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HP Intercontinental News

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Intercon's future-
the next five years



Next May, Intercontinental Headquarters personnel are scheduled to move to a new home. The proposed two-story building will be located at Deer Creek (about one mile from the present headquarters), and will house all Headquarters employees, as well as people now located at the Western Distribution Center in Santa Clara.

The new headquarters signifies more than just the construction of another building. It is a significant sign of the tremendous growth Intercontinental has experienced since it came into being nine years ago. More importantly, it signals the expansion that is to come in the next five years.

When HP InterAmericas (HPIA) and

Asia, Africa and Australia (AAA) sales organizations merged in 1969 to form Intercontinental, orders that first year were modest. Sales climbed steadily, however, and in 1970, a factory was opened in Singapore, another in Malaysia in 1972, and a third in Brazil in 1975. By 1983, Intercon's current order level is expected to triple.

More orders, of course, will mean a bigger field operation, more people, more facilities, and a variety of other changes. This issue of *Intercom* examines some of these changes and the accompanying challenges, and explores the plans Intercon has for dealing with them.

Growth— meeting the challenge

By Alan Bickell
Intercontinental Director

The next five years will be a time of substantial growth and challenge for Intercontinental. *By 1983, our orders for the region will equal HP company-wide orders in 1973. Between now and 1983, our orders will nearly triple and our staff will almost double.*

Although such expansion obviously presents a number of challenges, we are confident it can be handled in an orderly manner. Measures to cope with the growth are already underway, including 1) decentralization of sales and support resources to make them more cost effective, 2) further automation of "administrative" tasks to reduce costs and increase productivity in both sales and administration, 3) institutionalization of long-term planning to ensure efficient country discipline business plans that are integrated across discipline lines and consistent with group and corporate objectives.

Undoubtedly the most important element in all of our planning for the future is *people*. New hires and replacement

COVER

(Photographs by Heinz Yuen)

The Hong Kong woman on the cover is trying to predict the future—Asian style—using "chengs" or fortune sticks. She buys a container of chengs from the temple keeper, then chants as she shakes it. When one cheng falls out, she takes the numbered stick to the fortune teller who explains its meaning (accompanying photo). Following the fortune telling, the worshiper may burn some joss sticks, hoping that a good fortune will come true or a bad one be avoided.



staff in the next five years will equal our present number of employees. It is essential that we are able to find, develop and retain employees of the highest caliber to ensure a successful growth process. We must devise effective recruiting methods tailored to the needs and characteristics of the individual countries in the region, and we must upgrade and expand our training programs. Indeed, employee development and technical training will be major areas of region resource commitment in the next five years.

Reducing attrition is another challenge facing us as Intercon grows. Our attrition rate currently stands at about 12 percent per year, which is consistent with the company's overall record. However, if that rate continues, we will have to add as many replacements as new hires in the next five years. If we can retain a higher percentage of our employees, we will realize significant savings.

I believe several steps can be taken to lower attrition. First, we must hire the right people initially. We must choose people who are not only suited to the job and the company, but more importantly, are also willing and able to grow with HP. Once on board, people must receive effective orientation and training to promote their growth. In addition, emphasis should be placed on establishing a close relationship between

employee and supervisor from the very beginning. We must also create an environment of opportunity for employees by continuing our practice of promoting from within, and we must assure that salary and benefits programs are competitive and fairly applied.

Given rapid growth and the changes it will bring, what will the Intercon region look like in 1983? In the coming five years, we anticipate:

—A Far East headquarters, probably in Singapore, housing a broad range of management and support resources. Technical and professional training, service and parts backup, order processing and sales management and support are logical activities to be decentralized there.

—Shifting of more headquarters Latin American/administration and sales management to Latin America (a Latin American headquarters is probably precluded by problems with telecommunications, geography, travel and government restrictions, but it is more cost-effective and efficient to have problem solvers on site where possible).

—Increased reliance on the Brazil factory to support and further develop the Latin American market, thus serving as well to counter increasing protectionism in Latin America.

—More verticalization of the overall organization in sales, service, admin

support and specialized order processing, and a real partnership between discipline and country general management to optimize HP's market position.

—Some umbrella distributor management, with several subsidiaries having a broader responsibility outside their geographic limits to provide sales and service support to HP distributor markets.

—Substantial increase in the volume of shipments direct from HP factories to the customer or international sales company, with the distribution centers streamlining methods of operation.

—Continued emphasis on professionalism in administration will require each subsidiary to have professional managers in the personnel, administration EDP and controllership functions.

As is apparent, the Intercontinental organization of 1983 will be quite different from that existing today. Adapting to the new environment will require careful planning, flexibility, and innovation. Change necessarily implies challenge, but it also offers great opportunity for development—both on a personal and organizational level. We are going to have a lot of fun meeting these challenges.

Country managers tell how they'll do it

Faced with rapid expansion, Intercon's country managers are already laying the groundwork to cope with the prospects and problems of growth. While they were in Palo Alto recently, each took the time to mention some of his more important plans:

Architect's drawing of new Intercon Headquarters.

