

# intercom

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HP Intercontinental Operations News

February - April 1976

## The Open Space of Australasia

The Australasian Region is rather unique with its eastern boundary taking in Tahiti, western boundary Cocos Islands in the Indian Ocean, its northern limits reaching to Nauru close to the equator (excluding Indonesia) while it stretches southwards to the Antarctic.

Obviously this Region presents some rather interesting challenges to ensure that HP products are sold and supported in a satisfactory manner to endeavor to meet the overall Corporate objectives.

Australia, naturally, is responsible for the major share of our order vol-

ume with New Zealand the second largest market in the Region. With Papua New Guinea's recent independence, we now see a new nation emerging within our area which is expected to grow quite rapidly during the next few years.

Whilst all of those intriguing South Sea Islands fall within the Region's boundaries, Fiji, New Caledonia, New Hebrides, Samoa, Tahiti, etc., have not yet blossomed into booming users of HP products due to the lack of major industrial activities, higher educational endeavors and major medical needs. Consumer calculators are sold through Duty Free stores in Fiji; consumer and industrial calculators are sold through recognized distributors in New Caledonia, Western and American Samoa; and a dealer in consumer calculators is also located in Tahiti.

It is interesting to note that although we have our own HP facility in New Zealand, we have chosen to remain active in the Analytical and Medical fields through a well-established distributor for those products.

Australia's land mass is approximately the same as the continental U.S.—the whole of Europe can be fitted within its coastline. With a population of 13,500,000 the bulk of which live in an area equivalent to 4% of the land mass, some continuing challenges remain for the years ahead to penetrate certain areas in the most productive manner.

The Australasian Region has had steady growth since HP's direct involvement commencing FY67. At that time it would have seemed like an "impossible dream" that 10 years hence Australasia would be looking at a cumulative average growth rate of 25% per year, going from \$2.5M to a projected goal of \$25M for FY76. Although Australasian sales quotas for the coming year seem formidable, it's the type of challenge Australasians seem to enjoy.

John Warmington







Left—John Springall (seated), Australasian Region service manager, with Bruce Marsh (left) and Rob Stewart. Above—One corner of the Melbourne calibration lab.



Center—The Melbourne Admin Area with order processing and customs. Below—Receptionist Miriam Higgs.

When a San Francisco export house appointed George H. Sample Pte. Ltd. to handle distribution of Hewlett-Packard products in Australia in 1947, the task of putting together a mailing list and sending out catalog material for the HP line of 20 instruments fell to a Sample employee named John Warmington.

As he found time during his spare hours to handle this additional assignment, it would have been hard for John to imagine that one day he would head HP's own Australasian Area operation and work with a line of more than 3,500 products.

Sample Electronics (a subsidiary of the Sample organization) began handling the HP line direct in 1956 when the first International Group was established at Hewlett-Packard. When HP later purchased Sample Electronics, 26 of the Sample people stayed in place as the company sign officially changed on July 1, 1967, to Hewlett-Packard Australia Pty., Ltd. They were joined by HP Australia's first business manager—an HP employee named Alan Bickell, transferring in from Japan, who is today Director of Hewlett-Packard Intercontinental.

HP Australia now has 208 employees, including 13 of those original 26. (Three others have transferred to other HP entities.) Some of those early employees received service awards this year for 10 or more years of service, since their official hire date extends back to the period when Sample Electronics was representing HP directly.

Measured by staff size and order volume, HP Australia is the keystone of the entire Australasian Area activity. The Melbourne and Sydney offices that HP acquired from Sample Electronics soon needed reinforcements to handle the booming Australian market. Branch offices were opened in other major cities of the thinly populated continent: Adelaide (1967), Perth and Canberra (1969), and Brisbane (1971). Continued growth has made it neces-

# HP Aussies . . . . . . Measure Up Down Under

**HP Computer Museum**  
**[www.hpmuseum.net](http://www.hpmuseum.net)**

**For research and education purposes only.**



sary for all six offices to move to larger quarters within the last two years.

While the recession of 1975 with accompanying inflation was not unhelpful, HP Australia continues to manage one of Hewlett-Packard's major markets. It ranks third behind Canada and Japan among the countries under the Intercon umbrella. The maturity of Australia as a market and the ease with which business can be conducted with the United States have made possible an efficient consolidated handling of shipments. (See story, page 10.)

HP Australia has also been a model subsidiary in its management techniques. Sales and service training has been heavily emphasized ever since the early days when the original staff from Sample Electronics quickly had to become familiar with medical, analytical and data systems technology. A steady stream of employees has been sent to the United States for specialized training.

The subsidiary has also developed its own detailed induction program for new personnel that explains the overall HP organization and HP Australia's own activity. Employee communications are stressed; the first issue of the employee publication *Depth* (the name means "measure down under") came out in 1970. A well-developed advertising and sales promotion activity is carried on within the country.

Since John Warmington has dual responsibility as General Manager for the Australasian Area and for the country operation in Australia, the Melbourne facility serves as both area and country headquarters. John Springall heads service activities for the Australasian Area.

Key members of the HP Australia staff are Roger Bailey, administrative manager; Gray Morgan, Australian sales manager; Tony Cookes, Instruments/Components sales manager; Bruce Graham, Computer Systems sales manager; Mike Muller, Medical/Analytical sales manager, and Bill Thomas, Calculator/DMI sales manager.

Jim Creed heads MARCOM activities, while Robin Schmidt is senior personnel administrator.

Life down under with HP has its lighter side as well, with hearty barbecues and cricket matches for all ages featured at picnic time. Visitors from other HP locations are received with a warm hospitality that makes them yearn to return.

Here's a mini-description of the six offices, too brief to do them justice:

**Melbourne, Victoria.** Located in the country's financial center, with a large automotive industry. Largest HP Australia office, with 135 people. Has Intercon's first and most well-equipped calibration laboratory for fine-tuning instruments which must meet precise specifications for performance.

**Sydney, New South Wales.** Cosmopolitan city with a spectacular opera house as the hub of an active cultural life. Located in the midst of huge coal deposits which have fueled a steel-producing industry. Harold Norrie

serves as district manager of HP Australia's second largest office, located in Pymble.

