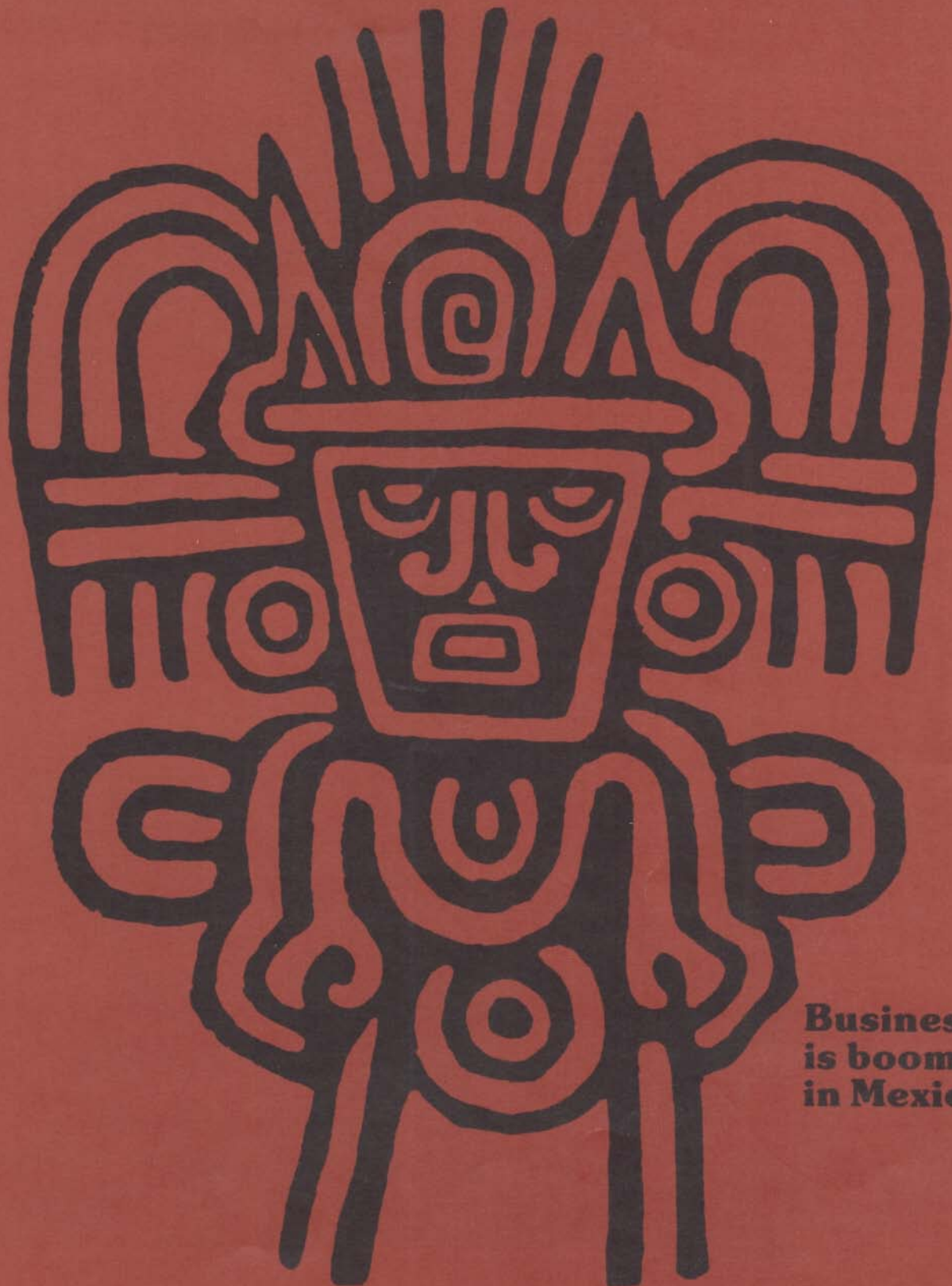

intercom

HP Intercontinental News

Spring 1981



**Business
is booming
in Mexico**

HP Computer Museum
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Mexico—Managing the oil bonanza

By Judy Hansen

In 1535, Spanish explorer Francisco Vasquez de Coronado set out from Mexico City with a band of compatriots to find the fabled Seven Golden Cities of Cibola. After an exhaustive search, he returned to report sadly to the Mexican Viceroy that the golden cities did not exist.

