potential board members. I've also been interviewed by seemingly every media person in the world, and devoted considerable time to understanding HP's businesses, challenges and opportunities.

Seeing HP from the inside has confirmed my belief that this is one of the world's truly great companies. While I'm confident about our future, there are several areas where I know we can achieve and contribute more.

The Executive Council and I have been discussing these areas at our regular meetings, focusing on how we can become the undisputed leaders in our markets. We've surfaced hard issues quickly, grappled with them in an honest way and already started taking actions to address four key priorities:

- **Vision and growth.** We need a vision that will capitalize on HP's unique ability to help our customers make their lives more successful, more productive and more rewarding. In this vision, the Internet will serve as a bond that connects customers to HP and HP products, and links them to their communities and the world. Our vision must be compelling so that it unites HP in the minds of our people and our customers, and inspires us to even greater growth.

While I'm confident about our future, there are several areas where I know we can achieve and contribute more.



Lew Platt, HP chairman, and Carly Fiorina, HP president and CEO, drew enthusiastic applause and cheers from the standing-room-only crowd at HP World '99. More than 10,000 HP devotees attended the San Francisco conference.

- **Focus and leverage.** HP's participation in many markets is wide and shallow. Dave Packard used to talk about businesses suffering from "indigestion." We're experiencing some of that indigestion right now. If we're going to play to win, we need a focus that is strong and deep.

- **The customer experience.** We have the ability to develop much more intimate, long-term relationships with our customers. We need to do a much better job of understanding every aspect of our customers' experience with us so we can continue to earn their trust and enhance their loyalty.

- **The power of the HP brand.** We must more effectively leverage one of the world's great brands so that we begin to send much clearer messages to our customers about who we are and what we stand for.

The feedback you've given me so far tells me you agree that these are the right priorities. What you want now are the details, including the specific plans for addressing these areas, the timetable for expecting progress and your role in helping us meet some very challenging goals.

We've just wrapped up our September 13–14 Executive Council meeting, where we heard updates on our progress. Other important topics

on the agenda included revising our business plans for FY00 and FY01, and examining our compensation programs so we can make sure we attract and retain the very best people.

During the next few weeks, we'll communicate the results of our meeting through Newsgrams, HP.Now and messages directly from me.

I'll also be visiting a number of HP sites around the world this fall to see HP's businesses firsthand. I want to meet as many of you as possible, discuss our plans in more detail and—most importantly—hear your ideas on how we can make this great company an even better one.

As we work together on these opportunities, we will be guided always by the HP Way. Our core values represent a unique and sustainable competitive advantage in a rapidly changing world. The HP Way is our compass. It has pointed this company in the right direction for 60 years and it will guide us unerringly into the 21st century.

A handwritten signature in blue ink that reads "Carly".

YOUR TURN

MEASURE readers share their views on matters of importance.

What's in a name?

At first blush, the newly named company—Agilent Technologies—seems unique. However, a quick look at similar names turned up Agile Company, AgileAutomation and Agile Intercontinental, etc.

JOHN OLIVIER
Norfolk, Massachusetts

There are many more Agile-related companies, points out Bill Hahn, Agilent V.P. of Strategic Programs. "But in the naming game," Bill explains, "you only have a conflict if you have a precise match, either in spelling or pronunciation, AND you're in the same business. For example, we could be another Hyatt, as long as we're not in hoteling."
—Editor

Success has a partner

Congratulations to **MEASURE**. I have worked for HP almost 10 years and the recent editions have been the best I've ever read.

Until a couple of months ago, success meant Hewlett-Packard. From now on, success has a partner: Agilent Technologies. Agilent will always remind me of HP, and HP will always remind me of Agilent. Success will always remind me of both of them!

ANTONIO DONIZETE SOARES
Barueri, Brazil

A minor botanical slip

The "leaf motif" adorning the July–August **MEASURE** article on HP employees meeting customers in Dublin, Ireland, stores is a four-leaf clover. This is considered a lucky charm by some, but is not the Irish emblem. A three-leaf shamrock is the traditional—and correct—motif.

