

intercom

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HP Intercontinental Operations News

September 1976

Harvest of Smiles from HP Canada



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HP CANADA: Two



HP Canada's Chuck Williams (left) in Palo Alto with Al Oliverio (center), Vice President of Marketing, and Intercon Director Alan Bickell.

Hewlett-Packard (Canada) Ltd.'s growth rate of 24% per year to its current expected level of \$37.5M for FY 1976 has been paralleled by many HP sales organizations. But there are several ways in which HP (Canada) is truly unique within the HP family. It is, for example, the only sales region which spans 4½ time zones (yes, 4½—the easterly Province of Newfoundland is one half-hour ahead of Atlantic time). The 4,000 miles or 6,480 kilometers (and 4 only time zones!) between our branch offices in Dartmouth, Nova Scotia, on the Atlantic Coast and Vancouver, British Columbia, on the Pacific Coast must also represent some sort of separation record for offices of the same HP organization.

In addition, our marketplace has characteristics which, while not necessarily unique, are certainly dis-



Lines to Palo Alto

inctive. Two official languages and the need to conduct business in French in the province of Quebec present some interesting challenges as does our physical proximity and very close communication, business, cultural and personal links with our large, successful neighbor to the south.

It is in the area of organization within the HP structure, however, that HP Canada is really unique. Because of our close proximity as well as the ease of communication and travel and because of a similar business culture to that of the U.S.A., we find some aspects of our HP Canada operations coupled closely to the "domestic" operations of the company. Our Product Group sales and service organizations, for example, are tied directly to the relevant U.S. Group

Marketing structure.

From the standpoint of any Group concerned with establishing and directing a product marketing program, Canada may be—and often is—viewed as a "fifth U.S. Region." In addition, those support functions which are most closely linked to the sales/service activity (O.P. and ROPS are good examples) look primarily to their domestic counterparts at Corporate Marketing Services for technical support and corporate direction.

But there is considerably more to HP Canada, as there is to every other sales subsidiary. We are clearly an "international" entity with a separate legal structure operating in a distinctly unique environment from the standpoint of tax and business legislation, employee benefits, cur-

rency and pricing, and, possibly most important, personal growth opportunity for our Canadian employees. Here we see many of our support functions coupled more closely to the "international" side of the house through Intercontinental Region headquarters. A good example is our Accounting and Finance activity, where it is obvious that HP Canada must follow the same rules and schedules as every other international entity if the final results are to be meaningful.

While all of this may sound complicated, let me assure you that it works—and works well—primarily because all of the people involved are willing and anxious to make it work. You might say it represents a good example of "organization by common sense" which is usually the best basis for any such structure.



EARLY DAYS

Alone in Ottawa in 1962

Chuck Williams, president and general manager of Hewlett-Packard (Canada) Ltd., was one of five key people who originally set up that subsidiary in January 1962.

This small group, plus a quickly added support staff of five others, opened offices in Montreal (HPCL's first headquarters) and Toronto—Canada's major metropolitan areas—and Chuck set up shop in the capital city of Ottawa. (He recalls that it took sixteen months to add HP's second employee in Ottawa, a secretary.)

A native of Canada, Chuck had grown up in Halifax, Nova Scotia, and received his B.S. in Electrical Engineering from Nova Scotia Technical College. He joined Westinghouse in Canada as a systems engineer, spending the next five years in various assignments including one U.S. tour of duty in Florida.

When Hewlett-Packard was ready to start a Canadian subsidiary patterned after the successful sales

organization already operating in Europe, Chuck was hired in May 1961. (HP was still selling through representatives in the U.S.) Chuck spent the remainder of that year in Palo Alto learning about the technical aspects of the product lines and such business procedures as HP accounting techniques; Bob Sayliss, now Marcom manager in Canada, and Dave Gibbs, senior field engineer in Ottawa, were among his fellow trainees.

Sales for the Ottawa office during that first year were about \$300K, out of a total of \$1.2 million for the new subsidiary. By the time Chuck left the city in 1969, his title had changed to "Eastern Region Manager" and sales for the Ottawa-Montreal-Halifax region under his responsibility had reached \$7,500,000 a year.

In July 1969 Chuck took over the newly created position of Scandinavian Area Manager for Hewlett-Packard, operating out of Stockholm, Sweden, with responsibility for HP activities

in the four Scandinavian countries. He was named EPG Marketing Manager for Europe in August 1970 and moved to HPSA headquarters in Geneva, where he was able to enjoy some of Europe's greatest skiing nearby.

His appointment in July 1974 to his present position brought Chuck home again to head a mature subsidiary with 345 employees and \$37.5M in sales—quite a change from that first lonely office in Ottawa.



SELLING ACROSS

How do you organize to sell HP products in the second largest country in the world?

All the statistics on Canada—except population—are king-sized. It is exceeded in land mass only by the Soviet Union and, like that nation, has vast northern stretches of frozen Arctic land. (The coldest temperature ever recorded was -81°F at Snag in the Yukon Territory.)

And Canada has a cupboard stocked with natural resources that make it the envy of the rest of the world: minerals, oil, water, and great stretches of fertile land in abundance.

As a result, Canada has become a major economic power in the world. Someone had described the country's development as "fish, fur, forests, farms, factories". Canada is the sixth most important manufacturing nation in the world and the major trading partner of the United States, both in imports and exports.

