



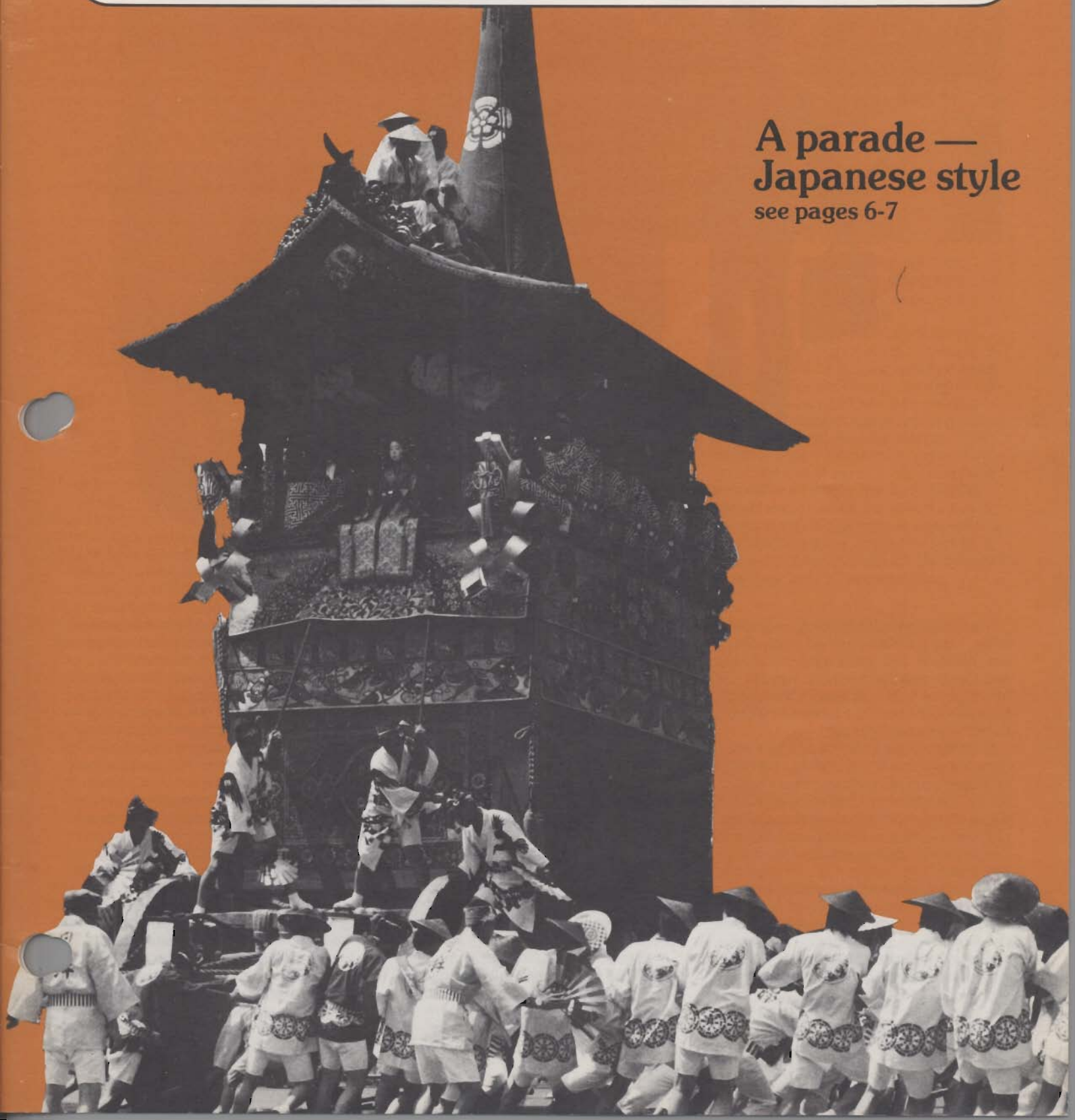
intercom

Vol. 5, No. 3

HP Intercontinental News

Fall 1979

A parade —
Japanese style
see pages 6-7



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Taking the chill out of cold call selling