CONOR MAGUIRE
Dublin, Ireland

A matter of timing

Although I think **MEASURE** articles should be timely, people are missing the boat by saying that **MEASURE** is the vehicle for time-critical articles. I believe **MEASURE** is the vehicle for renewing the HP culture, values and the HP Way.

MEASURE educates us about other areas of the company. It is not the vehicle for "required reading" or time-critical communications from my management chain. Those things come to me via e-mail so they know I get them.

DIANA MURELAGA
Cupertino, California

Change—and my two cents worth

I'd like to add my two cents with respect to **MEASURE**'s future strategy. I support the strategy providing content via the Web. Going that route will provide an opportunity to be more timely and relevant to the changing environment.

That being said, I think you should also continue making **MEASURE** available in its more traditional form. You can take a lesson from some of the trade rags. Although many publish a hardcopy weekly, I still can get an e-mail summary daily. The summary contains URLs to the full text of the stories, in case I'm interested.

PAUL GERWITZ
Rochester, New York

An insightful article

I enjoyed re-reading the article about Lucent (May–June 1999), especially after our new CEO was named.

Thanks for having the insight to feature an article about Lucent!

WENDY FONG
Cupertino, California



For the record

I enjoyed reading your excellent article on Lucent Technologies (May–June 1999). I did, however, notice an error.

The article states that "every Lucent employee was granted an option for 100 shares of stock in April 1996." The 100 options actually were granted in October 1996, not in April. The significance is that the broad-based option grant to employees was made at the time of the spin-off (i.e., at distribution), not at the time of the IPO.

SAM BERGER
Partner

PricewaterhouseCoopers
Palo Alto, California
Thankyouverymuch,Sam—Editor

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.

EXTRAMEASURE

News from
the HP world

By Desiree Sylvester

Operation HP drop

HP was flying high in June when 16 planes delivered 409 V-, K- and D-class enterprise computing systems to China.

Forty trucks loaded the planes at HP's One Site Solution facility in Roseville, California. This delivery was only part of the enormous order from the China Post, the postal organization in China.

The systems make up about 60 percent of the \$500 million equipment order, according to BCC Systems Manu-

facturing G.M. Manager Jack Faber. HP won out over eight competitors, including Sun and IBM.

China decided to upgrade its postal service in hopes of making a profit after 50 years of existence.

For HP, the complex order required mounds of paperwork to obtain the required export and import licenses. "Altogether, more than 90 people were directly involved in processing the order—not including the workers or engineers who built, tested, integrated, packed or shipped the order," says Mandy Chou, HP business administration manager in China.

Threading the millennium

Quilting may not be the first thing you think about when someone says "millennium." But

Retiring plaudits In the News (grams) Products partners

People

Jerry Grinstein, chairman of Delta Airlines, has been named chairman of Agilent Technologies' board of directors. Joining him will be **Ned Barnholt**, Agilent CEO, along with current HP directors **Walter Hewlett**, **Thomas Everhart** and **Dr. David Lawrence**. An additional 3-5 directors are expected to be named to the Agilent board.

Inkjet Imaging Solutions has formed a Region Operations Office. The office will be co-managed by **Phil Faraci** and **Pradeep Jotwani**, senior V.P.s and G.M.s.

Bernard Meric is now senior V.P. and director of the Consumer Products Business Organization.

The new G.M. of the Vancouver (Washington) Division is **Larry Lesley**.

Hideomi Nakashima, president and G.M. of Yokogawa Analytical Systems, plans to retire November 1. **Ryuji Kanno** will succeed him.

Steve Hoffman has been chosen as G.M. of the yet-to-be-named imaging division within Agilent Technologies.

Taking on the role of Internal Audit director for HP is **Gord McLean**. On the Agilent side, **Jennifer Thompson** is now Internal Audit director.

Lester Ezrati has been appointed an HP V.P. He is also director, Tax, Licensing and Customs.

The new G.M. of HP Education is **Gerry Mooney**.

Gary Fazzino will head HP's Federal Public Policy programs and Washington, D.C., office.

Tony Ecock has joined the company as G.M. of the Patient Monitoring Division.

Wholly Owned

Yokogawa Electric Corporation has agreed to sell its 25 percent ownership in **HP Japan (HPJ)**, making HPJ a wholly owned HP subsidiary.