Japan

By Toshio Muraoka and Chuck LaPorte



"We're expecting a 22.5 percent growth rate per year, with a 40 percent per year growth in computer business. Obviously the key to our success will be the computer area. It will be a challenge to find and train sales people to support that kind of sales effort. Japan is one of the most competitive markets for computers, and is the only country where domestic manufacturers occupy more than 70 percent of the market.

Training will take on increased importance in the next half decade. We're going to make the sales training program more extensive, and other goals include more cooperation between sales forces and more coordination between sales and factory.

Customer satisfaction is another key goal. We want not only to maintain customer satisfaction, but to increase it. We'd like to open another sales office close to customers—maybe one in the Kanto area and also expand the one in Nagoya.

People policies will continue to be important. In Japan we have the YHP Way, which is very similar to the HP Way. We want to imbue people with the values inherent in the YHP Way. In addition, while it is the responsibility of management in HP companies to develop their people, in Japan it is an *obligation*. The company is like a family."

Mexico

By Antonio Castro



"HP Mexico will concentrate on increasing sales, especially in the computational area. We also hope to build our own office in the next three or four years.

A number of organizational changes are planned. We will consolidate our personnel department, and also increase verticalization in various areas. Finding qualified people will present quite a challenge. In addition, we must get them to learn and accept the HP Way—a comparatively easy process with young people, but a bit harder with people who have been with other companies. It is essential that our managers spend a good deal of time coaching and training new people, particularly in the HP Way.

The country's economic-political climate will be conducive to our growth. Exploitation of oil has created a lot of peripheral industry—petrochemical and so forth. There has also been a dramatic change in government attitude toward business. Policy in recent years has been to restrict imports, protect local industry, and encourage people to buy locally, independent of price and quality. Now there are fewer import restrictions, and the government is pushing increased exports and other measures to make industry competing and competitive."

Argentina

By Horacio Manifesto



"In Argentina, we must both rebuild the subsidiary and equip it for further growth. The country has had severe economic and political ups and downs in past years, but is now recovering. Our major task at HP Argentina will include rebuilding HP visibility to our customers, adding and developing a good sales team, and accurately assessing the market.

In addition, we must automate. Everything is manual right now. We have no HEART, no COMSYS, no computerized accounting systems. Our facilities are also insufficient. We must rent larger

quarters and probably build our own headquarters within the next five years.

Argentina offers a lot of opportunity for HP. Because of low investment levels in capital goods in the past few years, many companies and also the government now have to spend a lot of money to recover full production capabilities under modern procedures. Many firms stopped growing and investing for four or five years, and now have outdated equipment. They're ready and able to buy, and import duties are declining every day."



Brazil

By Luiz Barata



"In recent years HP Brazil has started a manufacturing facility, built a head-quarters facility for sales and survived a severe importation restriction economic program. I don't expect the next five years to be that revolutionary.

Our management team is now mixing a substantial quantity of new blood as young professionals step up into the organization. I expect a lot more to happen in this direction as we prepare to increase autonomy and responsibilities of the functional management as we move into the eighties.

The Intermediate Range Plan projections show growth rates close to 20 percent per annum, and our 1978 sales are expected to double in 1983. The planned growth will be enough to ensure maturation of the organizational changes implemented in the last few years and consolidation of HP Brazil as a solid, profitable company".

South Africa

By David Booker



"Although HP South Africa is forecasting a growth rate below the ICON average (15 percent), we will still face a major challenge in recruiting enough people of the required caliber.

We will continue with our affirmative action program of hiring and developing non-white members of the staff. We will also stress educational assistance programs and in-house training so that the subsidiary will be in a position to appoint non-white supervisors.

The South African economy is starting to recover from the recession of the past three years, and that recovery is expected to continue. The high gold price of over \$ U.S. 200 per ounce is a key factor. The long term economic situation will depend to a large extent on the political situation in southern Africa. Settlements in Swa/Namibia and Rhodesia are key issues for the sub-continent, and the next few months could be critical."

Australia

By John Warmington



"We're very optimistic about the next five years at HP Australia. Business should more than treble, and we're planning to add two new buildings in Sydney and Melbourne. We'll also need additional lease space in the other sites.

People will be our biggest headache. It's difficult for us to get the right types of technical people. They're not readily available and there's a lot of competition for them. To help solve the problem, we're going to start making more use of students in training. New programs at the institutes of technology require students to do 6-12 months of training in industry. We're working on getting some of those people.

Training for our people will be increasingly emphasized. We hope to get more help from the divisions and corporate training, plus we'll be running more courses more frequently. We're already beefing up our personnel department to assist with training. We'll also be sending more people to the States for training.

No big political changes are expected in Australia. We've had enough upheavals to last us for awhile, and I think things will be fairly stable in the country for the next five years."

Venezuela

By Helenio Arque

"We're working now on restructuring the subsidiary for the growth that is coming. Administration and service group structures have been changed to increase efficiency, and we're in the process of setting up a personnel department.

We're also emphasizing training, coaching and development for current employees, as well as new ones.

Basically the economic state of the country is very solid, although we are worried about the implications of continued inflation."



Singapore

By Malcolm Kerr



"I think the major challenge for HP Singapore (sales) in the next five years revolves around its people. We not only have to hire, train and keep our people, but we must make it easier for people of different cultural backgrounds as we have in Singapore and Malaysia to experience and use the HP philosophy and management style.