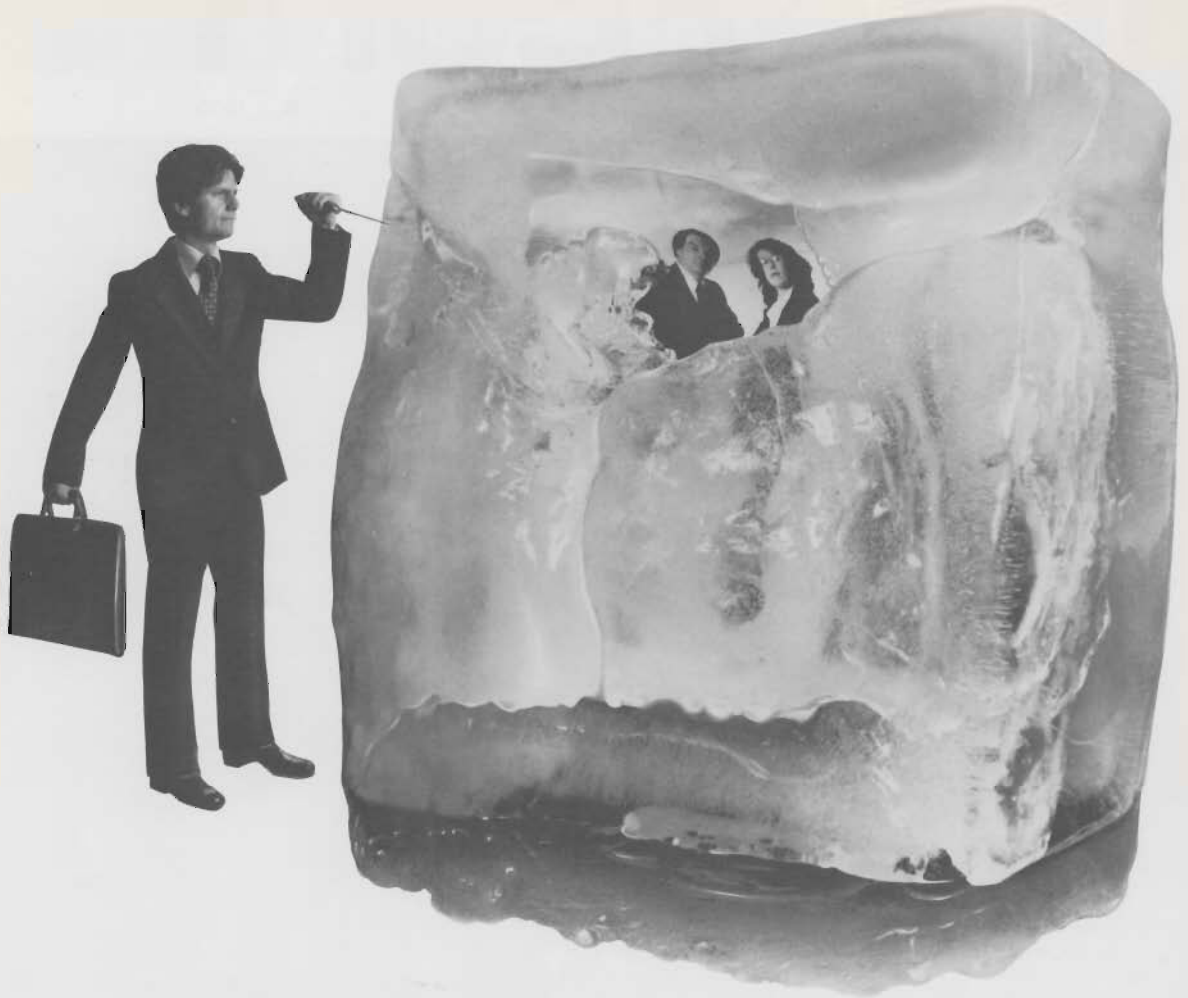


Photo courtesy Xerox Learning System

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You've driven by the building a number of times, but it's always seemed empty. Today, however, you notice a flurry of activity, and it's obvious someone has moved in. A new sign out front indicates it's the type of business that could be interested in buying the HP equipment you sell.

Should you take a chance and go in without an appointment and make a "cold call," or should you just continue on your way back to the office? Is a cold call likely to be a waste of time and even result in the ego-deflating experience of being rebuffed, or is it likely to help lay the groundwork for a future sale?

Intercon Instrument Marketing Manager Walt Sousa urges the field engineer facing this situation to go ahead and make the cold call. Cold calling, he says, not only can be a successful selling technique, it's vital to long-term sales success in the Intercon region.

"Cold call selling is important in all markets," says Walt, "and in less de-

veloped markets like the ICON countries, it is particularly important because it helps us expand our recognition and penetration. As the countries grow and new enterprises rise up, we need to make sure we get to them."

A cold call is *not* an unprepared call, Walt asserts. "The field engineer should always have specific objectives in mind, and have a product he/she wants to introduce," he states. "That means you've got to get some preliminary information from a receptionist or secretary, and then make a quick judgment about the firm's business and the type of equipment they potentially could use. And the field engineers also should realize they only have about four minutes to get the customer interested in what they've got to offer. Personal magnetism is an important part of cold calling."

Walt himself is an old hand at cold call selling. His reminiscences include a story about calling on a small business a few years ago which had just five employees at the time—a little firm called Amdahl.

"They, of course, became a major customer for HP computers, board testers and oscilloscopes," Walt notes.

Another time, Walt noticed that there was activity in a previously vacant building. He went in and found a new company that was in its second day of operation.

"They ended up buying a lot of gear," he says, "including about 100 oscilloscopes over a year's time."

But cold call selling may be more suited to some disciplines than others, says Regional Marketing Manager George Cobbe.

"For example, Instrument F.E.'s may find cold call selling more successful than Computer Systems F.E.'s," states George.

"However, all F.E.'s need to do at least some 'prospecting,' and cold calls are a good method for accomplishing that. F.E.'s should, of course, make sure they are covering their existing accounts as well."

Tony Abbas finds cold call selling to be of "limited usefulness". Drawing on his experience as Intercon's marketing manager for

Analytical products and Far East sales area manager for Computer Systems, Tony believes that qualifying new potential customers by telephone often is preferable to making a cold call.

"With the cost of individual sales calls rising, I'm not sure we can afford cold calling now," states Tony. "Back in the old days, guys were cheap and the market wide open. Today it's a different story. It costs over \$100 per sales call, and F.E.'s can't spare the time for extensive random calling. Cold call selling is basically done to qualify a customer and I think it's more efficient to qualify a customer by phone."

Tony adds that if F.E.'s do make cold calls, they should be a very disciplined, well-thought out adjunct to a planned sales day.

He is convinced, however, that there are several other good methods for qualifying customers. Advertising is one of the most important, he notes.

"A good ad campaign in a trade publication accompanied by a give-away item—a book, application note, etc.—can be tremendously effective," states Tony.

Direct mail is another technique, he adds. "The international region is thirsty for direct mail because they don't get much. It's a very different situation from here in the States."

Seminars offer yet another avenue.

"In Japan, we had only two Analytical sales people," says Tony. "They became extremely productive, however, because we gave two application seminars a week. Seminars qualify people immediately—those who are interested turn out, and the two salespeople 'closed' the sale. The effective call rate went from two per day per F.E. to six per day."

While the efficacy of cold call selling may be a matter of opinion, it is certain that many Intercon field engineers engage in it. To help them be as effective as possible, *Intercom* offers hints below for taking the chill out of cold calling.

(Editor's Note: Field engineers—do you have an opinion on cold call selling? Send it to *Intercom* and we'll run a follow-up column next issue.)

How to warm up a cold prospect

You've decided you want to make a cold call. Here are some tips for breaking the ice.

When's a good time?

Make cold calls late in the afternoon or early in the morning, when people are least likely to be tied up in meetings or intensively involved in their work. After 4:00 p.m., you are most likely to find them in a relaxed and reflective mood.

Try making some cold calls around lunchtime, too. You may be able to find someone in a prospect organization who is willing to casually sit back, munch a sandwich and talk about the company.

Always remember to be sensitive to the person's time constraints. Don't overstay your welcome.

Where to do it

Always carry with you a file of cold call candidates for each portion of your territory and make it part of your call schedule.

When you're faced with that inevitable open space on your schedule, refer to your file and fill in the gap with one or two nearby cold call prospects. This will help you greatly increase your penetration of any geographic areas.

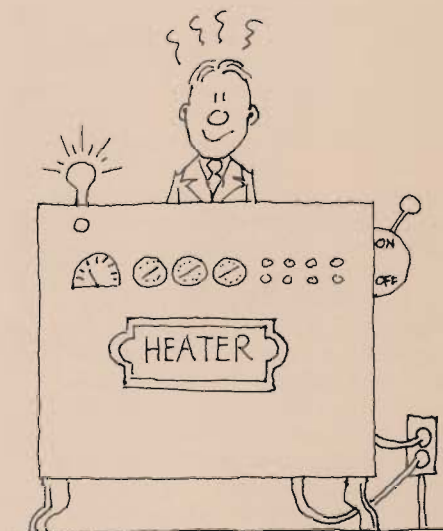
How to do it

As you arrive at the prospect's office or reception area, be observant. Soak in all the impressions you can. (Is the building lavish and modern, or cold and imposing? What do the exterior and interior designs seem to say about the image the company wants to convey to the outside world?) These are feelings you'll not gain simply by making a prospecting phone call!

