

intercom



Vol. 2, No. 3



HP Intercontinental Operations News

June 1976





UNDER THE FLAG AT YHP

Like many another 13-year-old, Yokogawa-Hewlett-Packard resembles its parents in many ways but is clearly an individual in its own right.

The blending of backgrounds of its two founding companies—Yokogawa Electric Works (YEW) of Japan and Hewlett-Packard Company (HP) of the United States—has given YHP a distinctive personality.

On the one hand, YHP is very much a part of the Japanese culture which emphasizes harmonious integration within a company rather than the more American emphasis on individual employee achievement. A loyal union to which all of the 910 employees belong (except for 50 managers who are ineligible) further buttresses this sense of mutual purpose.

As in most Japanese companies, everything is done along group lines, both in work and in leisure-time activities sponsored by the company. One's company is woven into one's life in a real way. Most employees still follow the tradition of working for one company throughout their lives. The company becomes involved in weddings and funerals, with an employee's immediate or group supervisor sometimes chosen as a "nakohdo" or matchmaker for a marriage and serving as chief speaker at the wedding. Some 120 bachelors and 47 recently married couples make their homes in four company dormitories near the Hachioji factory.

YHP operates in other ways like a typical Japanese company. Business is conducted with ceremonious courtesy. Since YHP is a joint venture company, not a subsidiary of Hewlett-Packard, it has its own service awards and benefits program: medical and life insurance, pensions, salary bonuses and monetary allowances in the Japanese mode.

ON THE COVER (clockwise from upper left): Mari Noda dressed in traditional kimono for the Bon Odori celebration; athletic stunts during Sports Day celebration at YHP; YHP flag; intramural basketball tournament at Hachioji plant; Hachioji cafeteria.

But YHP has also been responsive to the Western management style provided by HP. From the beginning, YHP has had its own marketing capability with an emphasis on direct sales to the end user; it has also pioneered in the Japanese market with a no-discount and firm payment term policy. Since July 1965, Hewlett-Packard has provided YHP with resident co-managers (initially five, and now two) to keep open the lines of communication between Japan and HP's Corporate and Group management.

The development of the joint venture company has been complicated by its bilingual, bicultural background. While the Japanese employees of YHP make a serious effort to learn English and visit HP's facilities in the U.S. in large numbers for training, few American visitors to Japan are equally familiar with the native language.

Adding to the complexity of YHP is the variety of its own operations; it is really a conglomerate of many business activities. YHP has sole responsibility for selling to the Japanese market its own products and those manufactured by HP. Of the products manufactured by YHP, roughly half are developed in its own R&D laboratories and half are transferred from HP. Within the HP framework YHP has been given worldwide responsibility for marketing its own component test instrument product line. (Half of all the YHP-developed products are exported.)

Information on all these activities must be supplied in usable form to satisfy the various needs of YHP and HP management, Japanese trade reporting, and both Japanese and U.S. legal reporting.

The diversity of approaches required led to a major restructuring of the YHP organization. Factory and sales operations were separated with administration and management assigned to each. While the change-over is still in process, the final result will be less like the traditional centralized Japanese company and more like HP's organization with manufacturing and sales regions that are interdependent but independent.

On January 1, 1975, President Kenzo Sasaoka of YHP established the "Office of the President" with his

colleagues, Vice President Toshio Muraoka and Vice President John Brown from Hewlett-Packard. As the diagram on page 3 shows, Toshio is also responsible for all YHP sales activities assisted by Jack Dunn of Hewlett-Packard (soon to be replaced by Chuck La Porte of Hewlett-Packard). Kenzo Sasaoka retains responsibility for Hachioji Facility operations; he is assisted by John Brown and Katsuto Kohtani, who also serves as a company director.

The Office of the President is intended to pull the top management of YHP together when it is necessary to consider areas important to the total YHP company. Matters of daily operation in the factory and sales group are dealt with by a Steering Committee composed of the Office of the President plus key YHP managers.

When Japan's booming economy was hard hit by the effects of "Oil Shock" in 1975, YHP management took prompt action. Along with a campaign to develop new customers, an austerity program was implemented with the full cooperation of the union and individual employees. Managers' salaries were reduced, bonuses deferred, free milk and cakes eliminated, company cars shared and virtually all capital spending frozen, and surplus direct labor temporarily moved to YEW. Special campaigns were implemented to use factory and staff people to help sell. Many suggestions for ways to save money came from employees. The result was a 10 per cent saving in expenses, which helped maintain the same profit level as the previous year despite a significant drop in orders and shipments.

Jack Dunn, completing three years as one of HP's resident directors in Japan (see story, page 5) has these thoughts about Yokogawa-Hewlett-Packard's successful integration of its dual heritage:

"While it is true that there are many cultural and business differences between Japan and the United States, the HP management style also has something fundamentally in common with the traditional Japanese character.

"Both are based on a respect for people and a sensitivity for people's feelings. The 'company' is not an impersonal thing but is the combined resource of many people working toward common objectives."

HP Computer Museum
www.hpmuseum.net

For research and education purposes only.

OFFICE OF THE PRESIDENT



Vice President John Brown



President Kenzo Sasaoka



Vice President Toshio Muraoka

Corporate/Hachioji facility

*Ken Sasaoka
John Brown*



Sales

*Toshio Muraoka
Jack Dunn/Chuck La Porte*

"It is better to have two parents . . ." *by Kenzo Sasaoka*

In choosing each other as business partners in Japan, HP and YEW made a good marriage. Each chose the best possible partner.

Both HP and Yokogawa are technological companies that emphasize quality; they are people-oriented, with sound management and a good financial position. Each enjoys a prominent reputation in its own country, ranking as a top technical company in its own field. Employees love their own company and often remain with it for life.

From YHP's viewpoint, it is better to have two parents: both father and mother.