Canada has everything but population (and there are many who would count that as an advantage). The population of 23 million persons is about one-tenth that of the neighboring United States. The settled part of Canada lies in a relatively narrow 100-mile-wide strip along the southern border. Major industrialized cities are closer together in the eastern part of the country but widely separated in the west.



Regional Sales Managers for disciplines: (Top) Malcolm Gissing, Electronic Instruments, is also area sales manager for western branch offices. (Right) Ray Fuller, Medical, transferred to HP Canada from Neely North Hollywood. (Bottom) Viv Mundy, Analytical. (Left) Larry Gillard, Calculator/DMI.



Dave Salter, RSM for Components, with secretary Eva Walker.



Computer Systems RSM Mike Naggjar with secretary Pauline Allen.



S A CONTINENT

To serve this scattered market, HP Canada over the years established a network of eight branch offices stretching from coast to coast. In March of 1974, a new headquarters building was occupied in Mississauga, a new city growing next door to one of North America's fastest growing metropolitan areas: Toronto, the capital of the province of Ontario. This province produces more than half of Canada's manufactured goods.

All regional management functions—sales, service, admin, personnel, Marcom, etc.—are now housed in Mississauga; however, due to distance and communications the branch offices, of necessity, have considerable autonomy and are the key to
(Continued on page 6)

A Glimpse of Ottawa

Intercom asked George Jones about the report that some Ottawa employees ice-skate to work:

"The climate in Ottawa is extreme, ranging from 20 below in February to the upper 80s in August. This provides the Ottawa people with highly seasonal recreation activities which include skiing (about an hour from the office) and skating along their picturesque canal, to sailing and other water sports in the summer.

"A highlight of the Ottawa year is the spring Tulip Festival which brings out over one million flowers in the city area and as many bicycles—or so it seems when you have an urgent sales call."



Federal Government Marketing Manager George Jones serves as Ottawa branch manager.

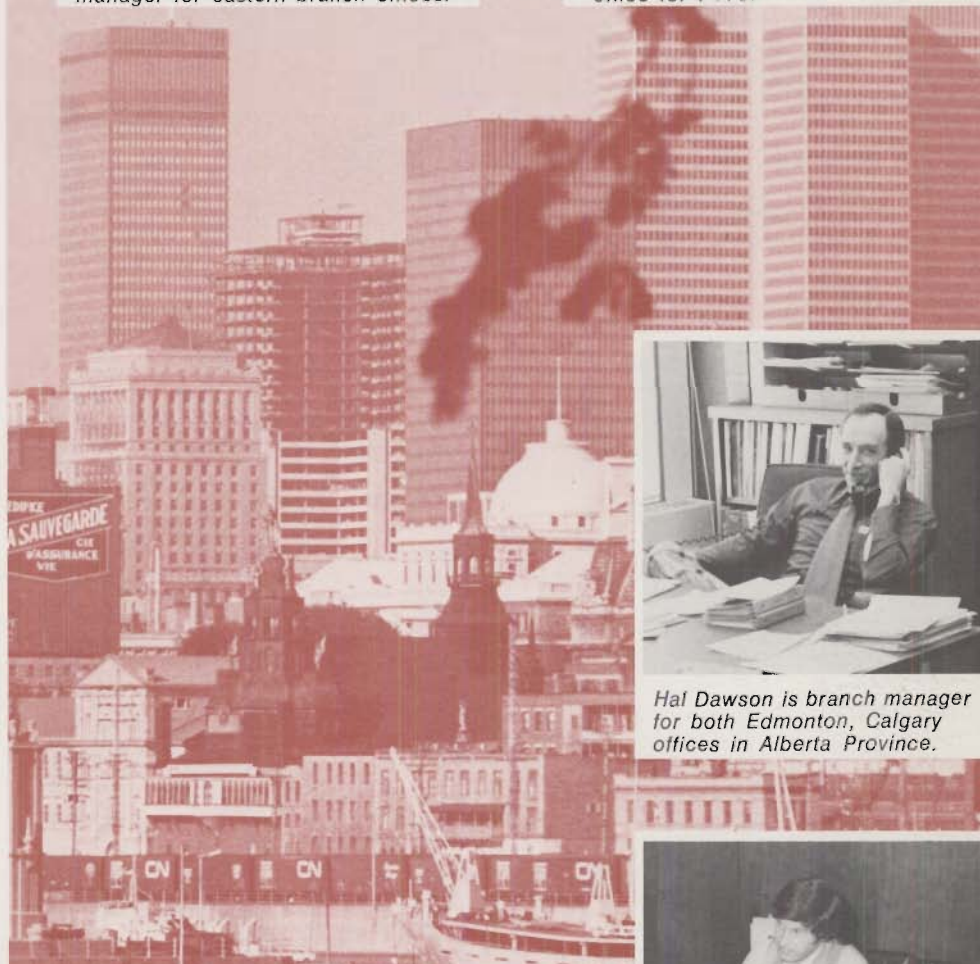
PHOTOS COURTESY OF CANADIAN GOVERNMENT TRAVEL BUREAU: ON COVER, FARM AT PORTAGE LA PRAIRIE, MANITOBA. ON OPPOSITE PAGE, BANFF IN ALTA ROCKIES (TOP) AND OTTAWA'S PARLIAMENT BUILDINGS. THIS PAGE, MONTREAL SKYLINE.