Today — 400 years later — it turns out Coronado was wrong. Mexico may not have seven golden cities, but it is sitting on a vast reserve of "black gold" that already has propelled the country into international prominence.

The discovery of large oil reserves in 1976 transformed Mexico from an underdeveloped country known mainly for its tourist attractions to a major world oil power. It is now the world's fourth largest oil producer, and ranks fifth in the world oil and natural gas reserve league. In a world hungry for oil, Mexico has already begun to exercise its political clout on the international scene.

The oil bonanza has also fueled strong economic growth at home with Mexico's gross national product expected to rise between 7 and 8 percent in 1981 for the third consecutive year. The nation's \$120 billion gross domestic product in 1979 was the world's 18th largest.

The new oil wealth has brought about a strong business upsurge, and the expanding Mexican economy promises to provide a large and growing market for other countries' goods and services.

But sudden wealth did not bring instant solutions to Mexico's long-standing economic and social problems. In fact, it even brought a few headaches. Inflation is running at an annual rate of 30 percent, and the gap between rich and poor — rather than narrowing — is widening. According to *World Business Weekly*, 4 percent of the nation's citizens earn close to an astonishing 80 percent of the national income. At least 19 million Mexicans, out of the country's 70 million population, are severely undernourished. On the brighter side, however, an expanding middle class is now estimated to include up to 59 percent of the country's people.

Population also continues to present a problem. With an annual growth rate approaching 3 percent, half the population is under 15 years of age, and the number of Mexicans could possibly increase by 50 percent in the next generation. The country is still finding it difficult to feed its population, and at least 16 percent of the oil income is spent on importation of food.



Mexico is a country of contrasts between old and new. The Chichen Itza ruins in the Yucatan are the remnants of the ancient Mayan civilization.



An industrial complex in Monterey.

Unemployment is problematic, and about 10 million Mexicans between the ages of 16 and 60 are either unemployed or underemployed. In rural sections, unemployment is estimated by some sources to stand at nearly 60 per cent.

The economic and social problems are awesome but, happily, the wealth generated by the oil, plus ambitious actions by the government, seem to indicate they will be solved. In 1979, President Jose Lopez Portillo and his government unveiled Mexico's new National Industrial Development Plan which called for rapid and massive development of Mexican industry — largely by private enterprise — and the transformation of Mexico from a net importer of industrial goods into a net exporter. According to *Forbes* magazine, if the plan succeeds, by 1990 Mexico will be getting 85 percent of its foreign earnings from industrial products and only 15 percent from oil and gas. The crude oil products will chiefly balance the net import of food — oil for wheat but cash for



Although the government is trying to slow population growth, half the population is under 15 years of age, and the number of Mexicans could possibly increase by 50 percent in the next generation.

almost everything else. As President Portillo puts it, "We shall use this abundance of petroleum to generate other resources which are renewable and which can be multiplied through work."

Fortunately, Mexico has a number of other resources as well as oil. It is a world leader in fishing, mining (where it

ranks first worldwide in production of silver, graphite, strontium and flourite), nitrates for fertilizers, and tourism. Portillo predicts that if the country can use its oil revenues to develop the non-oil sector, its greatest economic strength in the coming decade could well be its diversified economy.



Mexico City is noted for its broad, tree-lined boulevards, statuary and museums.



Mazatlan is still an unhurried seaside city of churches, street vendors and small shops.

Jose Grapa, HP's Latin American area manager, believes the government's efforts will be successful and he sees continued growth for Mexico.

"The current economic boom in Mexico is being generated not only by oil discovery," he points out, "but more importantly, by the confidence the private sector has in the government and its plans. Investments in the private sector have increased greatly, and this is snowballing and creating even more opportunities for growth."

Jose lauds the government's strategy of funneling oil revenues into the creation of jobs which will help solve the social problems which plague the country.

"Government is either itself investing in or promoting industries that require a lot of labor. They are very sensitive to creating new jobs and it's paying off. In 1980, the country registered a 4 percent growth rate in new jobs which, for the first time, was higher than the population growth."

Overall, the future looks bright for Mexico and, consequently, for Hewlett-Packard's business there. (See accompanying story, page 5.)

"Our business is growing rapidly, and we expect it to continue to do so," says Jose. "Our products are necessary to the country as it embarks on its program of modernization. We see only good things ahead."



Mexico still finds it difficult to feed its population. At least 16 percent of the oil income is spent on importation of food.



Unemployment is a major problem. About 10 million Mexicans are either unemployed or underemployed. In rural sections, unemployment stands at nearly 60 percent.