**Adelaide, South Australia.** Heart of the country's wine-producing area. District Manager John Williams acts as liaison officer with the Weapons Research Establishment, a major customer. New facilities are at Parkside in the parklands which surround the city.

**Perth, Western Australia.** The capital city of a western state noted for its iron ore and other mineral deposits. HP offices are now located in an English-style commercial complex called Chelsea Village, surrounded by gardens. District manager is David Chambers.

**Canberra, Australian Capital Territory.** The Capital Territory is a little island completely surrounded by the large state of New South Wales. The small concentrated market includes a large number of Australian government departments. District manager of the office in Fyshwick is Dick Graf.

**Brisbane, Queensland.** An industrial center in a coal-producing area. HP activity started in 1971 with a one-man office; now Bruce Ibbotson heads a staff of 10 people as district manager. Offices are located in Spring Hill on the fifth floor of the new Queensland Teachers Union Building, a tapered structure with a concrete exterior that has won architectural praise.

**SENIOR MANAGEMENT**—(Left to right) Bruce Ibbotson, Queensland branch manager; David Chambers, Western Australia branch manager; Bill Thomas, Calc./DMI sales manager; John Springall, Australasian Region service manager; Tony Cookes, IPG/Components sales manager; Gray Morgan, Australian sales manager; John Warmington, managing director; Roger Bailey, administrative manager; Mike Muller, Med/Anal sales manager; Harold Norrie, New South Wales branch manager; Dick Graf, Australian Capital Territory branch manager; John Williams, South Australia branch manager.





## AN AUSTRALASIAN ALBUM

(Reading from left in all cases)

**MELBOURNE:** 1. Lynn Prince, Tom Bryant, Danny Hills of spare parts group. 2. Ron Pritchard, Bruce Thompson, Roger Bailey (mgr.), Bill Allison, David Barr of admin. 3. Adrian Farrell, Ralf Pfisterer (S.O. mgr.). 4. Robin Schmidt, personnel; Ron Pritchard, customs. 5. Ann Tredrea, Gwen Welsh, Sheila Lowe, Pam Clegg, Helen Schmidt of sales. 6. Peter Burford, Ray Hartley, Danny Kovacs of service. **SYDNEY:** 7. Allan Fern (mgr.) and Yvonne Warner of service. 8. Karen Walker, IPG; Margaret Laycock, APD. 9. Chris Armstrong, sec. to br. mgr.; Hans Bels, IPG mgr. 10. Mike Stevens (mgr.) and Doug Thornton of Calculators. **ADELAIDE:** 11. Angela Marshall, Greg DeLaine of Calculators. **PERTH:** 12. Ron Sargeant of Computer Systems, Margaret Calkin, sec. to br. mgr. 13. Pam Spring, Ainslie Aspery, Dawn Alderson in courtyard behind office. **WELLINGTON:** 14. Radha Bhulla, Paul Newman, Kathy Beckham, Leigh-Anne Baxter, Mike Lynch, Chris Matthews of admin. 15. Shelley Hodges, sec. to gen. mgr. 16. Kevin Matson, Robert Hicks of service.

BACKGROUND PHOTO OF PERTH BY AINSLIE ASPERY.



## ICON Quarterly Calendar February 1976 through April 1976

Calculator DM Managers Meeting  
Loveland and Palo Alto, U.S.A.  
February 1-14

IPG Neophyte Sales Seminar  
California and Colorado, U.S.A.  
February 1-March 5

Annual Australian All Calculator Sales Meeting  
Melbourne, Australia  
February 16-27

Administrative Managers Meeting  
Palo Alto and Carmel, U.S.A.  
February 16-March 5

ICON Industrial Calculator Service Seminar  
Loveland, U.S.A.  
February 23-March 12

Operations Council Meeting  
Palo Alto, U.S.A.  
February 26-27

Far East Area Calculator Seminar  
Hong Kong  
March 1-5

IER Venezuelan Symposium on  
Instrumentation and Control  
Caracas, Venezuela  
March 13-18

5th Pacemaker International Symposium  
Tokyo, Japan  
March 15-17

Calculator Sales Seminar  
Caracas, Venezuela  
March 15-19

Calculator Sales Seminar  
Brazil  
March 22-26

Calculator Sales Seminar  
Johannesburg, South Africa  
March 29-April 2

International Business Equipment Fair  
Melbourne, Australia  
April 5-9

Medical Service Seminar  
Waltham, U.S.A.  
April 5-30

HP Solo Show  
Singapore  
April 8-9

HP Solo Show  
Kuala Lumpur, Malaysia  
April 12-14

IPG Senior Sales Seminar  
California and Colorado, U.S.A.  
April 19-May 6

1st Inter Congress Asian Federation of Ob/Gyn  
Singapore  
April 26-30



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16







Derek Barlow



New Kilbirnie headquarters near Melbourne

# HP KIWIS STEP UP THE TEMPO

When Hewlett-Packard began its first New Zealand operation on August 31, 1967, a one-man office in Wellington served as the Eastern District of the Australasian region.

Since then, the growth rate in people and orders has accelerated at a much livelier rate than the leisurely pace that marks New Zealand life.

The tempo quickened when New Zealand gained Country status within the HP organization in 1970 and Derek Barlow, a veteran with the company since the Sample Electronics days, was appointed Country manager. Today HP New Zealand has 32 employees in three locations—a 3000% increase in less than nine years.

When the subsidiary\* found itself

bursting out of rented quarters in Wellington, plans were drawn up in 1974 for construction of a new building in Kilbirnie just outside the city. Construction was slowed down by the wettest winter in 80 years, but the move was finally made last year over the Queen's Birthday Weekend (May 31-June 2).

Completion of the new headquarters coincided with the galvanic three-million-dollar order of computer terminal systems by the New Zealand government last April. By fall HP New Zealand had added a systems engi-

neer and five customer engineers to support the 41 DOS systems installed throughout the North and South Islands to serve the Social Welfare and Internal Revenue departments.

Derek's staff in Wellington now includes Mike Mallalieu, administrative manager; Wayne Squires, Instruments sales manager; Ian Parker, Calculator/DMI sales manager; Robert Hicks, Instruments, DMI/Calculator service manager; and Dave Knight, Computer Systems service manager.