Tony Johnson in Montreal serves as Eastern Area Sales Manager of Electronic Instruments and area manager for eastern branch offices.



Montreal branch manager John Roussos, a cattle breeder himself, eyes LID "Horns" Award won by office for FY75.



Hal Dawson is branch manager for both Edmonton, Calgary offices in Alberta Province.



LEFT—Mike Reilly, branch manager in Dartmouth, Nova Scotia. CENTER—Dave Mutch, branch manager, Winnipeg. RIGHT—Personnel Manager Brian Wright is involved with sales force staffing throughout Canada.



Jim Reger, District manager for Computer Systems, is Vancouver branch manager.

... AND SERVICING HP PRODUCTS



Regional Service Managers (from left) Gerry Weightman, Analytical; Colin Hardeman, Computer Systems, with secretary Valerie Colosimo; Steve Beirne, Medical; Dave Lansley, Instruments. Right, part of Montreal service.



Toronto service department takes a break for photographer.



Edmonton service, with IPG Western District service manager Don MacDougall in foreground.

(Continued from page 5)

HP's ability to serve effectively a large and diverse marketplace. The local branch manager is truly "Mr. HP" in every sense of the phrase in his area of responsibility.

Pointe Claire, a suburb of Montreal, is the location of HPCL's second largest office which serves Canada's French speaking province of Quebec. That office serves its marketplace in both of Canada's official languages, English and French, with bilingualism an increasingly important factor in conducting business. (Most new hires are bilingual.)

The capital city of Ottawa, Ontario—with some 45 per cent of all Canada's research and development activity—has always been a major market for HP.

The customer base includes Bell Northern Research, the National Research Council, Atomic Energy of Canada, Northern Electric, Communications Research Centre, Telesat Canada (which launched and manages Canada's communications satellites) and the major government users of electronics such as National Defence, Transport, Communications, and the Royal Canadian Mounted Police Crime Laboratories.

An office established in 1965 in the scenic port city of Vancouver, British Columbia, has a casual western air. District managers for the four western-most provinces—the largest geo-

graphic area in the HP Canada organization—are headquartered in Vancouver. Smaller branch offices are located in Edmonton and Calgary, in the province of Alberta, and in Winnipeg, Manitoba.

On the other side of Canada, the Nova Scotia office in Dartmouth (near Halifax) covers the four Atlantic provinces of Newfoundland, Nova Scotia, Prince Edward Island and New Brunswick. About half the business comes from customers located 200 miles or more from the office.

The maturity of HP Canada and its proximity to the United States have resulted in the dual relationship described by Chuck Williams in his introduction to this issue. Operating like a fifth U.S. sales region, the subsidiary places orders direct with U.S. factories and maintains its own customs and freight forwarding facilities in Montreal and Vancouver. The border between Canada and the U.S. reappears, however, when it comes time to keep track of the financial and legal reporting of the subsidiary's operations; HP Canada ties into Intercon on the administrative side. (See pps. 8 and 9.)

But for the most part, Canada is big enough to go its own way. True to the king-sized Canadian scale, HP Canada accounts for roughly one-fourth of the entire sales in the Intercontinental Region.

OLYMPIC WINNER

With the persistence of Canada's national symbol, the beaver, senior sales engineer Gary Bauer of the Pointe Claire office spent four years preparing the way for the use of HP analytical instruments in the drug detection lab at the recent Olympic Games in Montreal.

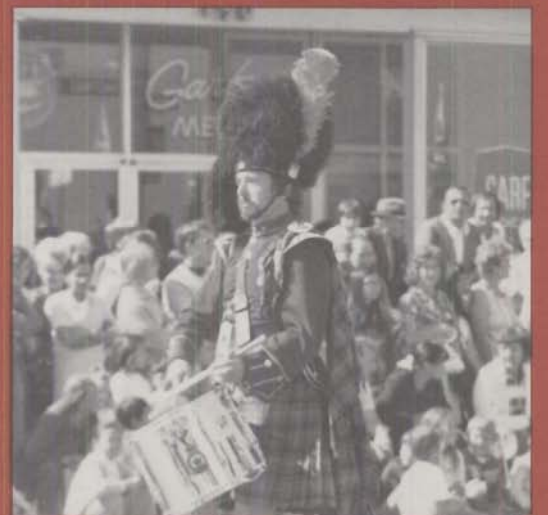
Gary maintained continuous contact with the lab's director, Dr. Robert Dugal of the University of Quebec, from the time of the latter's thesis work until his appointment to head the Olympic program. He worked with Dr. Dugal to design the laboratory itself, which used HP gas chromatographs, laboratory automation systems and computerized gas chromatograph/mass spectrometer systems. (Half of the instrumentation was on loan from HP for the duration of the Games.)

On-site support at the Games was provided by Avondale and SID divisions, with back-up from the computer service group in the Pointe Claire office.

The result was worldwide publicity for HP analytical instrumentation. A *tour de force!*



ALL THESE PHOTOS show HP Canada's people in their lighter moments, except for that hard-working chap pictured at the upper left: a 1964 vintage photo of today's Marcom manager Bob Sayliss, who appears to be using two phone lines at once during the early days of the Toronto office. Above and immediately below are scenes from the Toronto office picnic at Swiss Chalet Park last September. At lower right is Don Thomson, star Computer Systems field engineer, on parade in Vancouver. (Don is transferring to Neely's Bellevue, Washington, office.) At lower left—the Montreal office's hockey team shows the determination which helped win playoffs this year. In closeup, George Yule confronts doughty opponent wearing leg cast.