HP resembles a father. A son of a farmer or fisherman in the old days worked with his father in his business, and it is the same in our business with HP. YHP is operating fully in the framework of HP's worldwide business structure. It is a challenge to us to

work with HP and to become a valuable member of it. This is not easy work, because HP is a great father in management and in technology. Our success in Japan is strongly backed up by HP's strength and support. We appreciate very much the fact that the people at Hewlett-Packard consider us as equals even though we are a joint venture. I am sure all YHP people also feel we are a true member of HP and have the firm intention to meet HP's trust in us.

YEW resembles a mother. A son does not generally work with his mother in business. Most of the managers of the present YHP operation came from YEW, which selected a very capable group of young managers 13 years ago. They brought a pioneering spirit, enthusiasm, capability, and good relations with everyone: the union, customers, vendors, the

government, the community. For dealing with local problems, YEW provides strong support for YHP. In 1966 when YHP faced a serious continuing deficit, YEW accepted 120 of 390 YHP employees at that time. Last year we sent 30 direct workers temporarily to YEW to absorb our surplus labor. Several YHP managers have moved to YEW for better opportunities. Of course, YHP is also getting information and support in technology, management and business from YEW even though we are not operating directly as a part of YEW's business as we are doing with HP.

A father's and a mother's contribution to the son are both helpful but different; it is the same with Hewlett-Packard and Yokogawa in relation to YHP. We appreciate the value of a joint venture. We have the obligation to succeed in this business with our unique character.



MONTHLY MORNING MEETINGS are held to brief employees at Hachioji and at sales office on matters of interest to company. Here President Kenzo Sasaoka reports about performance data and new products to factory employees.



TRAINING for new field engineers is typical of the thoroughness with which YHP prepares employees for their jobs, including cross-training of employees at similar levels. The IPG senior salesmen from YHP pictured above with Bill Hewlett (left) and Dave Packard (right) during a recent ICON region meeting in Palo Alto are experienced salesmen (l. to r., M. Kawahara, K. Fujita, T. Aoki, J. Miyakawa). Their sales training began as neophytes when they attended seminars twice a month during their first two years.



THE BRIDGE is a monthly magazine for employees published since 1965. Editor Misako Harada (center) meets with reporters.

YHP Management Style: an Emphasis on Communicating



QUALITY CONTROL CIRCLES such as the prize-winning team shown above with Kenzo Sasaoka are part of nationwide emphasis on quality control. YHP has 24 QC Circles in Manufacturing as well as others in Customer Service and in Systems Operation. Employees in a circle study the most efficient way to do their work, compete annually in giving presentations on time and motion study.



SECTION MEETINGS are held daily or weekly to talk over current matters. A department will also plan three or four weekend trips a year for employees only. (Art Fong of Corporate Engineering, who headed R & D at YHP in 1970-72, found this photo of a departmental outing. Art's wife and daughter, shown with him at left, were special guests; on the right is Toshio Tamamura.)

The American Perspective



STEERING COMMITTEE meets each Tuesday to make decisions on day-to-day operations. Clockwise from left: Kenzo Sasaoka, Toshio Muraoka (partly hidden), Kenichi Akasaka, Shu Asai, John Brown, Katsuto Kohtani (back to camera); other members are not pictured.

JOHN BROWN:

Vice President, YHP

Think first of the complexities of communications required just for a U.S. Division to do business—between manufacturing divisions, field sales, HP Group functions, HP Corporate, HP International, HP ICON. Then put those requirements in an environment where the physical separation is 3,000 to 6,000 miles, the language is not the same, and the culture and history of both individuals and the business environment are totally different.

Communication of course exists on several levels. At the everyday level, part of the job is helping clarify any possible confusion in language.

Our YHP-HP traffic by COMSYS telex alone averages 250 to 300 messages per day plus letters and phone calls. A broader objective is interpreting to everyone's satisfaction matters of policy—such as keeping our digital voltmeter strategy straight and satisfactory to LID, IPG, YHP, and YEW.

JACK DUNN:

Co-Manager, Japan Sales Region, 1973-76

The Japanese management style puts a tremendous emphasis on "Feelings." Language and communications are designed to communicate feeling rather than the precise (rude?) rules or policies. It is this background that makes the Japanese want to understand completely the underlying philosophy and concept of any policy or strategy. Since a word-by-word translation often loses or obscures the true meaning, the YHP managers are very anxious to have someone who understands this need to help them in reviewing and implementing HP objectives.

(It was important, for instance, to understand the long-range reason behind the restructuring of the Fourier sales organization. Now YHP is leading ICON in the sale of Fourier products.)

This is a challenging role because functionally HP is in many different kinds of business with many products, so it often looks like many small companies. In this capacity I am often serving as an on-site extension of the group and product marketing managers. Muraoka-san and I work very closely together. Just as he has to rely

on me to accurately represent the policies of all the HP divisions, so must I rely and trust him in the manner in which these policies are implemented in Japan in accordance with local cultural, legal, and business practices. Our dependence on each other has helped both of us realize that companies are really run by people and the root and solution of most problems is communications.

ALAN BICKELL:

Director, HP Intercontinental Operations

What's it like to be Mr. HP in Japan? Well, John Brown and Jack Dunn could give the best answer because that is their job, but let me try. Like any job at HP, there are some prerequisites, like plenty of HP sales and manufacturing experience, a keen interest in working overseas and a willingness to accept the personal sacrifices this entails and, finally, lots of strength in terms of personal judgment, perseverance and human understanding. Now let's add training—one month at ICON and U.S. divisions getting to know HP's manufacturing and marketing strategy in Japan; a quick university level course in Japanese philosophy, culture, politics and economics and a one-month "total immersion" course in Japanese language. Now we have our "Mr. HP" ready for his YHP assignment. His objective, whether working at YHP's sales office or at the factory, is fundamentally the same. He will share responsibility with his Japanese counterpart for the successful operation of the YHP activity to which he is assigned as Co-Manager and will serve as the on-site representative of HP Corporate and Group Management, providing counsel and guidance to his fellow YHP Managers with respect to matters of HP Corporate or group policy and strategy implementation.