Analytical and medical product lines have been sold since 1964 through a distributor, Medical Supplies N.Z. Ltd., which has offices in four cities. Keith R. Stevens is managing director while Mike Harrison

\*HP New Zealand is a subsidiary of HP Australia.



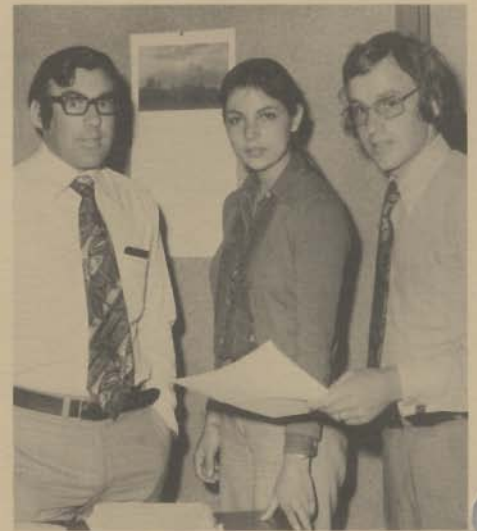
Auckland Staff (from left)—Fred Davenport, Marilyn Hankey, Peter Romeyn, branch manager Brian Happy, Geza Fraknovary



Mike Mallalieu



Mike Harrison of Medical Supplies



(From left) Ian Parker, Silvana Angeletti and Dave Thomas





## Library Expedites Overseas Requests

A visitor to the Corporate Library located in a sunny corner of 2U in Palo Alto is immediately aware of towering shelves which hold the library's own large collection of reference material for the use of all HP employees.

But the 15,000 books and 20,000 bound journal volumes on display are only part of the library's resources. Through cooperative arrangements with other libraries, some 85 percent of the world's scientific literature can be obtained on interlibrary loan. (The Corporate Library itself subscribes to 700 current periodicals.)

The lightning speed of the computer now helps the library's reference staff in making literature searches on specific subjects of interest to employees. A computer terminal located in a corner of the room is connected with data bases maintained at Lockheed Research in Palo Alto and Systems Development Corporation in Santa Monica; printouts of all the references on a topic requested are available within 24 hours.

A library bulletin listing new publications, technical reports, and periodical articles is prepared monthly by the Corporate Library and mailed widely throughout the company. A union list of all periodical holdings of the various HP libraries (Corporate and divisional) is also published at intervals.

According to Mark Baer, HP libraries manager, any request received at the Corporate Library from a remote location is given first priority and fastest service.

He suggested that it makes the job easier if a client provides as much information as possible when a library request is made.

### CUSTOMER ORDERS . . .

*. . . for Australia and New Zealand are handled by order coordinators at headquarters in Building 16 in Palo Alto. (The Console Group, which processes consolidated freight shipments to these countries, is shown on pages 10 and 11.)*



Patty Moran



Eric Nave



Bart Dekker and Dave Knight are still talking about the big deal.

has responsibility for HP's day-to-day sales activity.

Brian Happy is manager of the Auckland office, which opened in 1970 to serve the country's largest city. A one-man service office was set up last fall in Christchurch, the largest industrial center on the South Island.

Such dramatic growth is not the local style. Anxious to keep its spectacularly beautiful countryside unspoiled, New Zealand has tightly restricted immigration during the last few years after inflation in Great Britain and the United States brought 200,000 immigrants a year. The government has taken a pragmatic attitude about admitting newcomers—money doesn't count, but skills do. New Zealand is happy to settle for a total population of a little over three million, with minimum unemployment.

(The conservative Nationalist government which came into office in November has actually cut off all immigration at this time.)

The government—which runs the railways, the major internal airline, a system of free hospitals, all communications systems—is of course a major customer for HP products. However, HP New Zealand has been broadening its markets, and government orders are now about 50% of the mix (excluding the recent big deal).

Agriculture is the country's major industry, with meat, wool, and dairy products the chief exports along with forest products. Many of the 70,000 farms which dot New Zealand's rolling green hills are highly mechanized—a farmer and his son can run a large spread with the help of machines and a kennel full of highly specialized dogs.

HP New Zealand has managed to fit comfortably into the unpretentious New Zealand atmosphere while showing a jet-set growth rate.

To use a local expression, **Bang on!**

Baer's staff includes 11 people, five of whom are professional librarians. Since the library is supported by all divisions as part of the Corporate surcharge, its services are free (except where direct purchases of materials are requested).

Here are typical ways in which the Corporate Library is used:

- A new HP division overseas needs a copy of a U.S. standard, a military specification, or a book. A request direct to the Corporate Library office is the quickest way to obtain material published in the United States.
- A field engineer needs the address of a company or the name of the manufacturer of a certain product.
- A researcher asks to be kept informed on all new literature and patents on a certain subject, such as CRT displays. The staff will monitor new publications, automatically send along photocopies of articles on that topic, and list new books.
- A division planning to start a small library service of its own seeks help on setting up the system.
- Management wants market studies and statistics available on a particular country.
- An engineer in Japan asks that the table of contents of several U.S. technical journals be photocopied and sent on a regular basis.
- A client requests a state-of-the-art article on gallium arsenide light-emitting diodes listed in the current library bulletin; he or she is sent a photocopy of the article to keep. (Books requested are lent for one month from the date of receipt.)



Joan Mitchell (left) of HP's Corporate Library, shown with Mary LaFrance of Intercon, helps fill requests for help from employees throughout the world.

Address requests to:  
Hewlett-Packard Corporate Library  
2U  
1501 Page Mill Road  
Palo Alto, California 94304  
U.S.A.





**INTERFACING:** (Top) Malcolm Kerr, Computer Systems RMM, with Ben Holmes, Computer Systems Group marketing manager. (Below, left) Calculator RMM Dick Warmington discusses consumer calculators marketing strategy with Janet Loustanou of his staff. (Below, right) Analytical RMM Tony Abbis (second from left) relaxes after sales meeting in Tokyo with Yukio Horie (left) and Jack Dunn.