Admin Interface with ICON



TRAFFIC and customs activity for Canada are under Manager Paul Richer (center), talking here in his Montreal office with Jeremy Beaty and Malcolm Gissing.



INFORMATION SYSTEM needs of Canadian Region are met by Manager Gary Graham (right), shown with Comsys and EDP personnel. (From left) Richard Dejohn, Hazel Fitzell, Wayne Vickress, Joan Brunet.



CREDIT/COLLECTION and receivables come under Commercial Services Manager John Rooney (left), shown with Hedley Paget of HPSA. John also handles sales financing, contracts administration, and supervision of Toronto OP.



BRANCH ADMIN activities (such as purchasing, fleet, office leases, office services) are responsibility of Operations Manager John Cross (left), talking with Asher Tamir, Medical field engineer.



ABOVE—Demo inventory is coordinated by Barbara Hill.



LEFT—Accounts receivable supervisor Ian Jackson. RIGHT—OP Manager Dave Smardon, located in Montreal, oversees OP activity.

BELOW THE BORDER



LEFT—Finance's Steve Pavlovich deals with HP Canada in such areas as management of HP's foreign exchange exposure and banking relationships. CENTER—Support for HP Canada's automated accounting system is provided on on-going basis by Harley Leete (left) of EDP and Mike Houlihan, Accounting Services, who both spent a month in Canada installing system. RIGHT—Senior general accountant Andrea Knoll, who recently joined ICON, consolidates HP Canada's orders, selling costs etc. into monthly management reports.



Gordon
McLean

NEW MANAGER of Accounting is Gordon McLean, who joined HP Canada on September 1. For the past two years Gordon has been Vice President and General Manager of General Fabricators Co. Ltd. in Toronto. During a 14-year career with that firm and B. P. Canada Limited he held such key positions as office manager, accounting manager, and controller. He is a Certified General Accountant.



Lloyd Taylor (left), Finance and Administrative Manager for Intercontinental, visits with Jeremy Beaty, Administrative Manager for HP Canada, at Toronto headquarters of the subsidiary.

From an administrative point of view, ICON has an important, but unique, organizational relationship with HP Canada. Since HP Canada is managed as both a U.S. Domestic Sales Region and an International Sales Company, certain of our typical administrative responsibilities for International Sales Companies are shared with other Corporate organizations in the case of HP Canada.

Basically, Corporate Marketing Services supports Canada for order processing systems and procedures, whereas ICON supports Canada in those areas dealing with accounting, targeting, personnel, legal, finance, traffic and customs. In addition, ICON provides functional leadership for the entire Canadian administrative activity.

This may appear to be a confusing organizational set of relationships, but, in actual practice, it works pretty well.

Pictured on these pages and the back cover are a few of the people at HP Canada and at ICON Headquarters who are involved in this important interface on a day-to-day basis and really make the system work.



MANAGEMENT ACCOUNTING activity is headed by Inge (Roth) Harpell (left), with Heather Katoen.



Lloyd Taylor

AT ICON HEADQUARTERS



In General Accounting, Canada is a part of HP Inter-Americas. **LEFT**—Marge Tomschin reconciles HP Canada's accounts receivable, accounts payable with HPIA books. **LEFT CENTER**—Elsie Posch does monthly Sales Summary including commissions, discounts. **RIGHT CENTER**—Ginger Birdwell transfers invoices between HPIA, HP locations in U.S. (Marge does same job for overseas HP locations). **RIGHT**—Statistical analyst Roberta Wilson incorporates information from HP Canada in data used to forecast sales trends for quota-setting.

Start-up of a Subsidiary

In late May last year, Clay Smith accepted an offer from the Intercontinental Region to start an HP subsidiary in the U.S. Commonwealth of Puerto Rico in the Caribbean. For Clay, who had been district manager for the Southern Sales Region's Richmond, Virginia, office since 1966, the move provided an interesting shift in his career at HP. He and his wife Betty closed their home, said farewell to their grown children who remained on the mainland, located an apartment on the beach in San Juan, and started to brush up on their Spanish.

In an interview with Sy Corenson this May, Clay talked about the challenge of starting a new HP subsidiary.

A LOOK DOWN THE ROAD

Our subsidiary would of course need people and a place to operate. The first consideration was to fill the position of administrative manager. Lloyd Taylor, Intercon's administrative manager, and I interviewed candidates located through a San Juan employment agency and selected Orlando Campos to do the job. Orlando later came to Palo Alto to work with me on some additional planning.

To target for financial operations, Orlando and I sat down and planned on paper with the assistance of the headquarters people both in the marketing and financial ends. We posed some immediate questions. What are we going to have to spend money for? How much money should

we spend? Does this fit in with our expected sales in the various disciplines? What kind of people are we going to need in the office in terms of skills? (Preliminary work had been done by our Personnel office in Palo Alto so we had some idea of what we'd have to pay and the probable availability of people.)

Coming up with targets was a new experience for both Orlando and me. We collected a lot of information about Puerto Rico from a vantage point in Palo Alto in order to fit together meaningful numbers for the coming year's projected expenses. In some areas we fortunately overestimated and in others we underestimated—we hope in the aggregate that it's going to come out pretty close by the end of the year. Believe me, next year we're going to know an awfully lot more about what we're doing.