Well, that all sounds impressive but what really happens? Thanks to the very close ties which have always existed between HP and its Japanese partner YEW, a real team spirit exists at YHP. John and Jack are intimately involved in YHP's day-to-day activities; they function as line managers, not just advisors.

Toshio Muraoka, YHP Sales Region Manager, puts it this way: "Jack and I occupy the same box on the organization chart. There are two bodies in the box but they speak with a common voice."

There are probably lots of ways to describe how the Co-Manager system operates, but looking at YHP's progress over the years it's obvious that it has been a very successful way to operate.

Many of you know that Jack Dunn will be leaving YHP this summer and will be taking a temporary leave of absence from HP. Chuck La Porte will replace Jack as Co-Manager of YHP's sales activities. Jack has done an outstanding job at YHP. Jack is a big guy physically and intellectually. It must have been difficult for Jack and Toshio Muraoka to fit into the same "box," but they sure did and the results have been spectacular.

Good luck, Jack, and thanks.

Jack Dunn and Toshio Muraoka



Manufacturing + R & D + Worldwide Market

Nearly half of the 71 different products which roll off the assembly lines at YHP's Hachioji factory were developed in the plant's own Research and Development labs.

"We take pride in it because the majority of joint ventures in Japan do not have their own R&D and only rely on overseas technologies for their business," says Ken Sasaoka.

The joint venture company began its first manufacturing activity in the fall of 1963 in a corner of the Yokogawa Electric Works, using product designs transferred from the two parent companies. R&D engineers, many originally from YEW, have continued to develop new products. The first success was 4260A, semi-automatic AC bridge, and then various products followed.

Today the R&D Department of YHP's facility outside Tokyo has 50 engineers and is concentrating on YHP's component test instrument product line, PL 36.

Considering the Japanese electronic industry, component test instruments is a very suitable product line for YHP,

which has an important heritage of technology and market from YEW. In addition to PL 36, YHP has a battery operated electro-cardiograph project for the Medical Products Group.

To unify YHP's licensor product management, those activities related to developing and marketing YHP's original products all report to Product Management Manager Mitsutoshi Mori. Interchange is encouraged between R&D and Marketing—design engineers thus become more aware of customers' needs while sales engineers gain a better understanding of the technical capability and current projects of the labs.

Under factory Marketing Manager Shigeki Mori, YHP is responsible for worldwide pricing, promotion and service support for the component test instrument line. The U.S. and Germany are YHP's best overseas markets; top sellers are the 3 digit LCR meter 4261A and 4 digit LCR meter 4271.

The department of Patent and Technology Information under Manager Giichi Yokoyama serves as a support resource for R&D.

Manufacturing Manager Mac Imahori heads an organization of 277 employees involved in the manufacture of both transferred and original products. Heading key sections are Kenji Takagi, manufacturing engineering; Shingo Oda, manufacturing control (including inventory and delivery control); Horoatsu Kohno, fabrication; Tomo Matsuzawa, pre-fabrication, and Seiji Miyajima, production.

The Systems Operation department under Manager Tak Satoh has a separate responsibility for manufacturing computers and coordinating integration of the computerized systems which account for about one-third of YHP's total business.

YHP, like the rest of Japanese industry, places strong emphasis on quality control. Manager Yamaji Ohki coordinates a Quality Assurance activity which includes widespread employee participation in QC Circles.

Housed at the Hachioji plant are Corporate functions of YHP which serve both the manufacturing and sales activities of the company.

Personnel and General Services

A CLOSE-UP LOOK AT R & D



Product Management Manager M. Mori (center) with Ken Abiko (left) of Blue Sky project, M. Nishida.



Engineer Yoh Narimatsu, studying at Stanford for masters in EE on YHP scholarship, and wife Yoko.



Yukio Minami, PL 36 project.



Hideo Akama, Medical project.



Tatsuo Yoda of Mechanical Engineering.

ing + Corporate = HACHIOJI PLANT



● Manager Tatsuya Aoi handles wage and salary administration, professional recruiting, and all the details involved in the wide variety of employee services provided by YHP—from running four dormitories at Hachioji to offering after-hours classes in the traditional Japanese tea ceremony and English training.

Finance Manager Shu Asai is responsible for the accounting and management systems activities of YHP. The task of keeping books is enormously complicated by the different accounting methods used in Japan and the U.S., the information which must be reported to different government agencies by law, and the different types of data required by YHP and HP management. YHP has its own fiscal year, which ends one month ahead of the HP fiscal year. Under Shigeru Andoh, the Management Systems Services group has developed a computerized YAMATO system that interfaces with HP's HEART system for order processing, and plans to transfer useful HP systems to its own operation.



Mamiko Ida operates a Japanese typewriter.



Director Katsuto Kohtani (left) with Shigeru Ando, manager of MSS, and Hiroyuki Suzuki of Finance.



Manager Yamaji Ohki (right) and Ichiro Aoki of Quality Assurance.



(Photo at right) Mac Imahori (right) and Tak Satoh head separate manufacturing operations.





COMPONENTS. (From left) Katsumi Yoshimoto, Components sales manager; Hiroshi Mimura, Tokyo district manager; Hiroshi Ikeda, Components F.E.



INSTRUMENT. Instrument sales manager Toshiteru Suwa with his secretary, Kazuko Machida.



COMPUTER SYSTEMS. Sales Manager Matsuji Tezuka.



This slogan for FY76 is posted throughout YHP:

OBJECTIVE

First priority is to get an order and provide good service; second priority is to make a profit and smile; third priority is to reduce the accounts receivable and no hardship.*

*A play on words involving the number 90 is lost in translation.