Bursting at the seams



Rush hour traffic is notorious in Mexico City. It can take hours to get from one end of the city to the other.

Mexico City is the world's fastest-growing metropolis, as anyone who has tried to get somewhere during rush hour will confirm. This city is home for 15 million people, a fifth of the nation's total population. Every day, 1400 more people stream in from the country's rural areas. By the year 2000, according to United Nations projections, Mexico City will be the world's largest city, with a population of almost 32 million.

Cashing in on the Mexican miracle

By Judy Hansen

The word out of Mexico is growth and more growth, and Hewlett-Packard's Mexican subsidiary is well-positioned to take advantage of the trend.

Spurred on by the country's booming economy and voracious hunger for computers and other high technology products, HP Mexicana chalked up an 87 percent growth rate in sales last year, with conservative estimates for this year running at 80 percent-plus. Although there has been impressive growth across all product lines, computers and personal computing products are the front-runners in this expansion marathon. Personal computing product sales grew 135 percent last year, and computers 100 percent.

Staff is also expanding by leaps and bounds. Just 14 months ago there were only 100 people in the subsidiary. That number has burgeoned to 180, and predictions are it will hit 204 by the end of FY 1981.

"It's really exciting to be down here," says HP Mexico General Manager Sergio Mendez who took over the subsidiary in 1979.

"The economic situation couldn't be



The HP Mexico office is spacious and pleasant.

more ideal. Because of the oil, there is plenty of foreign exchange to buy imported capital goods, and there is a great push on to expand industrial production. Government policies are committed to growth so the future looks bright."

Sergio notes that the key element in managing the subsidiary's continuing growth is a strong team of people —

professional, clerical and managerial.

"We have already been lucky enough to find a number of outstanding people with experience who know the market place," Sergio notes. "Our sales people, especially, are superb, and that fact is reflected in order statistics.

"But the quality at all levels is also excellent," he continues. "Our new em-

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An HP Mexico field engineer (right) explains the HP 2640 family to customers visiting HP's booth at "Computacion 81," a trade show held in the U.S. Trade Center in Mexico City. The booth was the hit of the show.

employees bring substantial experience with them and are adapting well to the HP Way."

Computer Sales Manager Bill Lukenbill seconds the opinion.

"We're getting great people," he states. "The universities and technical schools are top notch here, and we have a large pool of good people to draw from."

A small team of expatriates is also resident in Mexico. They include Larry Simpson, admin manager who came from Intercon Headquarters; Airton Jiminez, commercial services manager from Brazil; John Martinez, district manager for Instruments from Neely Sales - Albuquerque; Bill Lukenbill, who came from the headquarters Computer Group; and Sergio Mendez, a Cuban native from the headquarters Computer Group.

"Our expatriates are bringing much-needed HP experience to our growing operation," says Sergio, "and helping us develop procedures for documentation and automation. In fact, we had the highest number of systems installed last year throughout the Intercontinental region. In the future, we intend to continue the automation process, relying more on our own local people and resources, ensuring that we have good control."

Sergio understands the fact that resources of the total company have been readily available to aid the Mexican operation.

"We've gotten a lot of important help and resources from Intercon, the divisions and Corporate, and we appreciate it. This aid helps us capitalize on the opportunities that are here."

Right now HP Mexico is the company's fastest growing subsidiary. But while Mexico is a boon to HP's business, the company's presence in Mexico is also helpful to Mexican national aspirations.

"HP's goals fit in well with Mexican national goals," notes Sergio Flores, HP Mexico controller. "There's a lot of nationalist feeling here, and a strong desire to compete internationally. It becomes a matter of matching resources with desire, and this is an area where international companies like HP can help. We import technology, training, opportunities, investment, and so forth. I would say that so far it has been a very mutually beneficial relationship."



General Manager Sergio Mendez and Marcom Specialist Azucena Valdovinos Virgil chat about HP Mexico's growing advertising and public relations program. The subsidiary is achieving increasing visibility in the Mexican media.

HP Mexico recently opened a floor of customer training rooms and equipment. Here Bill Lukenbill (left), computer sales manager; Filiberto Arredondo, S.E.O. manager, and Dale Virgil, district S.E. manager for HP 3000, discuss scheduling for the new training facility.