HIRING A BILINGUAL STAFF

Once Orlando and I returned to Puerto Rico we started advertising for candidates in sales, service, secretarial and clerical positions. Quite frankly, I was overwhelmed by the response. We had more than 150 responses to our ad, far in excess of anything I had previously experienced in the U.S. We had some very good candidates and were successful in getting the people we wanted. We now have 14 people working in the office: five selling our products, two per-

forming service, and the balance in support roles.

One of the requirements for our personnel here is that they be bilingual, speaking both English and Spanish. While most of the staff was hired in Puerto Rico, Calculator Sales Manager Ed Jaramillo and secretary Linda Cunha came from Palo Alto headquarters. Both are fluent in Spanish; Ed was raised in El Paso, Texas, and Linda speaks Portuguese as well as Spanish.

We were fortunate in employing two sales people from San Juan Electronics, the distributor that had represented HP here: Jose Puras, Analytical, and Hiram Perez, Medical.

Other employees hired in Puerto Rico include two sales engineers—Raul Colon, Data Systems, and Joe Chalverus, Instrument—and Rafael Soto, who handles Data Systems service. Sonia Cuevas handles accounting, payroll, and credit and collections; Linda Garcia is responsible for order processing along with other tasks, and Lillian Rodriguez serves as sales secretary for the five salesmen. Evelyn Cortes handles video tape, telex service, and sales literature inventory along with answering phones and greeting visitors.

Everyone is doubling in brass. Each of us has undertaken to do many things. If a box needed unpacking, if somebody had an errand at the airport or post office, if we needed to pick up an extension cord or some tools or stationery, everyone pitched in to help. Things are becoming a little more formalized—I don't mean formal—so our tasks are better defined with time. As people learn their jobs, each one picks up more responsibility in a particular area. Things are running smoother now.

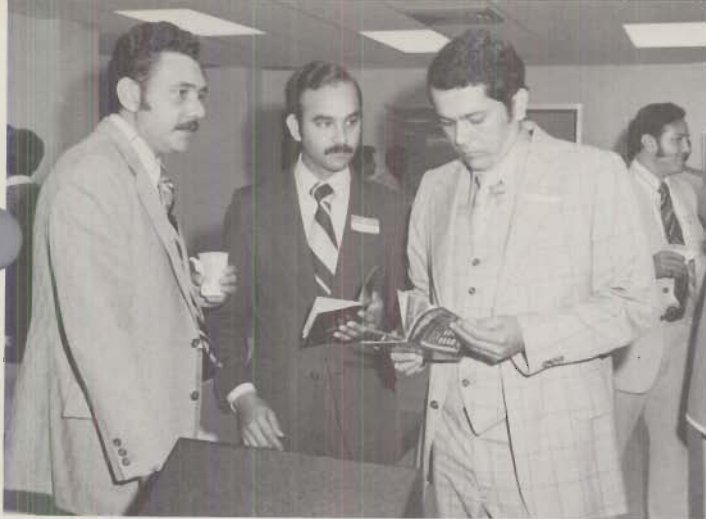
OUTGROWING THE SHOE

Orlando and I arrived in San Juan on the first day of October and on the first day of November we were officially HP in Puerto Rico.

Finding an office took a lot of looking in the city of San Juan. We finally located space in a building in a new part of town convenient to the airport and to major thoroughfares. However, it wouldn't be completed for a month and we were eager to get started. We



LEFT—Coffee break. INSERT—Linda Cunha. RIGHT—Ed Jaramillo with Barbara, Tommy (6 months, and a native of Puerto Rico), Eddie, 2.



Orlando Campos (left) welcomes Rene Moscoso (center) and Hector Contreras of Chase to new offices of HP Puerto Rico.



At February Open House, Clay Smith (left) chats with Hovey Freeman of Wood Development.

borrowed some temporary office space and soon packed 12 people in an office about 15 or 20 square feet in size. We had three chairs, one desk, and a borrowed telephone—my chair was an IBM typewriter box.

As soon as possible we moved into our new offices; like Old Mother Hubbard, we had greatly outgrown our borrowed shoe. On the Friday before Christmas we all put on work clothes and moved ourselves, loading boxes of literature and sales records into our cars. We had our first "annual HP picnic" that noon on the loading ramp behind our new building. It was several days before the electrical power was connected and the air conditioning working properly.

As in many other Latin countries, Puerto Rico observes a long Christmas holiday so it was really Three Kings Day (January 6) before things started happening. We had scheduled our sales and service personnel to go to various training seminars in the States, so soon we were down to eight people left in the office.

Meanwhile, support material was beginning to arrive from HP: test equipment that we'd ordered, a few operating and service manuals, literature of various types, all sorts of correspondence requesting information or providing customer inquiries. We were now really in business.

A WEEK TO REMEMBER

While we were still shaking down the new office, two major events came within a week of one another.

We contracted for a booth to display calculator and medical equipment at the Annual Health Industry Association Show in San Juan's Coliseum, held January 30 to February 1. Practically everyone who stopped by expressed pleasure at seeing HP on the island

and we demonstrated our equipment to great quantities of people, picking up a number of potential sales leads. It was good experience in putting on a show, arranging to get equipment, cards, signs, booth furniture and so forth. We staffed the booth for three days over a weekend and received a lot of mileage from the show.