ANALYTICAL/MEDICAL. Yukio Hori is sales manager for two product lines.



Sales of DMI are handled by Civil Engineering group. (From left) Akira Saitoh, Yoshihiro Yamada, Naomi Tamate.



Ad Planning department under Ron Soyama (seated, center), advertising and promotion manager.



CALCULATOR and MICRO-CAL. Yasuo Karakisawa (left) is sales manager for both Industrial Calculators and Distance Measuring Instruments; Kazunobu Shimada is sales manager for Micro Calculators.



CUSTOMER SERVICE. Manager Ken Uyeminami (left) with Toshio Andoh, Atsumi Hirata, and Kiyu Kadoya.

YHP SALES

Selling YHP and HP Products in Japan

To cover a sales territory in Japan's islands (equivalent in length to the West Coast of the United States plus Mexico's Baja California), YHP relies on its own direct sales force in industrial areas plus a network of long-established reps in outlying areas.

YHP has complete responsibility for sales in Japan of products of its own design and manufacture, products transferred from HP, and HP products manufactured abroad and imported. (Reps account for about 13 per cent of the overall sales in Japan; most of them also handle YEW products.)

YHP Sales headquarters, now in leased space in Tokyo, will move next year into its own building; a 4000-square-meter site has been purchased in Takaido between metropolitan Tokyo and Hachioji. YHP branch sales offices are located in Osaka, Yokohama, Nagoya, Mito, Atsugi, and Kumagaya.

Despite the recent recession and inflation, Japan continues to be an excellent electronics market, with a components industry about the same size as that of the United States. The orientation is toward consumer electronics, with defense and aerospace industries small by comparison. The communications industry, a heavy exporter, is an important market for support equipment.

Vice President Toshio Muraoka, manager of sales, sees his priorities

for 1976 as emphasizing the relationship between sales and service, maintaining profitability in the volatile Japanese economy and reducing accounts receivable.

"We can smile," he says, "if we get 2 per cent net profit from our sales operations." For YHP, which suddenly had to adjust from an 85 per cent growth year to negative growth in 1975, this is a new ball game but one which it is playing most successfully. During FY75 YHP economized so well that it won the ICON trophy for "best cost control."

Two disciplines have been subdivided to better serve the Japanese market. The former EPG has split into separate disciplines for Instrument under Toshiteru Suwa and Components, headed by Katsumi Yoshimoto. Following a similar division of Calculators last October, Industrial Calculator sales are now under Yasuo Karakizawa (who also has responsibility for Distance Measuring Instruments) while Kazunobu Shimada is sales manager for Micro Calculators, the consumer calculator product line.

Yukio Horie serves as sales manager for both Medical and Analytical product lines and Matsuji Tezuka heads Computer Systems sales.

Since sales engineers are recognized as the most important sales element, special effort is made to increase productivity by careful plan-

Model of Tokyo sales headquarters which is due for completion next year.

ning of time and travel spent on select customer contacts. The result has been a strong growth in base business within selected target areas.

Customer service under Ken Uyemami has had the highest rate of growth of any YHP group and has the most personnel—not surprising in a period when customers are more inclined to repair existing equipment. YHP is stressing a stronger relationship between sales and service; sales engineers continue to maintain contact with a customer after the sale is made, and service people get involved early in new product training and establishment of account strategy. Medical and Analytical disciplines now have their own customer service groups with continuing administrative ties to Ken.

Kenichi Akasaka, administrative manager for sales, heads an organization which includes office services, accounting, and contract functions, order processing centers in both Tokyo and the Hachioji plant, and an advertising and promotion department which organizes trade show activity and turns out a large quantity of Japanese-language sales literature on YHP and HP products.



Sukeaki Ishikawa (left), manager of the Nagoya office, was one of participants in the Sales Management Development Program given in Japan in January by Bea Smith-Harbick (center) of Corporate Training and Kai Wu of Computer Systems.



ABOVE. Osaka manager Tsutomu Mochida (right) welcomes Analytical visitors Isao Ohno of Tokyo Sales, Tony Abbis from ICON, Lou Green from Avondale. LEFT. Yuji Suzuki (left), Yokohama manager, and Koji Ijichi.



1963—Shozo Yokogawa (right), president of newly formed Yokogawa-Hewlett-Packard, clasps hands with YEW President Iwao Yamasaki and HP President David Packard.

SHOZO YOKOGAWA First YHP president

Shozo Yokogawa, President of Yokogawa Electric Works and Chairman of the Board of Yokogawa-Hewlett-Packard, has a special insight into the birth and nurturing of the joint venture company.

Shozo's father, the noted architect Dr. Tamisuke Yokogawa, in 1915 founded a small Tokyo instruments laboratory which later was incorporated as Yokogawa Electric Works Ltd. By the time Shozo first visited HP, Yokogawa had developed a successful product line of electrical meters, precision or high frequency instruments, and process control instruments.

YEW had developed an early interest in American manufacturing techniques. In 1950 Dr. Miyaji Tomoda, a highly respected engineer who was later to become company president, made a tour of U.S. companies; he was impressed at that time with HP. And in 1955 YEW concluded a licensing agreement with The Foxboro Company of Massachusetts to obtain better pneumatic control instrumentation.

During that period a relationship developed between YEW and HP. In 1962 HP made a study of the Japanese market and of several Japanese instrumentation companies.

It was Shozo Yokogawa, then manager of the Advanced Planning Department of Yokogawa, who during a visit to the Palo Alto offices of Hew-



1973—Shozo and his wife Mariko (at right) welcome Bill Hewlett and the HP Board of Directors to YHP on the company's 10th anniversary.

lett-Packard in 1962 first explored a licensing arrangement. This visit set in motion a series of talks which eventually led to the formation of the joint venture company. Shozo became the first president of YHP, serving for 10 years until he was asked by YEW to return as chief executive in December 1974.