The establishment of strong base business is a very important strategy for us as it takes away the vulnerability of big deals and allows us to grow in a well-organized and steady manner.

To a lesser degree, our products and services will influence our future. For a small territory like ours, the developing of "critical mass" in sales volume and people will help us provide the services and support expected by our customers.

To allow this to happen, we will be relying on another recruiting program HP Singapore recently established with the University of Singapore and some universities in the U.S.

As mentioned previously, we not only have our own HP style but we have cultural differences when bringing new people in the company. We plan to make the transition easier through in-house training sessions, discussion groups and a lot of exposure to pioneer employees."



Canada

By Malcolm Gissing



"In order to get the people we need, we must start hiring earlier and at a younger age. Our largest area of growth will be customer engineering. We'll have to hire with an eye not only to present needs but also to people's ability to grow level to level.

We also must broaden our training program across all avenues of the company, particularly in non-technical areas. Technical areas are well taken care of by the divisions.

Every manager of the company must work on training people from the HP point of view. That example must be set from the top down. It all boils down to management by walking around. We must learn how people feel and what they need in order to make necessary changes to keep the company on track. In addition, each manager must be a living example of the HP Way, so the staff understands what it really is."

Taiwan

By Lok Lin



"We'll be adding about 30 percent more staff over the next five years, and finding the right people is going to be a real challenge. As a high technology company in a developing nation, we are looking at a limited labor pool, and must use creative ways to solve that problem. We are currently setting up a major recruiting program concentrating on a few schools we feel would provide the kind of employees we want. We will also recruit among overseas Chinese.

In general, we foresee good economic conditions in Taiwan. We hope that even if the U.S. government recognizes China, we would be able to retain our trading status as the most favored nation to qualify for lower duty in exports to the U.S."

General managers meet

The message came through loud and clear to the Intercontinental country managers in Palo Alto for their annual meeting: the region is going to grow

rapidly and it is essential that plans be laid now to cope with that growth.

Much of the two-week meeting was devoted to evaluating the subsidiaries'



Bill Ouchi fields questions.

Adapting to change

The company's continuing growth rate, coupled with the changing nature of its business, will present a number of major future challenges, HP President John Young told ICON management at a special luncheon recently.

"Not only have we grown by a factor of six over the past ten years," he said, "but electronic measuring instruments have dropped from constituting 80 percent of our business to only 40 percent. Meanwhile, computational equipment has moved from 0 to 40 percent."

The switch has had a "fundamental impact" on the company, John noted.

"We're still the number one company in instruments, but we're only about number three in small computers. We have gone from being top dog in a smaller market, to being number three in a very large and more competitive market. Being a smart number three in this environment is a different proposition, and we must adapt."

HP spent 40 years developing its instrument business, John observed, but it won't have that kind of time to develop its computational products.

"We must quickly learn to be effective in this computational environment in order to be successful over the long-run," he said, "and we have made great progress in doing so."



John Young previews the future.

John also discussed the impact of growth on Intercon.

"One of the largest challenges will be maintaining the HP way of doing business, despite the fact we will be substantially increasing the number of our employees. Company-wide, we will be hiring more people in the next five years than we have on the entire payroll today.

"Hiring the right people, getting them on board, indoctrinating them in the HP Way along with our objectives and style of doing business will be critical," he continued. "Training will have to be a

top priority, and we will need a lot more formal training."

Intercon probably has the opportunity to grow even more rapidly than the company as a whole, according to John. He predicted that developing countries—especially in the ICON region—are going to occupy an increasingly important position.

"We're going to see a lot more of countries who have been previously less visible in the HP marketplace," he said. They're now going to emerge as more important factors in the world marketplace. Some of them are finding they have natural resources which stand them in good stead. Others are evolving and experiencing rapid growth as electronic production centers."

Developing nations are likely to participate more and more in the electronic explosion, he predicted.

"As electronics technology becomes less expensive and more pervasive in day-to-day life, we will see less of a tendency for electronics to be specifically related to developed countries. There will be increased opportunities for electronics activities in developing nations."

John also discussed the growing challenge faced by ICON country managers. He urged them to think about their roles, particularly as they relate to sales.

"Growth means more and more responsibility will be on your shoulders to lead the HP team in your area," he stated. "The role of the country managers is not a housekeeping job, and everybody now understands that. Country managers are spiritual sales leaders. They help coach country sales managers and coordinate and articulate general business strategies."

sales and service performance this fiscal year, and to setting goals and objectives for the next half decade.

The eleven sales subsidiary managers,

along with top Headquarters management, spent several days brainstorming in Pajaro Dunes. Along with sales region objectives, they discussed the role of area discipline sales managers and country managers.

When they returned to Palo Alto they made individual presentations for HP top management at the yearly review of the region's economic and sales picture. Later, they attended indepth, day-long sessions on marketing strategies conducted by group, division, and Intercon discipline managers. Bill Ouchi, professor at Stanford Graduate School of Business, wound up the meeting with a report on his study comparing Japanese and American business philosophies and management methods.



Making plans at Pajaro Dunes.

Matching people to growth

Total employment in the Intercon region will nearly double in the next five years, and the search is on to find the "best and the brightest", says Intercon Personnel Manager George Trickel.