When approaching a receptionist, by all means be polite. Introduce yourself and tell this First Contact with the company that your intention is simply to gain information, to make a decision about the possible productivity of setting up a meeting with someone there.

Ask for an annual report or product literature that may help you gain a sense of the business of the organization. Study it briefly, then decide whether the company sounds promising.

If you decide to pursue further, choose a title or name you'd most like to see during a call.



Succinctly explain to the receptionist why you'd like to see that person, being careful to mention some benefit concerning why a visit now would be especially productive.

If necessary, in order to establish your credibility, mention proof source names of similar companies that you have worked with. This helps establish a context for your call today.

Be careful, however, not to volunteer so much information that the receptionist or contact will make a hasty negative decision before even seeing you.

Once past the receptionist, you may need to repeat the same strategy with your prospect's secretary or assistant. Keep establishing your credibility and mentioning benefits. Keep asking those information-gathering questions—who makes decisions, what's planned in the future and who's free to see you that day?

Make certain your attitude and approach demonstrate a professional concern for accommodating the prospect's busy schedule. In a surprising number of calls, you'll find the prospect actually willing to see you, if only to set up a future appointment.

And that's it. You've warmed up a cold prospect!

Hey, look us over!

April, May and June were review months for Intercon, and top Corporate management made a swing around the world to look at operations in Canada, Japan, Southeast Asia, and back home in Palo Alto.

In April, John Young, Bob Boniface, Ralph Lee, Al Oliverio, Bill Doolittle, Alan Bickell, Dave Weindorf, and Emery Rogers visited HP Canada's Toronto headquarters. They attended an open format review meeting, and then walked around the facility to visit individual departments and chat with employees. According to John Young, they came away with the impression that "The Canadian team is very much on top of the job."

In May, another top management "review team" journeyed to Japan, Singapore and Malaysia. Delegation members included John Young, Dean Morton, Ralph Lee, Bob Boniface, Paul Ely, Dave Weindorf, Bob Watson and Alan Bickell.

In Japan, the group visited both the Hachioji factory and the Takaido sales headquarters where they heard various presentations and lunched with factory and sales managers. Noting that Japan is rivaling Germany this year for first place in HP sales outside the U.S., John observed that Japan "offers an excellent marketplace and

one that has been well developed by our joint venture."

"The new YHP organization is working well," he continued. "The strategy of establishing teams of people for individual product areas has enormously strengthened the organization's structure and therefore its results."

Facilities and operations in Singapore and Malaysia were also impressive, according to John. He and the review team spent a day in each location. In addition John, accompanied by Bob Boniface and Alan Bickell, met with Singapore Prime Minister Lee Kuan-yew and Penang, Malaysia Minister Lim.

"Both Lee Kuan-yew and Dr. Lim were very positive about HP activities in their area," states John. "Prime Minister Lee paid us the compliment of noting that HP is the prototype for how a large multi-national should interact with the country and society within which it operates."

The future in general is bright for HP in Southeast Asia, says John.

"Our expanded product offerings in the computational area give us a broader area of interaction and potential opportunity there," he says. "Although a high proportion of the countries in that area have a

relatively low GNP, that will not always be the case. We must lay longer range plans and have strategies for establishing viable relationships early. We can also play a role in helping these countries grow while participating in that growth."

Back home in Palo Alto, a top management review team attended a formal review at the new Intercon headquarters in June. Members included John Young, Bob Boniface, Ralph Lee, Dean Morton, Bill Doolittle, Bob Watson, Bill Terry, Dick Alberding, Emery Rogers, Paul Ely, Dave Weindorf, Franco Mariotti, Al Oliverio and Carl Cottrell. Various departments made formal presentations on their activities, and the reviewers later joined headquarters employees at a beerbust.

According to John, the review team was particularly impressed with the number of headquarters people who are working on systems problems in order processing, accounting, service and so forth.

"It is essential this emphasis on efficient and capable systems continue," John stated. "With HP's complex organization and range of product offerings, investment in business systems to help us better manage those functions have a high return in improved productivity."

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Malcolm Gissing, Canadian general manager, explained order statistics to visiting review team members.

Laverne Heron, service coordinator in the Toronto Service Department, demonstrated Soosy (Service Open Order System) for John Young. In the background was HP Canada's admin manager, Jeremy Beaty.





YHP President Kenzo Sasaoka (center) explained production figures to (left to right) John Young, Bob Watson and Dean Morton.

Ralph Lee paid a visit to the Consumer Calculator Operations Department at HP Singapore where employees were working on quality control of magnetic cards for the HP 97167.



HP Singapore employees participated in a luncheon round-table discussion with Bob Boniface (center).



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Ralph Lee, Dave Weindorf and Dean Morton stepped into HP Malaysia to a traditional Malay Kompang welcome. The Kompang is a percussion instrument used in greeting ceremonies for royalty and VIPs in Malaysia.



Headquarters Commercial Services Manager Mark Naismith made a departmental presentation.



Michele Irving, headquarters order administration computer systems supervisor, outlined order management procedures.



John and Rosemary Young were treated to a traditional lion dance at the main entrance to the HP Malaysia plant.

A parade of parades

KYOTO, JAPAN. Gion Matsuri—Japan's biggest "parade" of the year—is not like any parade you've ever seen.

There aren't any brass bands blaring Sousa marches led by stern drum majors and baton-twirling majorettes. Instead, Shinto priests shuffle placidly along providing order and ceremony, and small ensembles of wooden flutes, bells and taikoos (drums) play haunting non-melodic refrains.

Gion floats aren't motor-driven monstrosities fashioned from crepe paper and carrying bevyes of beauties. Decorated with ancient tapestries, brocades and embroideries, they bear religious relics and replicas of deities, or else portray events from Chinese and Japanese history and mythology. Manpower propels them: they are carried on shoulders or pulled on gigantic ropes by sturdy young boys chosen for the occasion.

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Despite seeming dissimilarities, the Japanese still call Gion Matsuri a "parade" and the crowds who throng the procession route in late summer don't behave too differently from their counterparts in the West. There's a good deal of pushing and shoving (traditional Japanese courtesy is dropped like a mask in a crowd situation), and people who wait hours for their positions sometimes find themselves elbowed to the back by overly-eager photographers.

The crowd itself is sometimes more interesting to watch than the parade. Among its ranks are elderly peasants from the countryside for whom the trip to the Gion festival is a once-in-a-lifetime undertaking . . . mod teenagers in bellbottom levis who sip Coke and nibble potato chips . . . con-

Spectators strain for a glimpse of the floats all along the parade route.



The halberd floats bear Japanese cultural treasures.

servatively dressed businessmen who seem almost reluctant to shed their coats and ties . . . kimono-clad women who cluster deferentially together . . . and numerous foreign visitors whose apparel and behaviour sometimes vie with the parade for spectators' attention.