No sooner had we taken the booth down and brought all the equipment back to the office than we had our own open house on Friday, February 6. We had managed to get some pictures on the wall and to have the place looking fairly orderly, along with arranging for refreshments, invitations, a photographer and all the other things you do for an open house. We pulled it off. We had between 150 and 200 guests visit the office between 2 and 9 p.m., a very good turnout.

AT HOME IN SAN JUAN

Puerto Rico is a country of contrasts. In the old part of San Juan with its narrow cobblestone streets it's easy to believe you're somewhere in Europe in the past. Two Spanish forts are still in pretty good repair and are operated by the National Park Service. In the new part of town with tall modern buildings of glass and concrete, you might think you were in Chicago or New York.

It's hard to be a stranger in San Juan. Orlando and his wife Raquel included our U.S. contingent in her family's Thanksgiving celebration. That was a great experience for us, with turkey that was familiar but some other trimmings that were novel to us. As the staff has increased, we've had a number of get-togethers. Christmas was a mix of customs. We had a tree from the States for an office party at our apartment; Betty and I

were introduced to the *asalto*, a serenade by your friends in the middle of the night. You invite everyone in for refreshments, and then go along with the group to sing to someone else. We're both looking forward to joining in more *asaltos* this Christmas season.

Life is more casual in Puerto Rico. It's accepted to wear the Cuban shirt, the *guayabera*, around the office (unless you're planning to call on customers, when you dress more formally). It's a sensible style in a climate where temperatures range from 65 to 70 in the evening to as much as 95 during the middle of the day, with humidity of 80 per cent.

HP Puerto Rico is now underway. We've partially satisfied our initial housekeeping requirements in getting sales and service going but we still have a lot of training to do with a staff that is mostly new to Hewlett-Packard. Since we operate in some ways like a domestic sales region and in other ways like an international sales region, we're working out new procedures with headquarters people for handling our orders.

We're ready to build now on the start that HP Puerto Rico has made during this first year that we've been in direct business on this hospitable island.



Caribbean rainbow photographed from Clay Smith's apartment.

New Country Manager in Mexico

As we go to press, a change in Country Manager in Mexico has just been announced by Latin America Area Manager Pepe Grapa.

Antonio (Toño) Castro, who is currently manager of the Instruments sales force, will take over the role of General Manager of HP-Mexicana on October 20. Jean Francois (Pancho) Thions has resigned from HP to accept an offer to develop economic studies and trends for Mexico.

Before joining HP Mexico in May 1971, Toño served on the staff of the Comision Nacional de Energia Nuclear in Mexico City for ten years, first as an ex-



ANTONIO CASTRO

perimental physicist and later director of the general laboratory.

We found in our files this photo of Toño taken at last year's IPG Senior Sales Seminar and are looking forward to the chance to interview him in person.

Assignment: Latin America

Terry Mancilla has been named to the newly created post of Distributor Development Manager for Latin America, according to an announcement from Latin America Area Manager Jose Grapa.

A native of San Rafael, California, Terry received his high school education in Guatemala and is bilingual in Spanish and English.

Following three years of active duty with the U.S. Air Force as an electronics technician, Terry began advanced technical studies in two institutions simultaneously. He received both a B.S. in Electrical Engineering from San Francisco State University and an A.A. in electronics technology from the College of Marin.

Terry joined HP in 1973 at the Santa Clara Division, serving first as a product support engineer and later as a sales engineer. He has been on a leave of absence to study for his master's degree in Engineering Management at U.C. Berkeley.

Two New Managerial Posts for Components

Continued growth in Components sales activity has resulted in the creation of two new managerial positions at ICON headquarters, it has been announced by George Cobbe.

Hiroshi Shishido, who has been a Components sales engineer concentrating on sales in the Far East, becomes Components Far East Sales Manager. He will continue to devote attention to managing sales of components in Japan as well.

Bernie Belkin has been appointed Region Components Distribution Manager to concentrate on developing a network of stocking distributors. (He will work the first year with sales organizations in Australia, South Africa, Brazil, Mexico and Israel.)

Hiro, a native of Japan, was raised

in the U.S. and received his E.E. and M.B.A. degrees from Stanford University. He joined Hewlett-Packard in 1973, serving as a regional sales engineer in HPA's factory marketing activity before transferring to ICON a year ago.

Bernie joined HP in 1969 at the Santa Clara Division, where he served for four years as a product marketing engineer and then product manager. In 1973 he took a leave of absence to live in Israel for 18 months, where he worked for HP's distributor, Motorola. Upon his return to the United States Bernie became ICON Instruments/Components distribution manager for the Far East and Central Africa. He holds his B.S.E.E. degree from Georgia Institute of Technology and an M.B.A. from the University of Michigan.

Sergio Mendez, the newly appointed Latin American sales manager for Instruments, has moved easily between countries since he first left his native Cuba as a young boy to live with his family in New York.

A graduate of the Polytechnic Institute of Brooklyn with a B.S.E.E. degree, Sergio joined Hewlett-Packard in 1970 as an Instruments staff engineer at ICON headquarters. He worked with distributors in Latin America for four years, then transferred to HP Brazil as the Instruments district manager in Rio de Janeiro.

For Sergio, who has a good understanding of the communications market in Latin America along with previous headquarters' experience, his new assignment in George Cobbe's group is a natural. An added advantage is his fluency in Spanish, Portuguese, and English.