"Managers at Headquarters and in each country—particularly in the developing countries—will encounter an increasingly competitive market for highly skilled people," George notes. "The recruitment challenge is going to vary from one area to another, but it will require a lot of thought and planning by all managers and supervisors."

George outlined a number of techniques for ensuring that Intercon attracts its share of people.

"First of all, we want to be sure that our compensation and employee benefit packages are competitive in the local labor market," he stated. "We also want to continue building our reputation as a successful company and a good place to work."

George encourages managers to be involved in professional and community activities.

"One of the benefits of such involvement is to make HP visible to highly-skilled people," he noted. "Cultivating relationships with local universities and technical schools can also be very helpful for tapping into the supply of recent graduates."

Intercon managers in Palo Alto can assist the country recruiting efforts, he adds.

"We will be cooperating with Corporate personnel to recruit foreign students who are studying in U.S. universities," he states. "People with cross-cultural experience can be very valuable to Intercontinental."

Additional sources of people include referrals by HP employees, George says, and rehires—people who have left the company in good standing and who wish to return.

Retaining people is as important as hiring them, according to George. One of the best ways to reduce attrition, he says, is to hire the right person in the first place.

"The hiring process should start long before the actual interview," he states. "We need to do a good job of identifying the position we're trying to fill, including having a basic outline of the job responsibilities and *relevant* education and skills necessary."

"Hiring should also be future-oriented," he continues. "We should hire

for tomorrow and not just for today. In many cases, we should try to determine not only if the person would be good for a particular job opening, but does he or she also have the potential to grow to another level. We need to hire people who can grow with the organization, and we need to make sure they are coached and developed well."

Once a new employee is on board, it is important that he or she receives adequate orientation.

"We should fill them in quickly on our company, management philosophies, products, etc.," George states.

"We may also want to gear orientation differently for different groups of employees. For example, we should be sensitive to the different emphasis required for new employees vs. transfers from other entities within the company."

Formal orientation is just a beginning.

"The immediate supervisor of each new employee has the responsibility to personally orient the employee to the organization and introduce him or her to co-workers," says George. "We need to improve in this area. Some supervisors do an excellent job of orienting new employees. Others of us too often practice the sink or swim method of orientation."

Intercontinental's people growth will mean additional challenges for local personnel departments around the re-



gion, and George notes that they are gearing up to meet them.

"Right now personnel departments throughout Intercon range from units with several people including a personnel manager, to one-person operations," he says. "Our goal is to assist each subsidiary in becoming an efficient, autonomous personnel function over the next five years. We also hope to evolve more area personnel functions within the region. As a general guideline, we want at least one personnel person for each 100 employees, and one out of every two of these should be at the professional level."

George projects other changes.

"We plan to continue moving away from performing only administrative personnel tasks, and expand our contributions in areas such as training and development," he notes. "We are also encouraging departments to be active rather than reactive to employee needs. We want personnel people to be alert to creative and innovative approaches to personnel work within each country's legal and cultural framework."



Bob Coutts (right), Headquarters personnel supervisor, explains forms to an applicant.

Whither the HP Way?

As Intercon and Hewlett-Packard grow, what is likely to happen to the HP Way—the concern for people as individuals, the small company feeling, and the comparative personal and divisional autonomy that characterize our company?

Some recent quotes from HP and Intercon top management are reassuring about the determination that exists to keep the HP Way alive and well.

Bill Hewlett: (Chairman, Executive Committee)

"If Dave and I have done our job well, our philosophy about people will have been instilled into present management philosophies, and I think it has. As a company grows in size, it becomes more difficult—but increasingly more important—to maintain the small company feeling. That's one of the reasons we decided to divisionalize in the late 1950's. This philosophy is still carried on in our company, and that's why we have formed so many operating divi-

sions. We don't want any one division to get too large and impersonal. It is very important to maintain the personal relationships that flourish in the smaller organization."

John Young: (President)

"Maintaining the HP Way through the transition of management from the owner/manager to our normal corporate form of management is important, and as we keep growing in size, it's something we have to work at. We are helped by having the divisional organization where people can identify with the products and management. We put a lot more energy into formal courses for the training of people to make sure they understand the HP Way and the company objectives. We'll just have to keep reminding employees over and over in various management and orientation courses of these points. The key factor is the selection of new employees. It's the most critical step we take to make sure that the new people coming on

board have the basic characteristics and attitudes that have contributed so importantly to HP's success in the past."

John Doyle: (Vice President for Personnel)

"Can the HP Way change? Part of the HP Way *is* to change. When the need comes, we're ready to change. I'm confident in our ability to survive changes; in fact, change is necessary for successful survival."

Alan Bickell: (Director, Intercontinental)

"The HP Way emphasizes concern for the individual and the importance of everyone pulling together to accomplish common objectives. While I'm sure our social attitudes may change over time to remain in tune with social change in the many countries where we operate, I believe the basic commonsense approach to working together expressed as the 'HP Way' will always guide our efforts."

HP Australia—the president pays a call



John Young (foreground) outlines opportunities for HP Australia. In the background (l-r): Jim Watson, Fred Traue, and Australasian Area Manager John Warmington.