When the agreement between YEW and HP to found YHP as a joint venture company was signed on September 20, 1963, both parent companies transferred products to the new firm. YEW assigned its high frequency test equipment product line, moving over some 300 employees who formed the nucleus of YHP. HP transferred such proprietary products as microwave signal generators, some frequency counters, and oscilloscopes. HP's long-time distributor in Japan was absorbed as part of the agreement.

To comply with the preference of the Japanese government at that time, YEW became the majority stockholder with 51 per cent interest to HP's 49 per cent. Hewlett-Packard, although the minority stockholder, has taken a more active role in day-to-day operations of YHP while YEW has regarded the affiliate company as a complementary member of its business group operating in a different field of instrumentation and computation. Both parent companies are represented on the YHP Board of Directors, which Shozo Yokogawa now heads. Bill Doolittle and Alan Bickell are non-resident YHP directors.

Today YEW is Japan's leading manufacturer of electrical measuring, indicating, recording, and controlling

instruments with sales of \$155,155,000 U.S. in 1975. Are the two dynamic parent companies of YHP in competition with one another? With changing technology and markets, HP and YEW occasionally find an unintentional overlap in their product lines. Friendly three-way interchanges between the two parent companies and their affiliate help to iron out areas of possible conflict in manufacturing. On the sales side, YEW continues to sell a few YHP and HP products in the domestic market through its own sales organization in Japan although it markets only YEW-made equipment internationally.

Shozo Yokogawa believes that parenting YHP has been a learning

Tying together



1976—YEW President Yokogawa with members of his staff, Katsuko Mori and Norio Tanaka.



This handsome stone lantern located in the garden near Bill Hewlett's office and the smaller version in the ICON lobby (see picture at right) were gifts from YHP in 1969. (From left) Karl Schwartz, then an American director of YHP and now general manager of SID; Vice President Bill Doolittle of International, and Bill Hewlett.

two worlds

experience for both YEW and HP. Yokogawa Electric Works, he points out, might well be the only outside company with which HP has such direct contact. The results have been positive for both parties and, says Shozo, "I wish to see even more close ties develop in order to help build our mutual prosperity."

CHUCK LA PORTE HP's new man in YHP Sales

Chuck La Porte will replace Jack Dunn as Co-Manager of Sales at YHP, it has been announced by Alan Bickell.

Chuck has served as Calculator Region Sales Manager in Neely Sales Region's North Hollywood headquarters since 1970. Learning his new job from Jack, who went to YHP from the Calculator Products Division in Loveland, will be the continuation of a

friendly association of many years.

Rotation of the HP resident jobs at YHP is routine, but Jack will be leaving both YHP and Hewlett-Packard at this time. He is taking a one-year leave of absence from the company to assume active management of his family's ranch in Montana.

Chuck's background includes training and experience on both the technical and managerial side. A native of Mount Vernon, N.Y., he graduated from a special management engineering program at Claremont Men's College and Stanford University with a B.A. in business with emphasis on management principles and a B.S. in electrical engineering. He remained in California to work as a microwave engineer for United Airlines in San Francisco before joining Neely Enterprises (forerunner of HP's Neely Sales Region) in Sacramento in 1961.

The early days with Neely called for versatility, since a few engineers

sold all instrumentation. Following the absorption of Neely into Hewlett-Packard, Chuck became an HP manager in 1965; he served as district manager in the Sacramento office and later district computer manager before assuming the post from which he comes to Intercon.

Chuck has long been interested in reading about the cultures of the Pacific Basin and is looking forward to an extended stay in Japan.

In one sense, the La Porte family is already on their way westward—they own a condominium in Maui which they visit regularly. Chuck and his wife Sarah share an enthusiasm for sailing with their children John (15) and Karen (10).



Dick Love

DICK LOVE Returns to the Far East

Dick Love is returning to Intercon to replace Tom Lauhon as managing director of Southeast Asia operations, according to an announcement from Alan Bickell. Tom, who has been "Mr. HP" in Singapore since 1973, will become general manager of the newly formed Customer Service Division of the Computer Systems Group in Mountain View, reporting to Paul Ely.

For Dick, a 14-year veteran with HP, the new assignment is also a return to the Far East where he served as HP's resident director at YHP from 1971 to 1974. Since his return from Japan he has been manufacturing manager for Data Systems Division in Cupertino.

The Palo Alto headquarters for Intercon, where he will spend some briefing time before moving his family to Singapore in July, is also a familiar location to Dick. He served in admin

(Continued on page 12)



Chuck La Porte (right) with Alan Bickell.

LOVE—Continued from page 11

manager posts there from 1968 to 1971, first for the former Asia-Africa-Australasia Sales Region and then for Intercontinental Operations when AAA and Inter-Americas were merged in 1969. (When INTERCOM posed Dick by the stone lantern in the lobby for atmosphere, he remembered when it had arrived as a gift from YHP.)

Pioneering jobs at Hewlett-Packard is a familiar story to Dick, who joined the company in 1962 after completing a three-year tour of Navy duty as a supply officer on a destroyer. (A native of San Diego, he had gone north to Oregon State University on a Navy scholarship and obtained his B.S. degree.) After two years with HP's first customer service center at 395

Page Mill Road, he moved to New Jersey to help establish an eastern service center in temporary quarters at the Rockaway Division. (This was the forerunner of the present Paramas, N.J., Eastern Region Repair Center.)

In 1966, Dick "moved over a couple of desks" at the same facility to become manager of the export service operation which is now ICSE serving the European sales offices. He obtained an M.B.A. degree from Fairleigh Dickinson College in Rutherford, N.J., before leaving the East Coast to join the AAA Sales Region.

Dick and his wife Norma, who made many warm friends during their stay in Japan, and their daughters Kathy (11) and Amy (9) are thumbing through books on Singapore with great interest these days.