Hiro Shishido



Bernie Belkin



Sergio Mendez



Terry Mancilla with secretary Carmen Siefkes.



SALES FIGURES from Japan gave Toshiteru Suwa (center, with pitcher), YHP Instrument sales manager, a special reason to help Hiro Shishido (left) and Kuneo Hasebe (right) celebrate at beer bust.



VISITORS included (clockwise from upper right) Tim Brameld, marketing manager of South Queensterry Division; Hudjono Prasetyo of Indonesia and Shafiq Ahmed of Pakistan with ICON's Ted Ogrey; Luiz Corvalan (left) of HP Brazil and Benito Lasry of HP Venezuela; Brazilians Ciro Laurencio (right) of HP Rio with guest Leonel Salvadori.

A MESSAGE FROM THE DIRECTOR:

A Toast to July and a Look in the Crystal Ball

A good organization must be able to respond to both extremes of the economic cycle. We have done a good job of demonstrating an ability to respond to strong economic growth in the past, and over the last 12 months Canada and the ICON countries have done an excellent job of proving that their teams can respond to an economic downturn. July was an outstanding month for ICON and, hopefully, signalled the beginning of overall economic improvement. Orders for the ICON countries were \$9.6M and represented 100% of July quota. This does not necessarily mean we will have an equally excellent performance in the remaining months before year-end, but we feel that we are seeing some signals of better things for the future. Hopefully, Canada will follow ICON's lead.

The excellent performance in July provided good reason to celebrate here at Headquarters. It was a particularly good time to get the team together to relax a little bit as a large number of our visiting international sales people could join in.

FY76 has been a tough year for intercontinental. Our conservative forecasts for the year have certainly hit the mark.

The Canadian economy has failed to follow the dramatic upturn in economic

conditions here in the U.S. and, as a result, our performance there has been handicapped.

The ICON countries continue to turn in a mixed performance but, again, strong economic recovery is not yet evident in any of them. Our crystal ball tells us that we will not return to the strong growth rates which have been so typical of the ICON countries until mid-1977.

The one bright spot has been Japan. The Japanese economy has emerged from its worst recession in 20 years and is now in a strong growth phase. Our team at YHP has responded magnificently and, today, we can very proudly post an outstanding performance. I personally believe this is a great tribute to the wisdom of our FY75 recession strategy. Our response to the significant decline in YHP orders was to streamline our organization, to reduce costs to an absolute minimum and to concentrate on preparing ourselves to take advantage of the economic upswing when it came. Because we preserved our fundamental strength, our people, we were in a perfect position to capitalize on the strong economic upswing which followed—hence the excellent performance I am able to report to you today. The same strategy should yield equally excellent results in Canada and

the ICON countries when their basic economies start to warm up.

As we concentrate on finishing FY76 in a professional manner, the push will be on closing orders, maximizing shipments before year-end and on controlling our costs. We are in good shape to exploit the improved economic conditions which appear to be on the horizon, with brighter prospects for FY77. The consolidation period we have gone through for the last 12 months has improved our organizational strength, and we have a much better idea of some of the things that have to be done in the future to further improve our productivity and cost effectiveness.

We can all be very proud of what we have accomplished to date, and I would like to thank each of you for your efforts.

A Summer Bouquet



PASSING THROUGH Palo Alto headquarters this summer were these special visitors: 1—Alice Chen, HP Taiwan secretary to general manager, with Lucienne Jackson. 2—Cida Straccialano, secretary to general manager at Campinas, Brazil, factory, who vacationed in U.S. and Mexico. 3—Shuli Kapelner, photographed in Monterey with her father Yehuda of HP's distributor Motorola in Israel.

4—Teresa Sharpe (right), former departmental secretary for Medical, brought six-month-old twins Maria Teresa and Anna Victoria to be admired. 5—(From left) Modupe Ashiru, studying in San Francisco under sponsorship of TEIL, HP's distributor in Nigeria; Don Andrushko; and newlyweds Atsar and Parveen Ali of Pakistan. Atsar is managing director of Mushko and Co., HP's distributor in Pakistan.



Ben Holmes (right), Computer Systems Group marketing manager, cuts the ribbon to officially open HP South Africa's new service facility in its own premises three miles from the Wendywood office. Service Manager Peter Shaw (left) and Managing Director Tienie Steyn keep a sharp eye on those scissors.

INTERCOM

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A LIMITED NUMBER OF ADDITIONAL COPIES OF THE ICON ACTIVITIES CALENDAR FOR AUGUST 1976 THROUGH JANUARY 1977 ARE AVAILABLE. CONTACT SUE HAWKINS AT ICON HEADQUARTERS, BUILDING 16, PALO ALTO.

NEWS AROUND ICON

ICON service managers meeting

Take a look at some of the heavy-duty objectives which ICON service managers set for their meeting held in Palo Alto from May 10 to 21:

- provide understanding of service accounting and reporting
- explain target planning and development
- study methods of field service management
- report status of service EDP systems
- communicate with group service managers and region sales managers
- develop ICON service policy and procedures manual.

Participants included Bernard Bruand, Singapore; Wilson Cesarino, Brazil; Gonzalo Figueroa, Mexico; Ramiro Filgueiras, Venezuela; Peter Shaw, South Africa; John Springall, Australia; Ken Uyeminami, Japan; and Noel Wu, Taiwan.