Australia may be located "down under", but it offers top opportunities for Hewlett-Packard, according to HP President John Young.

John recently spent a week in Australia where he met with HP Australia staffers in Melbourne and Sydney, as well as key customers and members of the business communities in those two areas. He came away with optimistic predictions for sales growth potential of HP product lines.

"Small computer and calculator systems have an especially bright future," he observes. "The typical Australian firm is small-to-medium-sized, and ideally matched to the capability of our desktop and mini computer systems, both scientific and business. Orders have grown rapidly for us in the past two-three years, and there are exciting growth opportunities ahead.

Conditions are also favorable for continuing the development of HP's measuring business, he notes.

"HP Australia faces challenges similar to those faced by the company as a whole," he states. "In order to handle their predicted growth, the subsidiary must recruit and build a strong team.

Australia Profile

"In addition, commercial data processing is a relatively new business for us, and a very sophisticated one. Being physically remote from group marketing and divisional support presents a particular challenge because interaction with headquarters and factory is limited."

Although his Australian visit was relatively short, John managed to cover a lot of territory—both in terms of geography and business. He met all HP Australia staffers in Melbourne and Sydney, and spent considerable time getting acquainted with discipline and sales managers for the various product lines. He visited key customers, and participated in roundtable luncheon discussions with business leaders in both Sydney and Melbourne. In Sydney, he met with press representatives at a breakfast press conference.

John was impressed with HP Australia's facilities and people.

"The Melbourne facility is first-rate by any HP standards. We are looking for a new site for a Sydney headquarters, and expect to move within the next few years."

Staff, says John, are equally first-rate.

"Australians are very straight-forward and friendly people. At HP Australia, the same general HP attitude and enthusiasm prevails that you find throughout the company," he states. "The fundamental principles by which we manage—the HP Way—are very transportable and seem to be appropriate in every country we enter. Australia is no exception."

John and his wife, Rosemary, gained insight into the scenic attributes of Australia when they drove the 600 miles between Melbourne and Sydney.

"We wanted to see the less urban areas of the country, so we decided to drive. It's a beautiful country, and very unusual. For example, we were impressed with the miles and miles of eucalyptus forests. We are, of course, used to seeing eucalyptus trees in California, but they are nothing like those in Australia. The forests just go on and on."

John suffered only one major disappointment during his Australian journey.

"Although there are signs warning motorists that kangaroos may cross the road at any time—similar to deer crossings in this country—my chief regret is that we never saw a kangaroo!"

Australia is about the same size in land area as the continental U.S., but there the similarity ends. The country has a sparse population of 13.5 million people who live on just 4 percent of the land mass. Some 50 percent live either in Melbourne or Sydney.

Politically and socially Australia seems to be sailing on an even keel these days, with the fourth highest per capita income in the world, a fairly equal distribution of wealth, and workers who enjoy high incomes.

Following its landslide victory in last December's elections, Australia's Liberal/National Country party coalition anticipates three years of political stability not experienced since the 1960's.

A commitment to economic growth has been reaffirmed by both political sides, and attitudes toward the role of foreign investment are far more pragmatic than they appeared to be in the first half of the decade. The private sector has been promised a 75 percent role in the country's economy, and neither pressures for nationalization nor further controls are expected. No major legislative changes affecting international companies are forecast for the next few years, other than the likely move to a value-added tax.

Stimulated by government incentives, private investment is expected to revive at 6 percent expansion in real terms to recover from the slow-down of the past few years. (excerpted from *Business International*, May 1978).

Asia—opportunities abound

After a 10-day whirlwind trip to Intercon's Asian region, HP Vice President for marketing Al Oliverio is convinced a "tremendous amount of sales potential" exists there for HP.

Accompanied by Intercon Marketing Manager George Cobbe, Al visited YHP (Japan), HP Australia and HP Taiwan. Together they reviewed sales and service programs and also met with key HP customers.

It was Al's first trip to the area, and he came away impressed.

"There's definitely a lot of sales potential there, especially in measurement automation and business and computa-



Conferring in Tokyo (l-r): Toshio Muraoka, Al Oliverio, Chuck LaPorte, George Cobbe.

tional equipment," he stated. "I was also impressed with the customers' developing need for and receptivity to the kind of equipment HP can provide."

Al was equally enthusiastic about the employees he met.

"Despite the fact they are operating long distance, they are very HP-oriented, and there is a lot of team spirit evident."

Visits to customers were a particularly important part of the trip, according to George Cobbe.

"We wanted to try to understand customer problems and give them the feeling that HP top management is involved and concerned," he said. The visits also confirmed that customer problems are the same everywhere in the world."

HP South Africa ten good ones



HP South Africa celebrated its tenth anniversary in July, and employees marked the occasion with a "birthday bash."

The subsidiary first registered as a company on July 1, 1968, and began operations in 1969. Previously, HP was represented by Harry Flanter and Company, who began their distributor relationship with HP back in 1946.

Harry Flanter, who is still on the HP South Africa board of directors, loves to talk about the day 30 years ago he received an unsolicited advertisement from a small Palo Alto company for a product called the 200 Audio Oscillator. He sold one unit to the University of the Witwatersrand, and this 200, the seventh HP unit manufactured, is still on display in the vice-chancellor's office.