People come from throughout the country and around the world to see the Gion procession and related festival. Dating back to 869 A.D., it is Japan's most spectacular celebration of the year. The festival actually lasts for a month, although the parade is the main event.

Much ritual merry-making also takes place the evening before the procession

when the floats are lighted with paper lanterns and displayed in strategic areas around the city. Crowds who flock to see them at close range are also invited to tour aristocratic homes in the various float areas and view family treasures.

There is a carnival atmosphere as people—many dressed in traditional costumes—wend their way from float to float. The pungent smell of fried squid permeates the air, and hastily-assembled vending stands hawk food, drink, amulets and Gion Festival souvenirs.

Interestingly, despite its current festive overtones, the Gion Matsuri grew out of tragedy. It originated when a terrible plague

swept Japan in the ninth century and the population was rapidly being decimated. Desperate for relief, the emperor organized a procession of 66 halberd floats to beseech the local gods to stamp out the epidemic.

The plague ended almost immediately—or so legend has it—and over the years the festival and parade have taken on a connotation of celebration.

As one Japanese friend explained wryly, "The history of the Gion Festival is an expression of our national character, I think. No matter what the disaster, we Japanese always make the best out of the worst."

For this couple from a rural area in southern Japan, seeing Gion Matsuri fulfilled a lifetime dream.



Some spectators are almost as interesting as the parade.



Remembering a career

Looking back on 40 years of work can be an awesome experience, but for Australasian Area Manager John Warmington it's also a pleasant one.

"I've enjoyed my job right through," he noted in a recent interview in Palo Alto. "I have very few regrets, and a lot of wonderful experiences to remember."

John joined George H. Sample and Son Pty. Ltd., HP's former Australian distributor back in 1938. He began his career with Sample as an office boy, but a year later became a sales person (or a "commercial traveler" as they were called then).

World War II intervened before John's career advanced very far, and he spent 1940-45 in a Special Intelligence Unit at MacArthur's General Headquarters in Brisbane, Queensland and New Guinea.

Following the war, John returned to Sample. The company capitalized on his Special Intelligence wireless telegraphy experience, and assigned him to introduce a new line of oscilloscopes manufactured by Alan B. DuMont Laboratories, Inc. of New Jersey. A short time later he was asked to "take a look at a young company in California called Hewlett-Packard."

HP's products were not exactly top sellers in the beginning, recalled John.

"There were only 25 instruments in HP's product line at that time, and I was responsible for introducing the line in Australia and New Zealand," he stated. "We didn't get much business at first. Then I managed to sell four voltmeters and that started the ball rolling. Two of those are still in use, by the way, in the research laboratories of the Post Master General's office."

In 1953, John paid his first visit to HP as part of a five-month trip to the companies Sample represented in the U.S. and Europe.

"Young guys now grouse about a three-week trip," laughed John. "They should try five months!"

HP's organization and people left a lasting impression on him.

"The openness and informality impressed me," he recalled. "In Australia we were still rather rigid and 'British stodgy' at that point, and things weren't much better with other companies in the U.S."

"HP had about 750 employees at that time and I got to meet probably 75 percent of them during my visit," he continued. "I also went to lunch with Dave Packard and Bill Hewlett and other people in top management and that was a tradition that continued for many years when I visited the States. My experience with HP was vastly



John Warmington (right) and Executive Vice President Bob Boniface share a drink and some memories at a recent headquarters beer bust.

different from that with any other U.S. company I visited. For example, at Beckman Instruments it was years before I even got to meet any of the executive officers, let alone lunch with them."

The most interesting event of John's first visit, however, was an action taken by HP's sales manager at the time, Noel Eldred.

"On my word alone Noel agreed to ship us about \$20,000 in equipment on consignment," John noted. "That was a lot of money in those days. We still had import licensing left over from the war years and couldn't get demo equipment in. But this big shipment really got us rolling because it allowed us to show to many more customers."

John's star rose steadily at Sample, and in 1960 he was named managing director of the Sample subsidiary called Sample Electronics. HP bought Sample Electronics out in 1967, and John became general manager and director of HP Australia.

"All we did was remove the Sample sign and put up an HP sign," John recalled. "We had 25 people at that time and about \$2.75

million in sales. Now we have 300 employees and our sales have increased tremendously."

John's eyes twinkled when he recalled that Intercon Director Alan Bickell spent about 10 months in Australia during the transition period between the Sample and HP operations.

"So you see, Alan used to work for me," he chuckled.

Working for HP has become something of a Warmington family tradition. John's son Russell is now a field engineer for Desktop Computers for HP Australia. The family is a close one. John and his wife have been married for 33 years, and spend a good deal of their leisure time together. They own a mobile home which is parked down the coast from Melbourne and a 17-foot power boat.

John noted that he has managed to strike a happy balance between family and career, and that his family has played a role in his success.

"The time I have given to business and professional commitments would not be possible without a good partner and family willing to share in the 'ups and downs' of hectic corporate life," he observed.

We'll make you a star!

Two HP Canada employees and one HP System 45 desktop computer may be on their way to Hollywood.

Steve Parsons, Desktop Computer staff engineer, and Ron Lim, applications engineer, recently shared the spotlight with a specially programmed HP System 45 on a half-hour t.v. program taped for the Canadian Broadcasting Corporation.

Entitled "This Land," the show takes a futuristic look at tracking animals in the wild via an elaborate system of satellites, radio collars, and a computer. The System 45, a great little actor as it turns out, played the part of "the computer".

"CBC originally wanted a big computer," says Steve, "but we convinced them the System 45 could do the job. We manually digitized a complete map which appeared on the 45's CRT. The map, of course, was a major visual element and used the interactive graphics ability of the 45 to illustrate the tracking process."

Steve admits that they did borrow the computer systems room when the CBC camera crew wanted "atmosphere" shots of whirring magnetic tapes and clattering line printers.



Ron (right) and Steve do their stuff as the cameras whir.

Steve and Ron had speaking parts in the production, and according to Ron, were the "best supporting actors in the organic role!"

Not content with a mere t.v. appearance, the System 45 also played a solo role recently in an adventure movie titled "Double Negative" which stars Anthony Perkins and Michael Sarazin. This time the 45 was a crime computer which kept track of criminal records and was able to spew out a com-

plete crime report on request.

Although Steve was never on-camera, he nevertheless made his presence felt.

"When I created data in the 45, I listed my name as the arresting officer in a couple of instances," he laughs.

"Double Negative" will be released in November, and the CBC production will air in early 1980.