Bob Hirasawa, import/export manager visiting from YHP, cuts a birthday cake while Pam Kinsey (export controls) and John Jourdan wait for servings.

Trickel Named Manager of Intercon Personnel

George Trickel, who became the new Personnel Manager of ICON on May 24, has an abundance of energy which will be useful in his new job.

During his past four years as Personnel Manager of one of HP's largest factories, Colorado Springs Division, George has managed a heavy schedule of youth work in the community along with enjoying skiing and backpacking in the Colorado Rockies.

And, to keep in shape, he worked out with the cadets at the Air Force Academy.

A native of Oklahoma, George started his college work at the University of Oklahoma on a wrestling scholarship and later transferred to the Denver campus of the University of Colorado to finish his business management studies.

He settled in the Denver area, where he was personnel director for a division of the Adolph Coors Company in nearby Golden for three years and also worked with a Denver industrial relations consulting firm, where he first came in contact with HP. (George's neighbors were saddened when his career path led away from Coors, since he was entitled to buy two cases of beer a week at a 30% employee discount.)

Another newcomer in the Personnel



George Trickel (left) and Dave Borgerding look over new paperwork.

department is Dave Borgerding, personnel administrator with headquarters responsibility for wage and salary, along with exempt employment. Dave comes to ICON from four years with the Neely Sales Region, where his most recent assignment was office manager at Neely Santa Clara.



Bev Lawrence



Marilyn Wood

Orders For Japan

are handled by Consol Group order coordinators



Pam Lage

New Look in

(Second of two articles on the Physical Distribution Center.)

You can't tell by the heavy flow of cartons in and out of the warehouse doors, but things are different at the ICON Physical Distribution Center in Santa Clara.

In mid-May Chuck Marr was named Physical Distribution Manager for the Intercontinental Region by Commercial Services Manager Dick Wilson. Chuck has been serving as Region traffic manager under John Jourdan, who resigned as manager of Physical Distribution in order to relocate his family in Virginia.

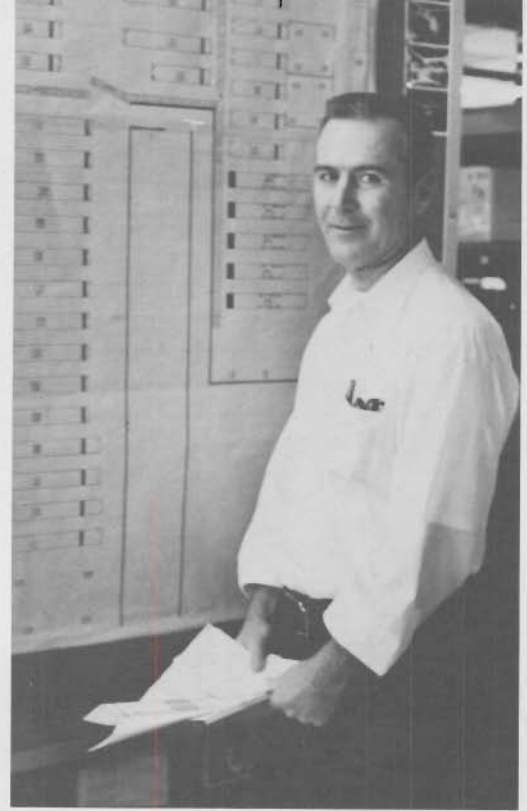
Simultaneously, traffic and customs activities which ICON had been handling for Corporate have been moved to the Corporate Traffic and U.S. Customs group under Gordon Eding. ICON will now concentrate full-time on managing traffic problems related to its own sales activity, such as analyzing freight rates and making certain that U.S. export control laws are followed throughout the Region.

Reporting directly to Chuck will be warehouse, traffic, consol group order processing, and returns exchange activities. (John Niemeyer, who coordinated the latter two groups, is joining the ICON headquarters OP systems group.)

Traffic activities that will now be handled by Corporate include shipments of equipment and parts (either HP-produced or purchased) moving



Chuck Marr (right) talks over his new job as Physical Distribution manager with Dick Wilson, manager of Commercial Services.



Len Besson with chart of warehouse layout.



Materials handler Shelley Fassmeyer is a new addition to the warehouse staff.



Diane Kawamura (left) and Marilyn Toff of the Returns group follow through on items returned from field.



Al Domingo (right), group lead, and Atsuo Fukuda process cartons in the warehouse receiving area.

Building 35

between U.S. and overseas factories. Ed Orsua from ICON's traffic group is joining Corporate Traffic to provide factory support.

Corporate will also take over responsibility for shipping household goods for HP employees transferred overseas.

Similarly, all U.S. Customs activity is now centralized in Corporate, completing a move which began when Rich Fedor was named U.S. Customs Manager a year ago. Joining Rich will be Dee Ellacott, who has been handling San Francisco Customs work at ICON. (Also moving to Corporate is Sherri Shields, who will become Gordon Eding's secretary.)

The change involves paperwork, not actual cartons, since shipments between factories had moved directly to freight forwarders rather than through the ICON warehouse. Warehouse Supervisor Len Besson and his staff will continue to ship out the same hefty quantity of 1200-plus cartons a week to subsidiaries, distributors and customers throughout the Region. In addition, another 200-250 cartons come in from overseas containing items returned for credit, repair or replacement.

A new automated inventory control system designed by ICON headquarters personnel makes it possible to track efficiently all the cartons moving through the warehouse.

Meanwhile, in the offices down the hall, added emphasis will now be given to moving that freight throughout the Region in the best possible way.



Melbourne headquarters staff gave a hearty welcome to John Toppel (third from right), Kathy Brown (center) and HEART system.

Two More Subsidiaries Go on HEART

When HP Australia began preparing to enter orders directly through the automated HEART order entry system on February 2, Intercon Systems Administrator John Toppel and Consol Group's Kathy Brown paid a visit down under to help with training.