News briefs

Customers first

Concern for the customer is always top priority at YHP, Japan—even after an earthquake. Toshio Muraoka, YHP vice president and sales manager, writes that after the big June 12 earthquake in northeast Japan, YHP immediately sent several customer service engineers out to customers in the quake area.

"The first thing we thought about was that our key customers might be suffering serious damage and that HP products might be broken. Fortunately, the damage was not very serious, and instruments to be repaired were not many. However, the customers very much appreciated this precaution taken by YHP."

Adding it up

The HP 9845 desktop computer played a "starring role" in Costa Rica's Presidential elections earlier this year. The system was featured on national T.V. as it tallied election night returns and spewed out statistical information on previous voting dating back to 1953. The System 45 compared percentages of votes garnered, political parties, and number of voters in earlier elections, and also made predictions on the composition of the country's National Legislative Assembly.

The inspiration for using the System 45 came a month earlier at a press conference introducing the system in Costa Rica. The press was enthusiastic about the system, and personnel from HP's Costa Rican distributors, Cientifica Costarricense, worked ten hours a day for two weeks to program the System 45 to do its stuff on election night.

Honing skills

HP Taiwan recently held a two-day admin workshop at the Cathay Training Center (about 12 miles north of Taipei). The workshop included a section on supervisory skill development (motivated by John Young's letter on the first line supervisor in *Measure's* January issue), one on improving customer satisfaction (with an emphasis on service), and a telephone answering class. Nineteen staffers attended the workshop.

Headquarters employees listen intently to a run-down on Intercon's progress at the quarterly supervisors meeting in August.

Basically selling

About 80 sales managers, field engineers and service people attended the Sales Basics seminar offered in Mexico, Venezuela, Argentina and Brazil recently. Sergio Mendez, Latin American Instruments sales manager, and Norm Choy, Computer Systems Latin American sales manager, conducted the seminars. It was the first time a sales development course was conducted in Latin America, and according to Sergio, "The reception was just outstanding. People found immediate applications for the knowledge they gained at the seminar."

Meanwhile, in Asia, Ted Ogrey, Far East Medical sales manager, and Steve McDonald, Far East Calculator sales manager, were offering Sales Basics for HP Singapore personnel and also for Online, Intercon's distributor in the Philippines.

And the orders keep rolling along . . .

The Korean Research Institute of Chemical Technology (KRICT) has purchased \$250,000 worth of HP analytical equipment. KRICT is a government general chemical research center, and the equipment will be used to analyze pesticides, dyes, perfumes, plastics, pollution, etc. Equipment ordered includes five gas chromatographs and one mass spectrometer with data system, plus numerous spare parts.

Chang Gung Memorial Hospital, one of Taiwan's largest medical institutions, has ordered over \$500,000 worth of HP medical electronics equipment for diagnosis and patient monitoring. The large order followed the installation of \$200,000 worth of HP medical equipment at the 330-bed Taipei Clinic Center in 1976.



HP Mexico recently sold seven HP 3000's—their biggest computer order yet. Three of the systems (worth \$700,000) went to Universidad Autonoma Metropolitana in Mexico City where they will be interconnected and used at each of the university's three campuses. The other four systems went to Informatica Integracion Interactiva, an HP OEM. The four commercial end users will use the systems (worth a total of \$900,000) for financial applications—inventory, accounts receivable and payroll.

Accountants gather

ICON's general accounting managers were in Palo Alto for a two-week meeting July 24-August 4. The group got a run down on what's happening in the region and company-wide from Intercon Director Alan Bickell and Corporate Deputy Controller Bill Johnston, and also attended presentations on internal control, service philosophy, personnel, management and financial reporting, FY '79 accounting changes and targetting, and ICON and Corporate long-range planning.

Attendees included Raul Botello, Mexico; Peter Martin, South Africa; Gordon McLean, Canada; Luis Musolino, Argentina; Bruce Thompson, Australia; Jerry Wu, Taiwan.



Accounting managers took vigorous notes. In the foreground is Luis Musolino, HP Argentina.

HP Canada— getting the credit

(Editor's Note: People make it happen at Intercontinental, and Intercom is always looking for tips on individuals or groups who are doing an outstanding job. Suggestions are appreciated.)

Service managers meet

Seven ICON service managers spent time at Headquarters in June. They were briefed on the new service structure, and received an overview of service performance in the region this fiscal year. They also attended an MDP training course, and previewed new products and support requirements.

Attending were Mario Smith, Argentina; Ian Richards, Australia; Carlos Falcao, Brazil; Guillermo Pineda, Mexico; Johan van der Vyver, South Africa; Carlos Rojas Perez, Venezuela; Toshio Ando, YHP.

Expansion planned

Construction will begin in late October on an extension building for HP Canada's Toronto office. Some 40,000 square feet will be added, at a total cost of \$2 million. The addition will provide increased branch office space, including car maintenance area and car wash.

It's in the stars—or the program

Applying a little computer technology to the field of astrology, YHP Japan recently installed an HP System 1000 in Sigma Company's downtown Tokyo "House of Astrology." The System 1000, with one disc, four CRT terminals and three plotters, prints out individual horoscopes which tell the position of the sun, the moon and eight planets at the time of a subject's birth. It also prints out a "fortune" with a choice of six different categories: women's portrait, men's portrait, love and marriage, business life, situation research (we're not sure what this is!), and activity guide.