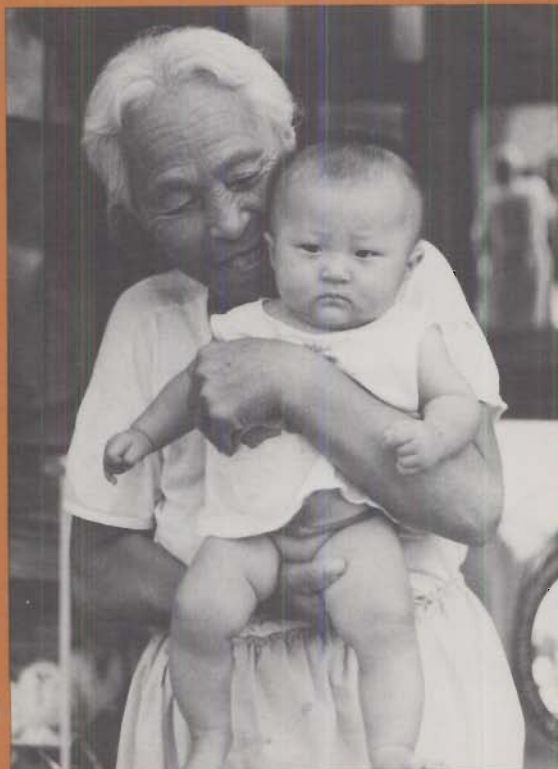


Photo by Judy Hansen

Window on Intercon

Attention all Intercon photographers.

Got a favorite photo you'd like to share with *Intercon* readers? We're particularly interested in scenic and cultural shots from countries in the Intercon regions. We'll use one per issue in the new "Window on Intercon" section, and sometime during the year will carry an entire spread featuring the best photos submitted.

Send photos — black and white prints preferred — to Judy Hansen at headquarters. Please include an information sheet listing your name, title, location, and a bit of background information on the photo.

Korean grandmother proudly holds up her grandson for an inquiring foreign photographer. Photo was taken "somewhere in rural South Korea." (The photographer was backpacking and doesn't remember exactly where she was!)



News briefs

Order processing meeting

The two-week order processing supervisor/manager meeting held at headquarters in July was something of a first. It was the first time O.P. people from throughout the region had gotten together and the first time some of the ten attendees had an opportunity to see the headquarters operation. They had a full agenda over the two weeks which included presentations by key headquarters people and Computer Systems group representatives. The ten were able to spend time with the O.P. counterparts at headquarters, and also got a chance to look at training programs in Palo Alto that can be adapted to their areas. Perhaps the most important experience to come out of the meeting, according to HQ Order Processing Manager Lily Smith, was the exchange of ideas that took place. "We were all able to exchange ideas and thoughts about problem solving," she notes. "It was extremely beneficial for all concerned."

Helping the boat people

Personnel at HP Singapore are playing an invaluable role as a conduit between U.S.-based HP employees who are Vietnamese and their family members who are "boat people" refugees in camps in Malaysia. For example, Anne Lim, order processing traffic and customs manager, writes that whenever she receives a request to locate a relative of a U.S. employee in the camps, she immediately calls the U.S. Embassy in Kuala Lumpur. The Embassy checks on the person, reports on his/her status and also advises whether there is a need to file forms of support or petitions to classify relatives for possible immigrant visas. Anne was recently able to help Stanford Park technician Quan Nguyen locate and bring to the U.S. his sister, brother, and several cousins. HP Singapore has also helped get money and medical supplies to boat people in the camps.



Mariko and Shozo Yokogawa outside the Imperial Palace.

High honor

Shozo Yokogawa, president of Yokogawa Electric Works and chairman of the Yokogawa-Hewlett-Packard board of directors, recently received the prestigious "Ranji Hoshō" award from the Japanese government. Mr. Yokogawa was honored for his contributions to the development of Japan's electric and electronic industries. The Ranji Hoshō is given to individuals who have "contributed to the interests of the people" in such fields as manufacturing trade/commerce, civil engineering, agriculture and forestry. In addition to receiving the award, Mr. Yokogawa had the honor of meeting Emperor Hirohito. Among Mr. Yokogawa's accomplishments are positions as president of Japan Electric Measurement Instrument Manufacturers Association (JEMIMA), vice president of Japan Electronics Industry Development Association and director of the Federation of Economic Organizations (known as Keidanren).

Canada meeting

HP Canada held its annual administrative meeting July 5-6. The 50 participants included administrative people from all nine branch offices. According to Jeremy Beaty, HP Canada admin manager, presentations and workshops at the meeting stressed the importance of good interface and communication between branch offices and the Toronto head office. "We also focused in on existing concerns and needs and identified future needs which will come about through growth," notes Jeremy. He adds that decentralization of head office administrative activities was a major topic, and the group looked at getting orders processed and dollars collected as close to the customer as possible. An interesting sidelight of the meeting was the physical exercises that were interspersed with program segments. These "P.E. breaks", says Jeremy, were appreciated by all participants.



Lance Moffat, HP Australia order processing manager, goes over worksheets with Paula Scharback, associate systems administrator, during the O.P. meeting.

New building in Sydney

Ground was broken in September for HP Australia's new Sydney sales and service center. The \$2.9 million center will be located on a two hectare site at North Ride.

Phil Towle, retired Corporate Construction consultant, is working with Austin-Anderson (Australia) Pty. Ltd. to design and construct the new building.



New Sydney sales and service center.



YHP booth at JEMIMA show.

Trade shows

The 18th Japan Electric Measurement and Control Instrument Automation Exhibition was held in Osaka recently. YHP joined other companies in exhibiting products. HP's booths presented instrument products, desktop computers, and computer systems.

HP Argentina was a first-time exhibitor at Argentina's Expo-Oficina Exhibit, a trade show for data processing equipment manufacturers. About 200,000 people attended the exhibition.

Recreational villa

YHP has begun construction on an employee recreational villa to be located at Fujima Heights in Nagano Prefecture. The villa is located about 150 kilometers west of the Hachioji factory site, and is surrounded by famous mountains, including Mt. Fuji, the Japan South Alps and Yatsugatake range. The 734-square meter villa will be two stories high and is located on a 5,000 square meter plot. It is expected to be completed in early July of 1980.

Family day

Balloons, treats and fun were the order of the day recently when HP Taiwan hosted a special party for employee families in the new Taipei sales office. Parents and children also joined in a song fest—all in all, a very nice way to "christen" a new building.

A/R and love

When Steve Johnson, headquarters legal accounting analyst, journeyed to Argentina, little did he know that love was lurking in the HP Argentina Accounts Re-

ceivable/Credit Collections Department. While he and Mercedes Igoa were working together on the accounts receivable audit they realized they had a lot more in common than just an avid interest in financial data. So Mercedes is now in California, and she and Steve plan to be married in late September. It's a story to warm the hearts of even hardened cynics!

Kids and balloons dominated HP Taiwan's Family Day festivities.



Maria Espinosa, Instruments group secretary, checks out the letter notifying her son Antonio Javier that he won an HP college scholarship. Antonio chalked up a 3.8 grade point average in high school, plus was a letterman in football and baseball. He'll study computer science at the University of California-Davis.