Getting a particular group of products sold and marketed throughout Intercontinental Sales Region is the heavyweight responsibility of discipline marketing managers for each of Hewlett-Packard's product groups: analytical, calculators, components, computer systems, instruments, and medical.

George Cobbe wears the title of regional marketing manager (RMM) for two product groups. His name appears in the all-company directory under listings for both the Instruments and Components group staffs as well as under Intercontinental headquarters—a good indication of the reporting relationships which find him directly responsible to the product group marketing manager in each case but housed in the Intercontinental Operations facility at 3200 Hillview Avenue in Palo Alto and reporting to Regional General Manager Alan Bickell on a functional basis.

As Instruments/Components Marketing Manager, George is also expected to work closely with a chain of other

managers: area, country and functional Intercon managers; product group staff people; and each operating division's marketing staff.

He sees communications relationships as the crux of his job, which is helping to bring together:

- the field sales force and the division (or divisions) which make the products involved in a particular sale.
- the field sales force and the functional Intercon staff such as service or legal departments.
- Intercon and product group staff people responsible for service, promotion and training.

As might be expected, George maintains a heavy travel schedule in addition to keeping in touch with the field by mail, Telex or Comsys, and telephone.

The geographic spread of Intercon's territory means that George relies on local country managers to provide day-to-day supervision of the IPG/Components sales force. George sets the regional guidelines for his discipline and transmits them to the field;

the country manager sees that these guidelines are implemented in a way consistent with country objectives and style.

"Marketing" is the key word in the job title. George and his counterparts differ from the regional sales manager (RSM) in domestic regions because they have responsibility for marketing functions which a division's marketing group performs for U.S. sales regions. Like the RSM, an Intercon RMM works with various management contacts to decide on order goals (or "quotas") and budgets (or "targets") but has additional duties. He is involved in pricing and promotion such as advertising or direct mail. He is responsible for organizing seminars for sales and service training. And while making certain that HP maintains its present market position on a cost-effective basis, he also looks into new markets that the company may wish to enter.

As George sees it, all activity centers around the field engineer:

"The field engineer is the focus of our regional resources. If he doesn't get orders we can close the door. My job is to coordinate all the support functions behind the field engineer so he can meet his objectives. We try to hire a field engineer with the background to sell our sophisticated products, get sales training and product knowledge to him, set the policy under which he works and measure his performance on a continuous basis."

Each field engineer is assigned an order quota which is a "contract" for the year's orders for each product line of a manufacturing division. The sum total or order quotas set throughout the regions makes an impact on the company's planning at all levels for the year. According to George Cobbe, "The whole operation runs in relation to the order quota."

Malcolm Kerr, the Australian who is Intercon's Computer Systems Marketing Manager, views himself as representing his field people's interests with Intercon headquarters and with the six manufacturing divisions now in his product group.

"I look at the best way to implement in our region the policies coming out from group management," he says.

And because Malcolm feels that influence comes from day-to-day contact, he spends most of his time at



# the first M stands for Marketing

the Computer Systems Group offices in Cupertino while maintaining a desk at Intercon headquarters.

"You don't get involved," he says, "unless you're in the right place at the right time."

His is a "big ticket" business; a computer systems sale will average \$45,000 where the typical measuring instrument sale might be in the \$1,500-2,000 range. With such large incremental dollars involved, the operating division is brought into decisions on the contract.

Convincing a customer to buy a system that may cost from \$25,000 to three million dollars requires selling at all levels, Malcolm believes. "You must have the ability to get the customer to see how a computerized system could bring order to his present disorder, usually created by growth or troubles. A system is never bought because it's in the catalog. A computer systems field engineer talks initially to the general manager or the vice president of engineering, manufacturing or finance in a company rather than to the ultimate user. The approval cycle on orders of the magnitude of a computer system is also different."

Malcolm's self-imposed role is "to coach, not to sell." He works closely with the country managers so that the HP sales and technical personnel involved act in harmony.

The success of this approach is in the sales figures. In FY75 ICON-YHP was responsible for \$21 million in sales for the Computer Systems product group and on a number of occasions helped a division to make its quota. As a result, more divisional advertising support for this operating region has been allocated for FY76.

As Malcolm puts it, "We really came of age this last year."

Marketing medical products also requires a long time line. **Chuck Dykes**, who is turning over the Medical Marketing Manager's job to John Hayes, District Manager from the Lexington office, as he transfers to Neely's Santa Clara office, explains it this way:

"Medical sales are unique because the field engineer must be involved at the planning stage of a medical facility and assist in defining instrumentation requirements. We haven't done our sales job unless the tender for bids is based on HP specifications."

Large projects may take several years in planning before manifesting into an actual order. The decision to buy medical equipment typically involves committees of 10 to 15 people, each with a veto power. And while the decision on which equipment to buy is made by medical professionals, the funding entity in many countries where Intercon sells may be a government agency such as the social security system or the ministry of health. This can add more delays before the purchase is final.

Intercon countries differ widely as markets for medical products: some want only the barest minimum of instrumentation at this time while others specify the most sophisticated computerized systems. As developing countries turn their resources to better health care, HP must generate the local field talent to keep pace with the growing market.

The Intercon Medical RMM's responsibility is to provide continuing support to the field in all areas related to developing a mature technical sales

force. "In areas where we have developed a strong consultant role between our sales/service engineers and customers there is no substitute for HP medical instrumentation," Chuck points out.

The availability of service is paramount in the sales operation. Chuck Dykes sees this backup as a life or death matter.

"When we sell medical equipment we're selling life support systems," he says. "We don't want to put our customers into a position of marginal service or sales response."

**Tony Abbis**, Analytical Regional Marketing Manager, is particularly concerned with the actual usage of measuring instruments after the sale is made. He knows that HP can guarantee the analytical products it manufactures but has no control over the chemistry that the customer uses with that device.

"Since our field engineers can't pick up the phone to query the factory, my goal is to put expertise on site, to establish stand-alone capability," Tony says. "I want our sales and service engineers to have the answers in advance so they feel secure in dealing with customers' questions."