"The House of Astrology" in Tokyo.

"We have a group of highly dedicated and motivated people who handle Hewlett-Packard money as if it were their own."

That's HP Canada Credit Manager John Rooney's explanation for the fact the subsidiary recently chalked up the best performance company-wide in accounts receivable collections.

A superior A/R system was also helpful, adds John.

"The credit approval process is one of the most important aspects of our improving collection performance," he notes. "We take the 'up front' time to ensure the customer is capable and willing to pay. We ensure that shipments are coordinated so that major dollars are not outstanding due to incomplete shipments. We also have the authority, ability and support of HP Canada management to hold processing or orders which are not, in our opinion, collectible for whatever reason.

The centralized accounts receivable system and computer systems order processing have also contributed greatly, he says.

"HP Canada's in-house accounts receivable system on our 3000 has given us the ability to produce the accounts receivable reports, etc., we need to perform an effective collection job and to accurately apply customer payments.

"The centralized computer systems (02) order processing has enabled Credit and Collection people to get the direct interface and control of systems orders to ensure that acceptance and



In Toronto (l-r top): Ian Jackson, Helen Geddis, Isobel Saunders, John Rooney.



In Montreal (l-r): Nora Corrigan, Walter Bersolini, Lynn Chayer.

payment terms are clarified—prior to order entry."

Nine dedicated people at HP Canada handle an accounts receivable base of approximately \$10 million spread over one of the largest sales regions in Hewlett-Packard. The Toronto-based people include John Rooney; Isobel Saunders, accounts receivable clerk; Helen Geddis, accounts receivable data entry clerk; Jan Jackson, accounts receivable supervisor; Peggy O'Neill, credit/accounts receivable clerk; and Val Gallant, credit secretary. Doing the job in Montreal are: Walter Bersolini, credit specialist; Lynn Chayer, credit secretary; and Nora Corrigan, credit clerk.



Denzil Bradley, Headquarters security guard-poet laureate, got lots of adulation (and hugs) at the surprise celebration for his eightieth birthday.

News makers

Ben Ramirez, ICON's new distributor manager for Latin America, has a varied background. As a U.S. Foreign Service officer for eight years, he was stationed throughout Latin America (he speaks Spanish, as well as elementary Portuguese, French and German). His business experience includes six years as Control Data's country sales manager in Mexico, and a stint as resident manager for energy for Sperry Univac in New Orleans. He also spent six months as a key account salesman at Neely Santa Clara. He holds a B.A. in business administration and accounting from San Jose State, plus has worked on an M.B.A. at University of Santa Clara.

Tom Drews, introduced in the last issue of Intercom, is now on board as ICON's service support manager.

Oscar Barbosa is now marketing manager at Hewlett-Packard Brazil's Campinas factory, replacing Odmar Almeida. **Ceferino Rodriguez**, formerly district sales manager for IPG in Rio, replaced Oscar as sales manager for computer systems.

Hewlett-Packard Venezuela has modified the structure of its service organization. Three people will be heading the new service group: **Carlos Rojas Perez**, in charge of the bench operation; **Oswaldo Kurflan**, in charge of C.E. organization; and **Zaid Villoria**, handling service administration.

Marcos Alfonzo has been appointed acting admin manager at Hewlett-Packard Venezuela. Marcos joined the company last year as a financial analyst. He holds a degree in business administration and accounting from University of Texas, and has worked for Ernst and Ernst-Venezuela, and also for the Venezuela branch of Timex.

Danshiro Hirata is in charge of medical production in Brazil, replacing **Harry McLean** who has returned to the U.S. Danshiro has been at Campinas for three years, and was Corvallis products production supervisor there at the time of his promotion. He had many years of manufacturing experience before joining Hewlett-Packard, primarily at Philco-Ford in Brazil.

Frank Ota has replaced **Bob Huff** as general accountant in the ICON General Accounting Department. A graduate of University of Colorado, Frank recently received his M.B.A. in finance from the University of California at Berkeley. He had two years of banking experience before studying for his M.B.A.



Ben Ramirez



Harold Norrie



Tom Drews



Stan Whitten



Waldir Storino



Neil Newman



Harold Norrie has taken on additional responsibilities with the Component group at HP Australia. He will retain his position as office responsible manager of the Sydney sales office, but now will spend half of his time promoting components and guiding the local distribution.

ICON Headquarters Commercial Service organization has announced a number of changes. **Steve Lumm** will be acting Commercial Services manager, as well as continuing his responsibility as ICON sales region controller/admin manager. **Mark Naismith**, formerly district administration manager at Neely-Santa Clara, is the new ICON Headquarters order processing manager.

Jean Smith is region order processing training administrator, reporting directly to Steve and **Ingrid Powell** has accepted the credit and collection supervisor position. The Order Processing department has been reorganized so that area supervisors will report directly to Mark. **Tim McSweeney** will devote full time to the Marketing Administration System Project, and **Fred Kohler** will assume responsibility for Commercial Services Systems.