Lab recognized

HP Argentina's service department has been appointed official calibration laboratory for all Argentina by I.N.T.I., the Argentine government entity that performs instruments calibrations.

HP Argentina moves

In September HP Argentina moved to new, larger facilities. New address is Avda. Santa Fe 2035, Martinez, 1640 Buenos Aires.

And the orders keep rolling along . . .

HP Argentina recently "had twins". They sold their first two Systems 3000 — one to La Agrícola, the largest and most prestigious insurance company in Argentina, and the second to Ducilo, a company in the Dupont group. Horacio Grossmann, who closed the orders, writes that "selling the first 3000 is more difficult than having a baby for the first time." Here's hoping there'll be many more additions to the "family".

HP Taiwan continues to sell 3000's like they're going out of style (no pun intended!). The Veterans General Hospital in Taiwan purchased two sets of 3000 Systems worth \$500,000, and Tay Shan Enterprise Group purchased an advanced HP 3000 series 33 system. Tay Shan, a leader in Taiwan's food processing industry, is the first manufacturer in the local food industry to adopt a large computer system.



CANADIAN AIR "FARCE". During the Canadian facility review, Corporate top management took time out for a little aeronautics skills test. At the employee beer bust following the review, toy airplane kits were passed out and the competition was on to see who could build the highest flying model. We understand that several members of the group may be moving to Boeing.

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CLOWNIN' AROUND. Rainbow the Clown was one of the main draws at the headquarters annual picnic. Some 450 people attended the day-long event.



PERSONNEL REVIEW. A four-member personnel review team visited HP Singapore and HP Malaysia in July to look at personnel practices. The review was part of a company-wide program that began last year. Review team members for the Malaysia and Singapore visits included Tom Lowden, Intercon personnel manager; Lee Seligson, from Corporate International Personnel; Geoff Windsor, HP Australia personnel manager; and Tom Pierson, headquarters senior personnel rep in charge of compensation and benefits for the Intercon region. Left to right are Tom Pierson, K.G. Tan, Beng Hoe, Lee Seligson, Geoff Windsor, Rohana Ghani, Soh May, Anne Lim, Marcia Alfah and Tom Lowden.

Newsmakers



Dick Love is now happily ensconced at Intercon headquarters in his new role as manufacturing operations manager. In the newly created post, Dick will coordinate planning, organization and implementation of manufacturing operations throughout the Pacific Basin and in Latin America. He will direct HP manufacturing operations in Southeast Asia and Brazil. For the past three years Dick has been general manager of manufacturing activities in Southeast Asia, based in Singapore.

Replacing Dick Love in Singapore is **Lee Ting**, Intercon's Far East area manager for the past seven years. Lee, a native of Chungking, China, has been an HP employee since 1965 when he joined the former Frequency and Time Division as an R&D engineer. In 1970 he set up HP's Taiwan branch office and served as general manager until 1972.

Lok Lin, formerly general manager of HP Taiwan, fills the Far East area manager slot vacated by Lee Ting. Lok, a Canton, China native, joined HP in 1964 as a manufacturing and R&D engineer at the Palo Alto Division. In 1970, he went to Taiwan as sales manager for the newly-established sales office there, and in 1972 became general manager.

Wen Ko has been named HP Taiwan general manager, replacing Lok Lin. A native of Taiwan, Wen joined HP Taiwan in 1977 as a field engineer for Computer Systems. He has also served as district manager for Computer Systems, and until his new appointment, was Computer Systems sales manager.

Mike Muller, the "two-in-one-man", has taken up his new post as regional marketing manager for Intercon's Medical and Analytical departments. He replaces both former Medical marketing manager John Hayes (who is now a Medical group district manager in the Eastern Sales Region) and former Analytical marketing manager Tony Abbis (who has become Far East area sales manager for Computer Systems). Mike hails from HP Australia where he was discipline sales manager for Analytical/Medical. He has been with HP for over 10 years, and originally was an Analytical field engineer for Sample Electronics, HP's former Australian distributor until HP purchased the firm in 1967.

Mike Muller's move to Palo Alto has precipitated changes in Australia. **Bruce Ham** replaces Mike as Analytical/Medical sales manager, and **Bruno Zielke** replaces Bruce as district manager for the Computer Systems group.

Gerry Tillman is Intercon Headquarters'



Dick Love



Ophir Toledo



Lee Ting



Chuck Bonza



Lok Lin



Milton Brusius



Wen Ko



Gordon McLean



Mike Muller



Andrea Eubanks



Gerry Tillman



Chi-ning Liu

new personnel manager. In the newly-created post, Gerry will be responsible for developing and implementing personnel programs for the 270 employees located at Headquarters. She will report directly to Intercon Personnel Manager Tom Lowden. Gerry joined HP in 1958 and has held a number of personnel positions. She was senior member of the Corvallis Division personnel staff before coming to Intercon.

Ophir Toledo has been named manufacturing manager of HP Brazil's manufacturing facility. A native Brazilian, Ophir was formerly production manager for the Campinas plant. In his new position he will have responsibility for the manufacturing function, including supervision of production, materials and production engineering. He will report to Odmar Almeida, Campinas general manager.

Mark Naismith has been named commercial services manager. Mark joined HP in late 1972 as a general accounting supervisor at the Automatic Measurement Division. He was later named cost accounting supervisor, and then in 1976 moved to Neely Santa Clara, where he was office manager. He holds a B.A. in economics from the University of San Francisco, and an M.B.A. from Santa Clara University. Replacing Mark as order processing manager is **Lily Smith**.

Juan Echavarria has replaced Jim Dugan as international sales support engineer in the Intercon Calculator department. A native of Colombia, Juan recently graduated from Boston University with a B.S. in electronic engineering. He'll be working at headquarters for 12-18 months before being assigned a sales position in the field.

Peter Lui is a new Far East/Africa support engineer for Calculators. Born in Hong Kong, Peter received his M.B.A. from the University of Pennsylvania (Wharton School). He will be in Palo Alto for one year, then will move to a sales position in HP's new Hong Kong office.

Chuck Bonza has taken up his new post as general manager for HP South Africa. Formerly North American sales manager for the Loveland Instrument Division, Chuck also spent three years in Intercon's Instruments sales support group, and from 1975-76 was instruments sales manager in South Africa.

Milton Brusius is HP Brazil's new personnel manager, replacing Joao da Costa, who has left the company. A native of Brazil, Milton has been director of human resources for Cia. Ceras Johnson since 1978. He also was director of industrial relations for Bristol Meyers in Brazil for a num-

Charting the course ahead

By Alan Bickell
Intercon Director

ber of years. He holds a B.S. in economics from Pontificia Universidade Catolica — Rio Grande do Sul, an M.B.A. in Fundacao Getulio Vargas — Sao Paulo, and a B.S. in law from Fundacao Sao Joanense de Ensino.

HP Venezuela's **Carlos Rojas-Perez** has been named sales manager for Medical products in that country. He also retains responsibility for bench service.