Tony has drawn upon his own background in practical analytical chemistry, including three years on the faculty of the Institute of Technology in Sydney, Australia, to put together packages of technical information related to specific markets in which HP sells gas chromatographic instruments. The formulas, techniques and reference materials in each packet are useful background for both the

*Continued on page 10*

**SUMMING UP:** (Left) Medical RMM Chuck Dykes takes the podium as Intercon presents annual review of activities for top management during Expanded Operations Council meeting in December. (Right) Instruments/Components RMM George Cobbe (center) during break with Instrument Group marketing manager Bob Brunner (left) and Toshio Muraoka, vice president and sales manager of YHP.





Continued from page 9

field engineer and the customer who will apply the HP instrument to his own analytical needs.

For Calculator Marketing Manager **Dick Warmington**, the name of the game is order volume rather than large individual orders. His product group includes both industrial calculators and handheld calculators—the latter a fast-moving item that has landed Hewlett-Packard squarely in the until recently unfamiliar area of sales to the general public.

Both calculator lines require a strong marketing program to back up the introduction of new products, which can account for up to half of the sales volume in a given year. One of Dick's major responsibilities is balancing available resources throughout the countries of the region in order to obtain maximum sales in a dynamic market.

Pocket calculators, for instance, require huge quantities of support material in the form of literature, ads and direct mail that must be provided on a tight schedule with the initial quantity keyed to new product introduction dates. The need to translate some of the material into local languages (when the cost can be justified) adds another complicating factor to the time-table.

To serve the special needs of a broader base of customers, Dick has two marketing specialists on his staff: Janet Loustaunou for consumer calcu-

lators and Jerry Byma for industrial calculators. Giving added strength is Dave Williams, an advertising specialist who has joined Dick's section to concentrate on calculator promotion. (Dave formerly served as MARCOM manager for the Intercon region.)

In addition to heading the calculator marketing activity, Dick also has responsibility for sales of civil engineering equipment. Intercon is the only sales operation in which calculator field engineers also handle distance measuring equipment, which is sold only in those countries which can provide the service and technical support necessary for these optical products. (This product line is handled elsewhere by IPG field engineers.)

For the Intercon regional marketing managers, the products and marketing strategies are different but the basic demands of the job are the same.

As George Cobbe says, "Reporting relationships begin to be less important; people relationships become more important. We all work constantly to develop for HP the confidence and respect of people in the field at long distance."

And how does it feel to put on the gloves of one of Intercon's most punishing jobs? Malcolm Kerr sums up the experience as "tremendous."

"I wish every young manager—every field engineer—could have the same opportunity I've had to know HP people throughout the company and witness how the organization works."

## HAYES NAMED MED RMM

Joining Intercon as the new Medical Marketing Manager will be John Hayes, who has been serving as District Sales Manager for medical products in the Eastern Sales Region's Lexington, Mass., office.

A seven-year veteran with HP, John first served as a staff engineer in Eastern's Norwalk, Conn., office and later was assigned to Hartford, Conn., and Paramas, N.J., offices in that sales region. He became a district sales manager in November, 1973.

A native of London, England, John came to the United States as a small child.

He received his BSEE from the University of Bridgeport in 1964, working part-time during school at Perkin-Elmer and continuing after graduation with that company in service and quality control assignments. He then served as a design engineer for Mason Engineering for five years before joining Hewlett-Packard in 1969.



John Hayes

John and his wife Ardith have two daughters, Sheila (8) and Cara (6). In addition to enjoying woodworking, jewelry making, tennis and bridge, the Hayes share an interest in flying—John has his license while Ardith is working on hers—and own their own small plane. As they look forward with great enthusiasm to relocating in California and John's new position at Intercon, they admit to one small worry.

How do you get a Grumman American Traveler to the West Coast?

# "IN THE



Ed Orsua (left) and Al Domingo pull cartons from the consol racks to load onto conveyor.

Five racks out of the 124 racks on the floor of the Physical Distribution Center in Santa Clara tell the real story of the smooth handling of weekly consolidated air freight shipments to Australia, New Zealand, Japan and South Africa.

Shipments to these four "consol" countries account for more than half the volume of freight shipped to all Intercon countries. The operation is so clean and efficient and inventory turnover so rapid that shelf space for short-term storage is all that is required. As John Niemeyer, order administration manager of the consol group, says, "Consol country freight comes in the door and is usually out in a week."

(The "consol group" at HPIC is the order coordinators who ship and invoice orders going to sales offices in these four countries; "consolidation" or combining of packages to get the best shipping rate is not limited to the consol group, of course.)

The paperwork which accompanies the freight on its way is prepared in offices adjacent to the warehouse. Consol order coordinators work all week with fixed deadlines to meet: freight bound for New Zealand is picked up Thursday and is forwarded in a freight forwarder's consolidation on Air New Zealand; Australian freight moves out Friday in a forwarder's consolidation on Qantas Airlines.

Until now all order entry, shipping and invoicing on the computerized



# DOOR AND OUT IN A WEEK\*

Consol  
country  
freight



In the shipping area cartons are labelled and doublechecked with paperwork.



Tom Lugone, warehouse group lead, attaches proper shipping label for Australia. (Below) Cartons are staged awaiting pickup by Tom and Kevin Hanson.

HEART system has been done in California.\* This month Australia will go up on HEART and begin to enter orders directly; New Zealand, which doesn't have the necessary Comsys will continue to telex orders to the consol group for entering.

What makes it possible to clear the shelves of the consol racks so regularly?

Part of the answer lies in less restrictive governmental requirements at each end of the transaction. The U.S. Office of Export Control places a minimal amount of control on shipments to these friendly countries. In fact, these countries are covered by a distribution license which eliminates the necessity of producing an individual export license for each licensable item. This "bulk" license expedites the shipping function tremendously, since one shipment will often contain many licensable items.

For their part, the "consol" countries have a customs invoice format which is relatively easy for U.S. order coordinators to prepare. (Some countries stipulate that the invoice must be made out in the local language, for instance.)

The rest of the answer, of course, is in the method of financial transaction. HP has subsidiaries in Australia, New Zealand and South Africa and a joint venture company in Japan, so billings go direct to their sales offices on net 45-day terms. Consol order coordinators don't have to be concerned about letters of credit or import licenses that might expire. Partial orders can be shipped out promptly rather than being held in the warehouse until an order is complete.