Stan Whitten has returned to the U.S. from Campinas, Brazil and is now accounting manager at ICON headquarters. **Waldir Storino** has moved from the Sao Paulo Sales office to replace Stan as Campinas Division controller.

Zaid Villoria is back home in Venezuela after spending six months at HP Mexico helping them improve accounting procedures.

Max Ricardo has rejoined HP Venezuela as personnel manager.

Bob Cattell, HP Australia Analytical field engineer in Melbourne, topped the \$1 million sales mark at the end of July (his quota was \$550K). Hot on his heels is **Jim Watson** of Sydney, who has chalked up over \$800K and expects to pass \$1 million by the end of the financial year.

Neil Newman has joined ICON Components as sales manager. Neil was formerly distribution marketing manager for MSD, and has been with HP for eight years.

Sunny Loo has been promoted from Instrument field engineer to district manager for HP Malaysia/Singapore.

Jim Watson, Analytical field engineer in Sydney, is doubling as an editor these days. His brand new publication,

The Analyser, was issued recently. The eight-page, black and white magazine goes to customers.

Gerson A. Rosa (Jason Ross) is on his way back to HP Brazil to assume duties as financial manager for marketing after six months of training at Headquarters. Jason joined HP after completing an M.B.A. at UCLA. He also holds an electronics engineering degree from Aeronautics Institute of Technology (Brazil).

Starting November 1, **Sergio Mendez** will be Latin American area sales manager in the ICON Computer Group. He was previously ICON's Latin American sales manager for Instruments. **Norm Choy**, currently Latin American sales manager for Computer Systems, will become manager of market development and support groups.

There have been three organizational changes within the Western Distribution Center and Headquarters Office Services group. **Larry Savage**, who has directed the Office Services operation for three years, will now be a traffic assistant in the ICON Region Traffic Department. Replacing Larry as Office Services supervisor is **Len Besson**, former warehouse service supervisor. Replacing Len as warehouse service supervisor is **Al Domingo**, former shipping group lead.



Gerson Rosa



Larry Savage



Al Domingo

A picnic is a picnic is a picnic

No matter where you go in the Inter-continental region, picnics mean the same thing—food, fun and friendship. These photos from annual picnics at headquarters, HP Mexico and HP Malaysia seem to indicate that picnics are, indeed, "cross cultural events."



Balloons, kids and fun at HP Malaysia's picnic.

A word about pictures



"A good picture is worth a thousand words." A cliché perhaps, but one that's particularly true of our multi-lingual, multi-cultural region.

Unfortunately, we are still having difficulty getting good photographs for *Intercom*. The stream of color Polaroids and murky black and white Instamatics continues unabated, despite our pleas. We also continue to receive far too many of the static "stand 'em up and shoot 'em" variety of pictures.

Certainly we can't expect professional quality pictures all of the time (although you might consider hiring a professional photographer when you have an event of special significance, e.g. facility review, etc.) But when you're taking the pictures yourself, please consider the following guidelines:

- If possible, use a good 35 mm. camera

- Try to send black and white glossy photos—5 x 7 or 8 x 10" prints, if possible. They are easier to work with, and reproduce well.
- Try to get active, interesting photos. Show people *doing* things. Take personality shots, rather than mug shots. Use creative camera angles to avoid stereotyped pictures of people shaking hands, receiving awards, etc.
- Clearly identify people in photos with names and titles (rather than writing on the back of photos, which may mar the surface, simply number them and then send an accompanying sheet).

If you adhere to these guidelines, you can be assured that you'll take better photos and we'll make a better magazine!



Beer relay at Headquarters.

Headquarters volleyball tournament.



HP Malaysia tug-of-war.



Cocoanut shell race in Malaysia.



Antonio Castro, HP Mexico's "master chef."



Remember when? at HP Mexico.

On teamwork

Teamwork is a word we've been hearing a lot of around Intercontinental. To some, it has a literal textbook definition of "working together" and to others it means something more abstract, a desirable and somewhat unreachable goal like motherhood and apple pie.

The fact is that none of us operates in a vacuum—completely independent of others. We depend on and have every reason to expect support from our co-workers, either working toward a common objective or providing necessary backup during periods of absence or under peak load conditions.

Happily, we are constantly reminded how well teamwork functions in Inter-

con. It is rare, indeed, when someone responds to a request for help with a "Sorry, it's not my job" or "call back tomorrow when someone can help you." The more common response is "How can I help?"

Being willing to help is obviously the right attitude if we accept teamwork as an appropriate and healthy style. But, unfortunately, we are not all prepared to help. In order to provide effective assistance we must know a good deal about the jobs of our co-workers. In other words, we must work hard at cross-training ourselves in the functions and responsibilities of others within our immediate departments so that we can

step in and help, with confidence, when required. In addition to the many operational benefits we can achieve in working as a team, all of us should consider cross-training as a marvelous opportunity for job enrichment in the form of variety and new challenges.

As we approach a new fiscal year perhaps we should all subscribe to the objective of further improving our knowledge and capabilities that will contribute to the conversion of teamwork from theory into practice.



Going Places. Chris Grasse, new ICON travel desk coordinator, is the person to see for help in planning a trip, making reservations, getting visas, tickets, travelers checks, etc. She comes from Neely Santa Clara, where she spent five years handling their travel desk.

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