Breakthrough

Researchers at **HP Labs** and the University of California at Los Angeles have developed a chemical process that could lead to computer components no thicker than a single molecule.

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

it's time to put your Y2K worries aside and discover the artist within by entering the HP International Millennium Quilt and Art Competition, sponsored by the

New Renaissance Printing Program of HP LJBU Marketing.

HP employees are invited to create a quilt, paper or mixed-media artwork com-



HP helps score the winning kick

When U.S.'s Brandi Chastain made the winning kick for the 1999 Women's World Cup (WWC) championship game, four teenagers in the crowd probably were yelling louder than anyone else.

Thanks to HP's "Color is a Kick" contest, these four U.S. soccer fans and their families received an all-expenses-paid family weekend to the final games in Pasadena, California—and a complete HP PhotoSmart system. The winners—ranging from 12 to 14 years old—submitted their essays and photos illustrating three qualities important to soccer and imaging: speed, accuracy and no compromises.

The official WWC Web site—powered by HP 9000 Enterprise Servers—had more than 66 million hits during the 32-game tourna-

position, using an inkjet color copier or printer—keeping the Year 2000 Millennium theme in mind. All entries must be submitted by November 1.

ment. Overall, net surfers from 127 countries connected to the site, which was available 100 percent of the time.

HP, an official sponsor of the Women's World Cup,



BOB DONNAN

HP wins bronze

Seven thousand athletes from nearly 150 countries competed for gold in the 1999 Special Olympics Summer World Games—with a little help from HP.

As a bronze sponsor, HP provided the games with 130 HP LaserJet 4050N

printers, two HP Digital Senders and two HP mopiers. For the first time at the games, the HP LaserJet 3100 printer/fax/copier/scanner made it possible to fax an athlete's medical information directly to the site of an emergency—allowing for immediate help.

Find out more at the Special Olympics Web site: <http://www.specialolympics.org/>, or jump to <http://www.99games.com> for the final stats.

For more information on competition rules and prizes, check out the LJBU Vertical Marketing Web site at <http://verticalmarketing.cv.hp.com/contest.html>.

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URLs inside HP

This issue's related Web addresses:

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HP stock information Web site

<http://hpnow.hp.com/news/two/general/hr/>
HR-related transition information

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<http://verticalmarketing.cv.hp.com/contest.html>
Millennium Quilt & Art Competition

URLs outside HP

This issue's related Web addresses:

<http://www.agilent-tech.com>
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Definitions for high-tech terms

<http://www.google.com>
New search engine

<http://www.cnn.com>
CNN interactive Web site

<http://www.onhealth.com>
Online health magazine

<http://www.projectpull.org>
Project PULL Web site

<http://www.sponsorships.hp.com/WWC/index.htm>
WWC sponsorship marketing site

Moving at gondola speed

VENICE, Italy—During a summer vacation last year, HP's Bill McCormick of Corvallis, Oregon, strolled the sun-streaked sidewalks of Venice with his wife and discovered a couple of local customs: If you hail a taxi, don't step off the curb. And if you chase after a departing bus, make sure you're wearing a life jacket.

It's hard to talk about Venice and not mention its unique mode of transportation: water-buses, or *vaporetti*—and gondolas—carry thousands of residents and visitors around the city and to the outer islands every day.

So, why are these HP Vectra PCs cruising the canals?

According to Bill, water travel is the standard mode of delivery for parcels and goods in Venice. "It was very interesting—and surprising—to see HP products halfway around the world, sitting in Venice on the deck of a gondola," he says.

Amid Venice's breathtaking landscape lined with palaces, chapels, churches, villas and theaters, Bill relished the leisurely aquatic transit. "We are used to a

BILL MCCORMICK

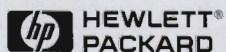


FedEx world, so it was truly enjoyable to be able to slow down and take away the noise of the busy streets," he says.

In this picture, modern technology definitely clashes with its classic Venetian background. "The computers seemed out of

place and just didn't fit with the slow-paced lifestyle I had seen and experienced," Bill says. **M**

For U.S. address changes, use Change of Address form in Personnel on the Web at <http://persweb.corp.hp.com>.



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