As a result, the consol group concentrates on getting every possible carton into the weekly air shipments. No wonder those consol racks never have time to get dusty!



## THE CONSOL GROUP



Waunell



Annie

(Below) John Niemeyer, consol order administration manager, with Marie Stevens, consol supervisor. (At left) Waunell Waters and Annie Stamper put paperwork for shipment together. Group lead Kathy Brown checks over packing lists, HEART invoices, customs invoices, shipping labels.

\*The Physical Distribution Department of which the consol group is a part has completed moving from Palo Alto to share Building space in Santa Clara with the Neely Sales Region. It will be covered more fully in the next issue of INTERCOM.



Kathy





## The never-ending quest for excellence—FY75, FY76 and beyond

FY75 was a great year for Intercon, one in which even the toughest of objectives were met.

As part of our activities at the December Expanded Operations Council Meeting which found all of our country management in Palo Alto, newly established Intercon awards were distributed for the first time to those three countries recognized for excellence in meeting the special challenge of FY75.

It's one thing to decide to establish an annual award program; it's another thing to determine the specific criteria upon which individual country performances will be judged and then to make the actual evaluation.

When the management team here at Intercontinental discussed the award categories and looked carefully at the performance of our countries, it was most apparent that almost all had turned in excellent all-around performances. The particular accomplishments cited in the awards struck us as fundamental areas to recognize: cost control performance, most improved financial performance, best overall performance.

To these first winners, the congratulations of all of us—and to the other countries which came so close, we'll add it all up again at the end of FY76.

The "Outstanding Cost Control Performance" award goes to the country that does the best job of maintaining its costs in line with incoming orders. For FY75, this award went to the YHP

sales team and was accepted by Toshio Muraoka at the meeting.

FY75 was a particularly trying year for YHP as the economic situation in Japan continued to be extremely difficult throughout the year. Recognizing the softness of their market, the YHP management team worked to ensure that costs were carefully controlled and matched with quota performance. At year end, YHP selling costs were 87% of target. This means that a 13% reduction from original target was achieved. Given the very high ratio of fixed costs in our selling activities, this is unquestionably an outstanding achievement.

The second award for the "Most Improved Performance" was presented to Jean-Francois Thions, representing HP Mexico.

Consider these performance indicators: quota achievement in the last two fiscal years, 110% and 136% respectively, representing growth of 74% in FY74 and 60% in FY75. Costs were controlled and grew at less than half the order growth rate, thus bringing gross cost per order dollar (CPOD) from 24.5¢ in FY74 down to 18.4¢ in FY75. Productivity increased dramatically from \$56K per employee per year to \$88K. Accounts receivable as a percent of annual shipments decreased from 23.8% to 14.8%. Add to these very tangible financial results a subjective evaluation of the management team's performance in terms of their ability to collectively and indi-

dually achieve a more balanced approach to our business in Mexico specifically: being concerned with the development of a strong team dedicated to cost and asset management as well as order growth. Add to this significant personal growth on the part of each HP Mexico employee and you have the reasons for our optimism for HP's future in Mexico.

Finally, the most difficult award of all to assign specifically to an individual country was the "Best Overall Performance" for FY75. Again the criteria considered included order quota achievement, growth rate, cost control, productivity increase, receivables management, inventory control, and a subjective evaluation of the entire organization's performance. The award naturally has to be based exclusively on current Fiscal Year performance, although prior year's performance certainly does have an influence. There were many candidates for this award, and frankly it was very difficult to single out the one best performance.

In the end, HP Venezuela received the award based on outstanding quota achievement at 111% equal to 32% growth and excellent cost control with selling costs at 100% of target. Receivables as a percent of annual shipments were substantially reduced to 15.2% and inventory month's supply reduced as well to .4 month. More important, during FY75 we've seen the consolidation of our sales



**OUTSTANDING COST CONTROL PERFORMANCE** award went to YHP. (Standing, l. to r.) Katsumi Yoshimoto, Kunio Hattori, Makoto Oyaizu, Yukio Horie, Matsuji Tezuka, Toshitumi Arai, Kenzi Kimoto, Yasuo Karakisawa, K. Ueminami. (Seated) Kaoru Kitadate, Toshimitsu Suwa, Toshio Muraoka and Jack Dunn.





and administrative activities in Venezuela under the leadership of Horacio Manifesto and his management team and are now in the position to achieve substantial further improvements in productivity and cost in the years to come.

It is appropriate to mention the other countries which came very close to topping Venezuela's performance, which were Brazil, South Africa, and Taiwan. I suggest to Horacio that he and the management team of Venezuela pay particular attention to the way they run their program this year as there are going to be many challengers for the Best Overall Performance award in FY76.

While I have singled out three countries for excellence of perform-

ance during FY75, I would like to close by recognizing the overall excellent performance achieved by Intercon in FY75 and the contribution that each and every employee made to this success. The danger in singling out specific countries for recognition is that we might forget how close the competition was and how subjective the analysis required. Thanks to all of you for a fine job.

Enough for FY75—let's look ahead and make FY76 the best ever for Intercontinental and HP.

*SOMETHING TO SMILE ABOUT. (At left, above) Admiring HP Mexico's Most Improved Performance award are (l. to r.) Antonio Castro, Jean-Francois Thions, Ruben Barbosa, Fausto Gomez, Fernando Roman and Agustin Bravo.*

*(Above) Helenio Arque points out "Best Overall Performance" on HP Venezuela's plaque that Horacio Manifesto is holding. (From left) Pedro Rabinovich, Helenio Arque, Yolanda Digweed, Isidro Castineyra, Horacia Manifesto, Yolanda Hernandez, Zaid Villoria and Augusto Cabana.*



*Pepe Grapa (center) with George Cobbe, Alan Bickell*

## Top Latin American Post to Grapa

An intensive search for a candidate to fill the key position of Latin American Area manager has ended at Intercon headquarters' own doorstep.

Jose (Pepe) Grapa, who has been serving as IPG Sales Manager for Latin America, has been named to the post, according to a recent announcement from Director Alan Bickell.