On the same swing John worked with Lydia Tham at Singapore Sales to help bring that sales office on HEART February 6. (John reports that Lydia's error rate of 3% is the best of any entity in ICON, including headquarters.)

According to John, a key part of the overall plan to decentralize order processing activities is to bring on HEART those HP subsidiaries with the necessary COMSYS link. HP South Africa and HP Canada have been communicating directly with the factories since 1974 and present plans call for bringing HP Brazil, HP Venezuela and HP Mexico up on HEART this year. In addition, YHP is part of the order entry system.

John and Kathy were impressed with the enthusiasm and cooperation they found.

Kathy, who is the order coordinator lead with the Consol Group, has been working closely—but at long dis-



Kathy and friend

tance—with her Australian counterparts for three years. Until now orders from Australia have been telexed or mailed to the Consol Group in Santa Clara, California, to enter on the HEART system.

"I couldn't believe how willing they were to change their daily routine," she said. It was necessary to adapt local forms and procedures.

John also found David Barr, IPG OP manager, Alex McKeen, Parts OP manager, and the rest of the Melbourne headquarters order processing staff "super willing" to cooperate. They cheerfully worked overtime to learn the HEART coding operation and how to handle various transactions. One night several people brought in orders of fish and chips and kept going until late in the evening.

Going on-line means that Australia and Singapore Sales will now be getting validation, error reports and status reports that they didn't have before. HEART invoices are still generated by the Consol Group at the time of shipment from the U.S.

And because of the time change in the Pacific, orders transmitted from the two newest COMSYS/HEART entry points may be validated for acceptance by the big 370 computer in Palo Alto on the identical date—something that domestic offices might well envy.

HP Singapore Holds a Solo Show

Planning for HP Singapore's first solo product show with seminars, presented in both Singapore and Malaysia during April, went back as far as March 1975 when that subsidiary started its full sales operation.

Typical of the thoughtful effort involved were the invitation letters which were drafted, re-drafted, re-written and sent to 1,900 customers in Singapore and 850 customers in Malaysia. Separate letters of invitation were sent to specially selected people to attend the seminars on Instruments, Signal Generator and Power Measurement, Computer Applications, Fetal Monitoring and Automated Refinery and Natural Gas Analysis.

According to Herb Rost, general manager (sales), "At times the tasks seemed insurmountable especially when one had to worry about the late arrival of a particular instrument or changing the seminar dates because of too good a response with too many interested customers, and setting up useful working systems."

The show went off smoothly on schedule (April 5 to 8 in Singapore, April 13 to 15 in Malaysia) with a display of 50 instruments and systems representing all HP product groups and with more than 1,000 customers in attendance. Some 220 people attended seminars conducted by Dave Widman of Stanford Park Division and Lou Green of Avondale Division, assisted by Sunny Loo and Robert Tang of HP Singapore and Khoo Teng Liat of Teknik Mutu (Malaysia). Sales manager Loh Ah Sze served as project leader for the entire event.

For added interest, a lucky drawing was held at the end of each day. (See picture on opposite page.)

At HP Australia

Terry Wilde (right) receives plaque as one of top five sales award winners for industrial calculator products from Randy Foster, ICON's Calculator Sales Manager for Australia/Asia, who was visiting Melbourne. (Other winners: Denis du Buisson of HP South Africa, first; Makato Itaka, YHP, third; Oscar Gordillo, Venezuela, fourth; and Murilo Renovato, HP Brazil, fifth.)



INTERCOM

Published quarterly by and for the people of HP Intercontinental Operations
3200 Hillview Avenue, Palo Alto, CA 94304

Alan Bickell, ICON Director
Sy Corenson, Editorial Director
Betty Gerard, Editor
Dorothy Carlisle, Liaison
Sue Hawkins, Distribution

Contributors this issue: Kathy Brown, Dee Ellacott, Art Fong, Randy Foster, Kunio Hasebe, Yoh Narimatsu, Hiroshi Shishido, Bea Smith-Harbeck, Lloyd Taylor (U.S.A.); Cliff Edginton, Misako Harada, Mitsutoshi Mori, Tadao Nishimoto, Yuji Suzuki and all the many other cooperative people in Japan; Herb Rost (Singapore).

NEWS AROUND ICON

IPG Neophytes Hold Record-breaking Session

The 1976 IPG Neophyte Sales Seminar held February 1 through March 5 broke several records.

It was attended by 21 field engineers from subsidiaries and distributors throughout Intercon—the largest group yet hosted by Instruments. And the schedule of activities for the attendees was the most comprehensive ever planned, with in-depth presentations on all IPG product lines and visits to all the product group's manufacturing divisions in California and Colorado.

For most of the neophytes this was the first visit to the United States and, of course, to the domestic headquarters of Hewlett-Packard. Their enthusiasm led to a request to meet Dave Packard, who responded by dropping in at one of their meetings and talking to them individually.

Attendees were Paul McQuarrie, Australia; Jose Evaristo and Carlos A. Teixeira, Brazil; Tony Wong, Hong Kong; G. R. Kumar, India; Rachman Satya, Indonesia; Reuben Schrift, Israel; Munir Dabaghi and Jorge Llanderal, Mexico; Yekinni Nosiru, Nigeria; Balall Yaqub, Pakistan; Joseph Chalverus, Puerto Rico; Sunny Loo and John Chang, Singapore; B. D. Antrobus and Colin Botha, South Africa; Pei-Hsien Fang and Chuan-Cheng Wu, Taiwan; Uthai Mangtrisin, Thailand; Benjamin Herrera, Venezuela; and Thomas Pelnar, U.S.