A first for Analytical

In planning the first meeting for ICON Analytical field engineers which was held July 5 to 28, the ICON Analytical team put together a program with special breadth.

In addition to topics based on sales techniques, the program included an overview of HP's financial information activity. Speakers included Wally Fowler on economic forecasting, Gary Haight on management information systems, and Dick Wilson on the use of the HEART system as a data base.

Firsthand information on products and group marketing strategy was provided during the Palo Alto portion of the training seminar by visits to nearby S.I.D. and Santa Clara divisions. The final ten days were spent in training activity at the Avondale division.

Field engineers attending included Jim Watson and Bob Cattell, Australia; Ryuji Kanno and Tetsutaka Mizuno, Japan; Miguel Mora, Mexico; Chris Schwarz, South Africa; Daniel Cruz, Venezuela. Walt Hinrichs, who recently joined HP's Skokie office, and Kombiz Eghdami of HPSA, currently in training at Neely Santa Clara, also joined the group.

Customer seminar in Mexico

Customers from throughout the Mexican Republic gathered in Mexico City in May for a four-day seminar on advanced techniques in communication measurements.

Stan Jones from the Edinburgh Division came from Scotland to lecture on measurements performed by the Pattern Generator/Error Detector HP 3370B, Amplitude and Phase Distortion Analyzer, HP 3790A Microwave Link Analyzer for systems with 140 MHz., I.F., and the HP 3745A Selective Level Measuring Set.

Among the 130 people who attended the successful event were representatives of Telefonos de Mexico, Secretaria de Comunicaciones y Transportes, Petroleos Mexicanos, Comision Federal de Electricidad ITT Mexico, universities and schools.



Ken Uyeminami (left) and Gonzalo Figueroa stand to stretch during service managers meeting, while John Springall makes some notes.



A curl of smoke rises during a break in Analytical training seminar. (From left) Don Sharp, speaker from Southern Sales Region; attendees Chris Schwarz and Bob Cattell; speaker Dave Zaring, S.I.D. marketing manager.



HP Mexico's Ernesto Arana (left) and Munir Dabaghi with seminar speaker Stan Jones (right) from Edinburgh Division.

Charting the Course Ahead

- A time to think and reflect.
- A communication link.
- A business review mechanism.
- An opportunity to express creative ideas.
- A look at the future.

Four times each year, generally for 1½ to 2 days, HPIC Headquarters managers seem to mysteriously disappear from Building 16—all at the same time. On those dates, visitors and even some headquarters members, observing the many empty offices, might gain the impression that we are off on a lark, possibly playing golf.

It would be nice if time would allow for this type of leisurely recreation. But the fact is that our expanding organization, sales growth and business complexities—perhaps the greatest among all HP sales regions—demand that we take an occasional pause and put into port in order to scrape off some barnacles and do some refitting for the journey ahead.

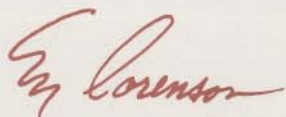
A recent Operations Council Meeting was held on May 27 and 28 in an informal setting, close by but sufficiently remote to avoid disturbances that might detract from continuity of discussions and total participation of attendees. Although agendas for these meetings are customized to reflect current problems and thinking, a review of major topics covered in the May meeting might serve as a typical example. (Please note that there was no time for golf.)

- Current economic picture presentation.
- Discipline and Functional Manager updates (including status and FME [Field Marketing Expense] reports and FY77 targeting guidelines).
- Administrative Activities (cost structure, systems activity, etc.).
- Review and Refinement of FY77 Targeting and Quota Setting Events.
- Review and Assignment of ICON Operating Policies and Guidelines.
- Review of Export Pricing Policy.
- Review of Multinational Agreements and their Legal Implications.
- Brainstorming on Specific Objectives for FY77.

These and other subjects of interest were discussed, in depth. The most recent ICON Operations Council Meeting was held in the Brazil Room (coincidentally a key ICON country) in Building 18 in Palo Alto for 1½ days on August 26 and 27. The agenda included subjects such as:

- Review of 3rd Quarter FME and the Overall Discipline Structure with Emphasis on Projected FY76 Order and Cost Performance
- Review of FY77 Quotas
- Discussion of product group response to ICON Selling Cost Estimates and Final Group Guidelines
- Pricing worksheet discussion
- Guideline course corrections
- FY77 objectives.

We will not admit to having solved all problems but we now have a clearer understanding of "weather conditions" and a course for the next quarter and beyond can be charted.



Editorial Director



ABOVE. (Reading from upper left across rows) Toronto Accounting—Carol Fisher, Isabel Saunders, Connie Schouten, Eleanor Hill, Colin Higgins, Mary Thompson, Jane Piggott, Rosemary Bruckner. A/R and Credit—Denise Comeau, Valerie Kydyk. (See pps. 8 and 9).

FRONT COVER. INTERCOM chose these smiling faces to feature on the front page from among a bumper crop of photographs provided by HP Canada:

From the left reading across and down: Lena Bishop, Cindi Kline, Glen Tracy, Patricia Marion, Sheila Marshall, Donna Dobson, Norbert Engels, Will Vezina, Nancy Curtis, Helen Kinnear, Bob Mutch, Peggy Bell, Randall Mastaler, Marcel Marcil, Piero Varaschin, Dave Walmsley, Margaret Phillips, Rob Young, Linda Johnson and Marisa Ciardullo.