In his new position Pepe will be responsible for overall general management of the Latin American subsidiaries as well as HP's distributors in that market. He will oversee the development and continued growth of the Latin American market for all HP product lines.

Pepe's impressive background reads like a description of requirements for the job: advanced formal education, ten years of related experience including at least three years with HP, language skills, proven leadership and organizational skills in the international arena.

The multilingual Pepe (who is fluent in English, French, Portuguese and Spanish) did his undergraduate work for a B.S. at the University of Mexico City and received his Ph.D. in solid state physics from the University of Grenoble in France.

He is equally at home in industry and academia, having served on the faculty of the University of Mexico City from 1962 through 1971. For the last three and one-half years of that time he also served as Chief of the Electronics Engineering Department at the National Committee of Nuclear Energy, which was developing new instruments to be applied in nuclear research and installing a diffusion facility for semiconductors.

In April, 1971, Pepe began his HP career by joining HP Mexicana in Mexico City as a field engineer, becoming sales manager within a few months and later serving as Sales Manager for Instruments and Com-

puter Systems. In July, 1974, he transferred to Intercon headquarters to George Cobbe's IPG group with sales responsibility for Latin America.

Pepe has a long list of credits for additional training in Hewlett Packard's own technical and management programs (he recently completed the HP Executive Seminar) as well as professional management courses taught by outside consulting firms.

Until his replacement as IPG Sales Manager for Latin America is selected, Pepe will wear two sombreros. (Editor's Note: Added to Pepe's imposing list of credentials is his own warm personality. It couldn't have happened to a more deserving person.)



## Service Awards Presented throughout ICON in December

Marie Stevens (left) and Corrie Upham receive 15-year pins and a hug from Alan Bickell



December was service award month throughout Intercon.

John Warmington, Australasian area manager, took top honors with 20 years of service. (You will read more about John in this issue of INTERCOM.)

Receiving 15-year awards were: *Canada*—Dave Gibbs and Bob Sayliss; *U.S.*—Terry Gildea, Marie Stevens and Corrie Upham.

The 10-year milestone was reached by: *Australia*—Les Lawrence, Ralf Pfisterer and Robin Schmidt; *Canada*—John Reilly, Iris Smardon and Norma Truesdell; *U.S.*—Bette Brown and Lee Ting.

A grand total of 155 people in nine countries received recognition for five years of service with Hewlett-Packard. (Japan doesn't participate in the HP awards program since YHP has its own service award program.)

Awards aren't figured either by calendar year or fiscal year, incidentally. They cover a hire date period from the previous May 1 to the coming April 30.



Twenty-year man: John Warmington



Terry Gildea



Dave Gibbs



Bob Sayliss



WHEN SESSIONS ENDED at the Third FEA Calculator Seminar held in Singapore in October, everyone who attended from distributors, HP Singapore and HP Taiwan relaxed with a picnic. Waiting at Singapore's pier for the excursion boat are (l. to r.) Chairit Krtsuawan, Unimesa (Thailand); Tan Tek How, Berca (Indonesia); Paul Mendoza, Online Corp. (Philippines) and Yongse Song, Amtraco (Korea) and bystanders who made it into picture.

## HP Sponsors Speaker at Brazilian Seminar

Hospital administrators, computer specialists and several hundred physicians gathered in Rio de Janeiro in October for the first Brazilian medical computer seminar.

Hewlett-Packard sponsored an address by Dr. Cesar Caceres of Washington D.C., who discussed the development of the field of computer-assisted electrocardiograms since its inception in the early 1960's to the present. Dr. Caceres is internationally known for his pioneering work in developing the first complete system for automated analysis of ECSs while with the U.S. Public Health Service.

Representing HP at the seminar were Nelson Oliva Gomes, medical sales manager, and Sergio Leite Terazella of HP Brazil and Tom Breitbart, Intercon's medical specialist for Latin America.





## Customer Support Names Two Managers

Roger Hewitt and Dave Raymer have joined Bill Harper's ICON Customer Support group in newly defined positions which are part of organizational changes designed to provide better support for the field offices.

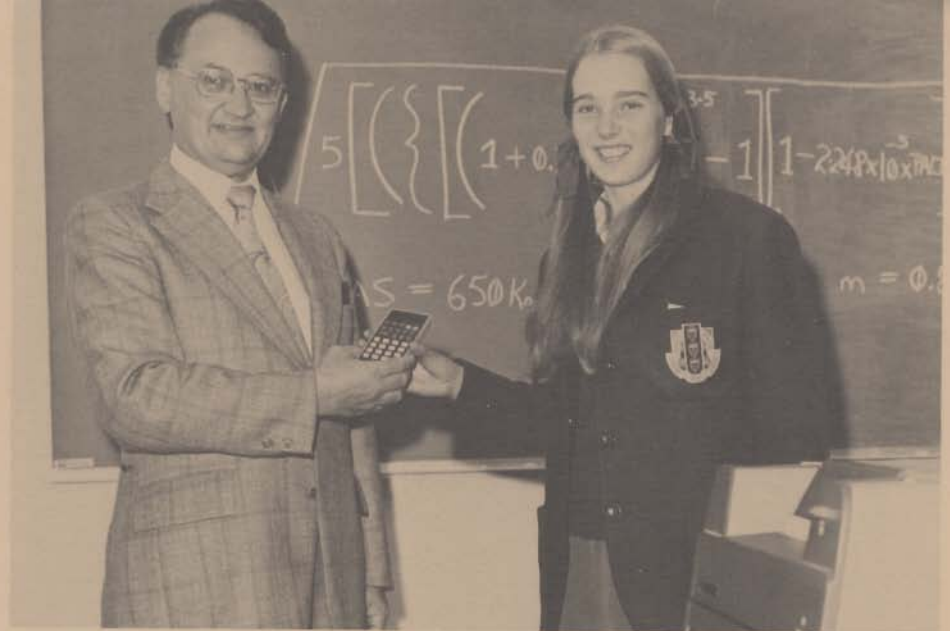
Roger has been named Latin American Area Service Manager, with responsibility for customer support in Latin America for all HP products. In addition, he will coordinate support for calculator and computer systems products throughout ICON.