Gordon McLean is HP Canada's new controller. Gordon joined HP Canada as accounting manager in 1976. Prior to that he was vice president of a steel fabricating firm in Toronto. He is a graduate of the Certified General Accountants Association.

Bruce Thompson, formerly HP Australia accounting manager, has become Australasian commercial services manager. Moving from HP New Zealand to replace Bruce is **Mike Mallalieu**, who has been admin manager in New Zealand for nearly seven years. **Brian Leighs**, a new hire, will be Mike's replacement in Wellington. Brian is a graduate of Victoria University, is a qualified accountant, and has a number of years experience in the textile industry.

Shi-keng Chao will be Instrument group service manager for HP Taiwan, reporting to F.T. Lu and Peter Shaw. Shi-keng joined HP in 1979 with seven years service experience from National Cash Register.

Andrea Eubanks (formerly Andrea Knoll) has been named Intercon's financial reporting manager, replacing Mike Houlihan who has become controller for the Scientific Instruments Division. Andrea has been with the company since 1968. She is a graduate of Texas Technological University in Lubbock, Texas, with a degree in psychology. She has also taken various accounting and programming courses at colleges in the Palo Alto area.

Chi-ning Liu is Intercon's market development manager for the People's Republic of China. In the newly created post based in Palo Alto, Liu will oversee the company's business relationship with China, particularly with trade organizations which act as intermediaries between the company and end users. Liu, a native of Hupeh, China, has been engineering section manager of cardiovascular instruments and systems at the Andover Division since 1973. He joined the HP Medical Electronics Division as a project engineer in 1967.

We have just completed our 1979 Intermediate Range Plan (IRP) and would like to share with all of you highlights of the material submitted to Corporate management.

The IRP reflects an optimistic view of the region's order potential, and we are projecting that orders will grow at a compound rate in excess of 20 percent per year through Fiscal Year 1984. Our optimism is consistent with Product Group plans worldwide and HP's overall forecast.

A number of changes will occur in the region over the next five years. Some of the major programs are outlined below.

1) Decentralization of sales region management and support activities.

We anticipate that by 1984 the ICON region will be subdivided into three autonomous sales regions. A Far East Area headquarters will be established in Singapore during FY 80 with the transfer of most Palo Alto disciplines sales/service management and administrative activities completed by FY 81. We project that at that time some 45 people will staff the Singapore headquarters.

Experience gained with the Far East decentralization will help us develop a specific plan for similar actions leading to a Latin American headquarters by FY 83/84.

The third autonomous region will, of course, be Australasia. Its basic structure will remain pretty much the same, although it will be accorded full regional status.

We will continue to emphasize systems changes to facilitate further decentraliza-

tion of commercial service activities. For example, we want to decentralize direct HEART order entry and control for local currency and indent orders to all subsidiaries. We also want to accelerate the direct shipment program, and identify and implement strategies to convert indent sales into local currency.

Establishing a direct presence in emerging high potential markets will be another priority. For example, we hope to have a direct HP support and training presence in the People's Republic of China in FY 80.

2) Identification of new manufacturing opportunities.

Based on the premise that HP will manufacture a reasonable (substantial) proportion of its international orders outside the U.S. and given the fact of growing protectionism within some countries in the Intercontinental region, we plan to identify and in some cases implement new manufacturing initiatives.

The Campinas Manufacturing facility is at a major crossroads. The IRP assumes Brazilian government approval will be obtained to expand manufacturing activities there, and we therefore are anticipating that shipments will increase substantially, with a commensurate growth in employment. Construction of a permanent HP manufacturing facility will, of course, be required to accommodate this growth.

New manufacturing initiatives in the Computer Systems area may also be required to meet order quotas in Canada,

coming events

Have items you'd like included in "coming events"? Send them to Sue Hawkins at Intercon headquarters.

OCTOBER 1979
Composistemas '79
U.S. Trade Center
Mexico City
October 16-18

Korean Solo Exhibit
October

Halloween Festivities
Palo Alto headquarters
October 31

NOVEMBER 1979
Asian-Pacific Congress
of Cardiology
Bangkok, Thailand
November 25 - December 1

ICON Operations Council Meeting
Palo Alto
November 29-30

Annual Employee Meeting
Palo Alto
November 28

DECEMBER 1979
ICON Christmas Party
Palo Alto
December 19

Note for future planners: February 4-15 is a NO TRAVEL period.

At the annual general managers meeting this summer, Intercon managers reviewed the past year's performance and planned for the future.

Korea and Mexico. We will be evaluating these markets closely.

Southeast Asia manufacturing will grow significantly. We plan to continue to upgrade skills in Singapore and Penang emphasizing cost effective manufacturing. The Penang facility will be expanded with a continued concentration on Components group products. In addition, we will evaluate the need for a third manufacturing location in Southeast Asia to balance Singapore/ Penang facilities.

3) Reduction of attrition, and recruitment and development of people.

Without any question, retaining and recruiting qualified people to staff our organizations will be the most critical factor in our ability to increase sales and improve the effectiveness of our operations.

The IRP places increased emphasis on developing strong university relationships and an aggressive university recruiting program in each country, accelerated internal development and training activities, and much more attention to the effective utilization of existing staff. Our goal for annual attrition is 10 percent or less, and we project that administrative productivity will increase at an annual rate of 8-10 percent.

4) Setting of tighter asset management and productivity goals.

Inventory management will receive considerable attention during the IRP period. Plans to improve inventory months' supply include several facets.

Products will be directly shipped to international sales companies and customers. The Eastern and Western Distribution Centers will assume traffic management responsibility for these shipments, but will no longer physically handle them, thus reducing the transit inventory pipeline by 3-5 days. Shipments will go out more frequently on first available flights, rather than waiting for weekly scheduled flights.

Customer clearance procedures in each country will be streamlined to speed up the flow of inventory from port to customers. Order processing and shipping techniques for coordinated orders will be improved by working with factories to preclude partial shipments against this type of order. More emphasis will also be placed on increasing turnover of committed inventories through the use of aging reports and timely problem analysis.

Accounts receivable management will continue to improve as measured by Days Sales Outstanding (DSO). We will achieve this goal by paying close attention to systems sales to assure that training and site



preparation are coordinated prior to shipment and to improve control of coordinated system shipment. Also, an effective internal "problem" report will follow up and eliminate recurring accounts receivable problems. In addition, we plan to finalize installation of our automated accounts receivable system in each country, and strengthen our credit and collection management in countries where we have consistently had collection problems.

5) Construction of new facilities.