Tying Dupont's world together

By Mike Charlson

The DuPont Corporation was facing a challenge. The giant chemical and plastics manufacturer had to update its method of moving financial and text data between its plants throughout Latin America, the Far East, and Australasia, and the corporation's world headquarters in Wilmington, Delaware. And the data had to be moved quickly and inexpensively.

The solution the company selected was a network of different HP-3000 series computers installed in each international manufacturing country, including the Intercontinental countries of Argentina, Australia, Brazil, Japan, Mexico, New Zealand, Taiwan, and Venezuela. Now that the local systems are operational, the difficult task of linking the computers has begun and is scheduled for completion in about six months.

Once those links are established, DuPont officials say they expect data movement between their plants and their headquarters will be simpler and more efficient than ever before.

Actually, DuPont had computers in their international subsidiaries before, but the system was inadequate in some areas, according to Dr. Fred Kirschman, senior systems specialist and international coordinator for the Management Information Systems Division at DuPont.

The old system was never designed for international communication. The computers were installed, some of them 15 years ago, as the local needs required. Communication between local plants and headquarters was accomplished by shipping print-outs of needed data by the mails or courier.

In addition, different computers in the old system, though all manufactured by one company, did not run on the same operating system. That meant DuPont had to develop separate software packages for each computer type.

Dr. Kirschman said the HP-3000 line solved these problems and others for the company. No matter which 3000 model is used, they all run on the same general operating system, he said. This allows DuPont to install the computer with the capacity appropriate for each manufacturing facility, rather than settling either for one computer which is too large in one plant or too small in



another, or for a group of computers running on different systems.

And DuPont can save money with the system because the company can develop standard software applications in one central location and distribute them to the subsidiaries, rather than increasing support staffs at each link in the network, Dr. Kirschman said.

Besides size selection and uniformity of software, Dr. Kirschman said DuPont selected the HP-3000 computers because HP was able to supply the equipment when they wanted it and because DuPont was impressed with HP's expressed commitment to support and service.

He said they have been very satisfied with the systems so far.

Field Engineer Len Wisniewski, who has handled much of the DuPont account from HP's King of Prussia, Pennsylvania sales office, said the network will be modeled after HP's own COMSYS system. The computers at each remote location can periodically link with a central computer in Wilmington by telephone and transmit data back and forth at extremely low cost.

Dr. Kirschman explained that DuPont has actually set up two telephone numbers. One, called RJENET, allows the transmission of financial data. The other, MESSAGE SWITCH, permits communication of text data — telexes between the facilities.

Len said the experience gained from the DuPont network should be a big lift for HP in its major accounts sales program. "With most of HP's major accounts being multinationals, experiences like those at DuPont should help to encourage other companies looking at international communications between computers to move forward with their plans," he noted.



Len added that HP had learned a great deal from the DuPont system and that "the work here will benefit all major accounts looking for international communications links."

Dr. Kirschman agreed that the system installation was "an eye-opening experience for both companies." DuPont had to learn to cope with a new system, and HP had to learn to cope with the support needs of such a large system. And, he said, there were some problems — some he thought HP hadn't anticipated.

But Dr. Kirschman stressed that DuPont is "very high" on HP because HP met their commitments. "HP's word is credible with us because the problems which did occur were resolved," he said.

"Everyone expected there would be some bumps. It's how you handle the bumps that counts. HP handled things well. When HP said it would be fixed, it got fixed."

One such problem involved establishing the link between the DuPont computer in Ducilo, Argentina and the Wilmington facility. Problems of cross-talk and echos hampered communication. And the problems were further complicated because the Argentina telephone system is a relatively rudimentary one using a two-wire, rather than a broader-band, four-wire format.

But, according to King of Prussia Systems Engineer Jack Conner, the problems were solvable. Jack went to Argentina to work on the solution. "We encountered some severe echo problems, but we now know how to deal with them." That knowledge will be helpful for many other networking problems we will encounter in the future, Jack said.

In the coming months, DuPont plans to establish links between the main computer and HP-3000's in Australia, Brazil, Japan, Mexico, New Zealand, Taiwan, and Venezuela. It is anticipated that these links will not be as difficult as the one with Argentina, which was selected as the prototype simply because of its extraordinary complexity.

Indeed, in the not-too-distant future, every international DuPont plant should be able to communicate with any other plant simply by placing a telephone call between their HP-3000's.

And the result should be efficient, reliable, cost-effective text and financial data movement for a company with billions of dollars at stake.