A 12-year veteran with HP, Roger comes to ICON from the Neely Region's Santa Clara office where he was Computer Systems C.E. District Manager. He has been with the Customer Engineer organization since it was first formed. Roger started with HP on a part-time basis while obtaining his AS at West Valley College; he then continued his studies at San Jose State University through HP's educational assistance program.

Dave will be Service Administrative Manager, coordinating regional service accounting and reporting. His duties will include administering service targets and coordinating the installation of service EDP systems.

Since joining ICON in 1974, Dave has worked first with Larry Tomlinson and then with John Toppel on special projects involving accounting and OP. A graduate of Gonzaga University with a degree in accounting, he had previously worked as an accountant for several Bay Area electronics firms. This June he'll receive his MBA from the University of Santa Clara.

(Left to right) Dave Raymer and Roger Hewitt talk over new jobs with Bill Harper, Customer Support Manager.



SOLVING that mathematical problem on the blackboard won an HP-21 for school pupil Caroline Gosnell of Johannesburg, shown here receiving her prize from HP South Africa's Tienie Steyn.

## HP SOUTH AFRICA COMPUTER CONTEST



Die Hewlett-Packard  
HP-21 Wedstryd

How do you use one problem to solve another?

HP South Africa needed a good way to demonstrate the theory and value of the four-register operational stack in the HP-21 scientific pocket calculator.

The subsidiary's answer: a Hewlett-Packard HP-21 competition which attracted more than 4,000 entrants. Contestants were required to find the number of keystrokes using an HP-21 to solve a problem which featured "intrepid explorer and pilot Koos van der Merwe, aloft in his converted Sopwith Camel somewhere near Blikkiesfontein" who must compute his flight mach number in order to reach his destination before sundown.

The competition was advertised in one Afrikaans and one English-language newspaper along with a number of technical publications. Contestants were asked to write in for the contest problem and a brochure which described the operations of the HP-21. (The brochure was a locally done two-page condensation of the booklet which comes with the calculator.) Also provided was an entry blank on which to show the sequence of keystrokes used in solving the problem.

Contestants were divided into three categories: school pupils, university and college students, and adults (non-students). The standard answer to the problem required 65 steps; some 50 entrants found a way to move a decimal point and thus save 10 steps so the winners were drawn from among this group. A total of 15 HP-21 calculators (five for each category) were awarded in presentation ceremonies held in Johannesburg, Capetown and Durban.

The contest was worked out by Phil Fourie, Calculator Discipline Manager for HP South Africa, and Bill Paterson of Greenwood Advertising in Johannesburg. It neatly solved the problem of attracting widespread attention to the capability of the HP-21, HP's easy-to-use RPN and, as a bonus, built a list of red-hot sales prospects.

### INTERCOM

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## Edited by the Editor

For HP and ICON, 1975 was a year of considerable achievement. INTERCOM attempted to cover the most significant achievements in four quarterly issues.

As you know, HP now can be considered a member of the "Billion Dollar Club." That in itself is a notable achievement but perhaps not nearly as important as the reason our company was selected and described in the December issue of the prestigious DUN'S REVIEW, a journal for middle and top management, as one of "The Five Best-Managed Companies."

Excerpts from DUN'S REVIEW\* that follow will serve to describe the process by which we were selected. Also, you will note we are now traveling in the company of corporate giants. We should have great pride in that honor and understand that each of us have made some contributions that made it all possible.

"'Each honest calling, each walk of life,' wrote former Harvard President James Bryant Conant, 'has its own aristocracy based on excellence of performance.' In this issue, DUN'S REVIEW presents the five best-managed companies that, in 1975, have earned their way into the corporate aristocracy of excellent performers."

"The selection process, begun a year ago, was no simple task. Staffers were constantly watching the ever-changing business scene to see how companies were faring in 1975's tough, turbulent year. DUN's researchers kept close tabs on hundreds of companies, whose financial performances were double-checked against statistical data services, financial reports and the judgments of Wall Street analysts. All the while, the editors were conducting their own investigations, with assistance from business consultants, college professors, leading economists and even, in some cases,

corporate presidents. Finally, after many editorial sessions, marked by heated debate, the five winners emerged."

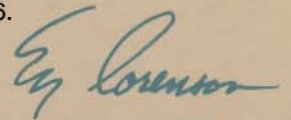
"The Number One question, of course: How did these companies achieve their outstanding performances in one of the most difficult economic years the U.S. has ever experienced? Their answers make clear that the top companies depend not on sudden sales spurts or get-rich-quick trends for results, but on consistent principles of good management—and continuing self-examination—year after year."

"The ultimate five presented in DUN'S REVIEW, and the most outstanding management trait of each one: Dow Chemical Co., sophisticated financial management; Hewlett-Packard Co., technological innovation; S. S. Kresge Co., controlled corporate growth; Merrill Lynch & Co., strategic corporate planning; and Proctor & Gamble Co., management depth."

The primary basis upon which we were selected was "technological innovation"—innovation being defined as "a new idea, method or device." All around us we can see innovation, not only technological but in a business sense as well. Our business, particularly in ICON, is growing and changing daily and our ability to come up with innovative ideas and methods is both challenging and fun—what a terrific combination.

Indeed, the only constant in our business is change itself. The system or procedure we used last year, even if it seemed to be near perfect, might well be obsolete or counter-productive now. Many signs appear in our daily work that clearly point to the need for innovation. It remains for us to be alert to the need and to take appropriate action for continued progress.

INTERCOM and its staff wish all of its readers a successful and "innovative" 1976.



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Denzil Bradley, the Intercon poet laureate, has penned some lines inspired by the Bicentennial flag which is now raised daily at headquarters.

### AMERICAN BICENTENNIAL

We proudly show this flag today  
To celebrate, as well we may  
The story of two hundred years,  
Beginning first with sweat and tears,  
The sacrifice of many lives,  
To bring to birth a nation free  
Of any form of tyranny;  
We carry on with God's good help  
And faith in our design  
To make this nation uppermost  
In everything that's fine.

—Denzil Bradley



Denzil Bradley takes down the Bicentennial flag each sundown before going on guard duty for the evening.