Major land and building projects are anticipated in the following locations:

- Japan Physical distribution FY 80/81 center land and building
- Canada Manufacturing facility FY 81/82 land and building
Montreal branch office FY 80
Ottawa branch land and building FY 81/82
Vancouver branch land and building FY 83/84
- Brazil Manufacturing facility FY 81/82
- Mexico Sales headquarters FY 81/82 land and building

- Argentina Sales headquarters land (FY 80) and building FY 83/84
- Penang Expansion of manufacturing facility FY 80

Obviously the next five years will be a time of change and challenge for Intercontinental. We will be growing rapidly to meet expanding opportunities in our region, and must continually be looking for creative ways to accomplish that growth in the most efficient and cost-effective manner. That's going to require maximum thought and effort on the part of every individual at every level within Intercon. There are exciting times ahead — times that will afford each individual the chance to grow along with the organization we are part of. We should begin now to determine how we can best take advantage of those opportunities.

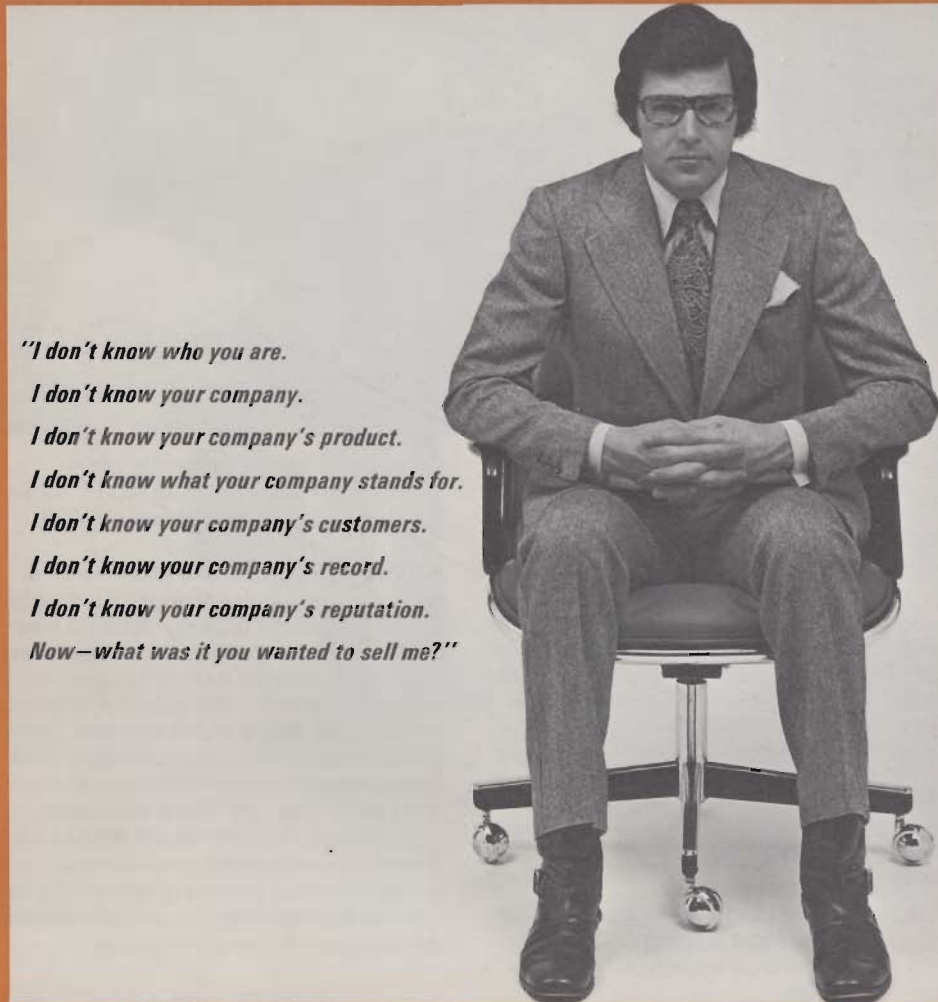
IRP EXPLAINED

Each year Intercontinental does a five year intermediate range plan (IRP) which looks at business levels, personnel needs, cash needs and facilities requirements over the coming years. It also focuses on current asset needs, cost structure and productivity.

The IRP process begins with an examination of the previous year's plan. That plan, however, is completely re-done, taking into account new products, growth of markets, changing economic conditions and our ability to sell in those markets.

Typically the IRP is done by management in the subsidiaries, and then compiled and reviewed by the headquarters management team. After completion, it is sent to Vice President for International Bill Doolittle and to the Corporate Planning Department. From there it goes to top Corporate management to be consolidated with those from all other regions and divisions.

The case for "non-personal selling"



*"I don't know who you are.
I don't know your company.
I don't know your company's product.
I don't know what your company stands for.
I don't know your company's customers.
I don't know your company's record.
I don't know your company's reputation.
Now—what was it you wanted to sell me?"*

Courtesy McGraw Hill

Despite HP's size and reputation in the United States, our field engineers in Intercon often face the situation illustrated in the accompanying photograph. Many of our customers or potential customers harbor one or more of the concerns described, and the field engineer must spend a substantial amount of time answering the questions and overcoming the apprehensions. That process, of course, drives up the cost of a sales call and, as a consequence, lowers sales productivity.

One method of improving sales productivity is to increase customer recognition of and preference for HP even before the field engineer calls. Corporate Marketing Communications Manager Russ Berg calls this process "non-personal selling", and he notes it does not duplicate but complements personal selling. Russ explained the contribution non-personal selling—or advertising, sales promotion and merchan-

dising activities—can make during our June Intercon general management meeting.

Russ pointed out that the cost of each sales call by a sales rep in an average U.S. company has been rising steadily from \$88.66 per call in 1975 to \$149 in 1979. In Intercon countries this cost might be less, although we suspect in some cases it is probably greater.

Russ also feels that after an attempt to make a sale, while a field salesman would prefer to hear "yes", a "no" frequently is preferable to a "maybe". An indefinite response from a customer at the time of "closing" merely extends the time and money invested in a sales situation which could be invested more profitably elsewhere.

A key objective of HP's non-personal selling activities—i.e., sales promotion, advertising, merchandising, publicity campaigns—is to increase positive responses to HP before the sales person calls. This

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advance work makes the field engineer's job more effective and less costly. It helps customers be able to say "I know" rather than "I don't know" so salesmen can concentrate on personal, face-to-face selling.

If we do an effective job and make non-personal selling truly complementary, says Russ, the customer's apprehensions and concerns about the company will be at a minimum when he meets an HP field salesman and his first statement will be, "Here's my problem and need—tell me how HP can help solve it."

In addition to formal non-personal selling programs described by Russ, each of us who has direct and indirect customer contact can also make a contribution. The resources available for this purpose are infinite. They start with tangible tools such as catalogs, annual reports, brochures, videotape, etc., and extend on through honest, authoritative and positive written and verbal communication about HP and its background at every opportunity. We can all play a role in making the field salesman more productive. And if we consider the field sales person a "front line soldier", we have a responsibility to give him the strategic and tactical support he needs.

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