Admin Managers Hold Three-part Meeting

Attending the ICON Administrative Managers Meeting from February 16 through March 5 were Administrative Managers Roger Bailey, Australia; Jeremy Beaty, Canada; Orlando Campos, Puerto Rico; Isidro Castineyra, Venezuela; Leslie Lay, Singapore; Mike Mallalieu, New Zealand; Fernando Roman, Mexico; Larry Tomlinson, Brazil; Doug Thomson, South Africa; Kenichi Akasaka, YHP. Margaret Chang, the accounting manager for Taiwan, and Peter Robinson, the accounting manager for Canada, were in attendance. This was the first trip to the United States for Doug Thomson and Leslie Lay as each was just recently appointed administrative manager in his country during 1975.

Following last year's format, the meeting was broken into three segments. A week of extensive discussions concerning the ICON Region data processing effort was followed by a second week of workshop sessions at Quail Lodge in Carmel Valley, California, covering such topics as pricing, accounting for Trading Income and Expense, and improving administrative efficiency.

The final week of meetings began with a roundtable discussion involving the regional marketing managers on ways to improve the interface between sales and administration—an animated discussion that continued through dinner that evening.



Pei-Hsien Fang shakes hands with Dave Packard during IPG Neophyte Sales Seminar while G. R. Kumar (left) and Sunny Loo await their turn.



During a break in an admin managers' workshop: Sam Solt of ICON (left) and HP Australia's Roger Bailey in deep discussion. At right, Gary Haight of headquarters accounting.



Picking the lucky winner in daily drawing at HP Singapore product show: (from left) Robert Tang, Dolly Lim, Sunny Loo, Loh Ah Sze, Agnes Koh, and Joanna Foo. (See story on opposite page.)

The Worldwide Business Ethics of HP

"1975 was the first year in which our international orders exceeded domestic orders. Our business increased in nearly all major markets throughout the world and we sold our products in 141 different countries. In all of the countries where the market for our products is of sufficient size, we have our own sales organizations, generally wholly-owned subsidiary companies. In other countries, we sell through independent sales representatives or distributors. These are local individuals or companies which generally handle the sale of products of several different manufacturers.

"In 1975, 95% of our total sales were in 30 countries where we have company owned and controlled sales organizations; the remaining 5% of our business was done in 111 countries, which included 45 countries where we had 49 independent sales representatives or distributors working under our standard sales agreements.

"Because there has been a great deal of news about bribes, pay-offs, kickbacks and illegal political contributions by American companies operating overseas, I thought it appropriate to inform our stockholders about Hewlett-Packard policy in these matters.

NO BRIBES OR PAY-OFFS

"The Hewlett-Packard Company believes that bribes, pay-offs, kickbacks and illegal political contributions have no place in the conduct of our business, either at home or abroad. Over the years we have emphasized this policy in our management meetings and in meetings and discussions with our sales and marketing people. I believe we have made it abundantly clear to all of our people that under no circumstances will we make an illegal payment or even a questionable payment to anyone to obtain an order. I believe all of our people fully understand that if such a payment is requested to obtain an order, the only choice we have is to refuse the order.

"While we believe this policy has been effectively communicated to all of our people, we have also taken steps to determine whether this policy has, in fact, been rigorously followed. We have asked our internal auditors and our external auditing firm to look carefully for evidence of any violation and report any questionable items to the Chief Executive Office.

"In the past we have uncovered cases of misconduct from time to time relative to our established company policies which violated our ethical standards, and in every case the individual involved has been fired. We will continue to work hard to make sure all HP people understand our company policy in this regard and comply without exception.

"Where we deal with third parties, such as independent sales representatives and distributors, we select reputable, established firms or individuals and work out agreements based on the amount of work they do in making the sale, in providing technical or marketing service and in providing after-the-sale service and support for the customer. We have not and will not enter into any agreement with a foreign sales representative or distributor unless we have reason to believe he will adhere to our basic company policy in selling our products. At the same time there is no way we can effectively monitor all of the activities of these

independent organizations in all of the 45 countries where they operate.

NO BOYCOTTS

"The other subject I would like to discuss concerns what are known as Arab boycotts. These are restrictive trade practices or boycotts imposed by Arab nations against Israel or against nations or organizations considered friendly to Israel. The question has been asked of many American corporations as to whether they participate in, or cooperate with, any such boycotts. I would like to describe Hewlett-Packard's policy and position on this matter.

"I mentioned earlier that our products are sold in 141 countries. These include many countries in the Middle East, including Israel and several Arab nations. Our sales in the Middle East amounted to about 16 million dollars in 1975, or less than 2% of our total business.

"Sales to Israel and Arab customers, as in every nation in which we do business, are conducted in strict compliance with the United States laws and regulations, the principal regulatory agency being the U.S. Department of Commerce. In addition, in every country in which we do business, it is our policy to comply with all local regulations and customs. This does not, however, imply a blind adherence to the admonition that "when in Rome, do as the Romans." Should a situation arise in which the customs and business practices in a certain country appear to be in conflict with U.S. export regulations, or with Hewlett-Packard's self-imposed standards of ethical business conduct, we would not hesitate to discontinue our sales activity in that country.

"Our company is not a political organization. It is a business institution, one that believes that free trade among nations is in the best interests of our country and our stockholders. As a manifestation of this philosophy, we are unalterably opposed in principle to any boycott. We will refuse any requests made to Hewlett-Packard, either to the parent company or a subsidiary, that we participate in any boycott."

EDITOR'S NOTE: During this past February when data and photos were being collected for the feature section in this issue of INTERCOM, the initial thrust of disclosures relative to the business practices of some American firms operating overseas dominated Japanese newsprint. The succinct comments above by David Packard (presented at the HP shareowners' annual meeting on February 24, 1976) underline the ethical business practices that have always been an integral part of HP's philosophy. Since it is especially important for those of us who work in the international marketplace to maintain our fine reputation and integrity, we wish to share his statement with our readers.



HPIC

サイ コレンソン

Sy Corenson