Regional warehouses — Different sizes, but much the same

By LeAnna Willis

There is a lot of variety in the warehouses of the region, but they seem to divide themselves into two types: large warehouses, where boxes are received and shipped out, for example, **HP Mexico**; and much smaller operations, such as "the HP store" in **Cape Town, South Africa**, which is mainly a stockroom for parts.

Then there is **HP Taiwan**, which has switched from the large type warehouse to the small type and is using the remaining space to great advantage.

"The most 'newsworthy' thing that has happened recently to our warehouse is that we got rid of it!" says the spokesperson for HP Taiwan. "What was once a disorganized jumble of boxes is now our cafeteria. The warehouse function, at least for instrument inventories, is now handled by an outside freight forwarder, who essentially carries out a direct airport-to-customer shipment program, warehousing only those articles which must be held over due to 'no partial' or other shipment 'holds.' These items are kept on the forwarder's premises."

According to Chuck Marr, international physical distribution manager, working with a freight forwarder in this way is the trend of the future for HP.

"Warehouses have a tendency to accumulate inventory. If you have room to store things, you store things. If you have room for turn-around only, you will bring goods into the warehouse, and then immediately start to send them out. We try to ship products directly to the customer as fast as possible."

Chuck, who is a connoisseur of regional warehouses, says that despite the size differences, basically all the HP warehouses are alike. In the same way our offices all look similar, with open spaces and movable partitions, our warehouses have an HP look about them.

Additionally, all share similar problems (called "challenges"), and all are

managed with the same philosophy.

Challenges shared by all include frequent reorganizations to make best use of space. Reports from **Argentina** tell that their warehouse is presently torn apart. **YHP's** warehouse has moved three times in three years. But there's a good move in store for them this summer, when they finish their beautiful new building.

HP Mexico's warehouse is also overloaded. It's wall to wall boxes, with narrow aisles between. To supplement their limited space, they are having a local trucking company help store the cargo.

A classic story about space problems comes from **HP Australia** in Melbourne. Right now they are very cramped, and certain boxes are, by necessity, temporarily located outside the warehouse to enable the staff to maneuver during the day. One day, the unpredictable Melbourne weather drenched a particular box, causing the base of it to fall out when lifted. Unfortunately, it was a box containing foam packaging pieces. Soon, what appeared to be large snowflakes were being blown in all directions across the front of the office! Further entertainment was provided as the warehouse supervisor tried to remove bits of foam from the neighbor's fish pond.

Another challenge for all the warehouses is how to provide better service for their customers. **HP Taiwan** has just reorganized its kits and service parts stockroom, and now provides over-the-counter service. The **Melbourne Parts Center** now gives very prompt service, thanks to their use of the telex machine. Turn around time for parts on hand is a maximum of 24 hours, a reduction from four days which was being experienced

only two years ago. Extended hours from 8 am to 7 pm provide peak efficiency, and 24 hour coverage is provided by nominated call-out personnel after hours.

Import procedures are challenging all over. Customs procedures are very strict in **Taiwan**. A "physical" check is made on all incoming shipments to assure that the contents of the boxes accord with the documentation. This means the information on the documents must be absolutely precise or else the shipment may be held up for long periods, and HP may be required to pay fines. In addition, special security measures are enforced for imports of discs and mag tapes and each item must be inspected and approved by the "Taiwan Garrison Command" which is a special military branch. Despite the seriousness of the entire process, they recall an incident that caused much amusement. "Our warehouseman is very tall, and one day he was bending down to check the contents of a big box when all his things fell out of his shirt pocket into the box (which he did not notice). After a while, everyone heard him shout, "What are my things doing in this box?"

Congestion in customs provides a challenge for our warehouses in many countries. **Mexico** is a good example of the problem. All imports into Mexico City are handled out of one central customs warehouse. This warehouse is too small for the volume it must handle, so goods are exposed to the weather and scattered on the parking lot, airport apron, and on loading docks. The backlog in customs clearance (around three weeks), and the rigid customs process in Mexico City have caused us to look for alternatives to shipping to the

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airport there. A good solution was found: shipping by truck from the U.S. to our warehouse, thus going through border customs instead of airport customs. Goods arrive quicker (11 – 14 days) and in much better condition.

YHP has their own solution to making sure everything is "in order" for import clearance. Under Japanese customs law, YHP is allowed to audit the shipment and thus catch any misshipments.

To a large extent the **Vancouver, Canada** office has met the customs challenge and won. Goods received in Canada by the beginning of the work day are cleared through customs and redistributed to customers throughout Canada by that afternoon. Called a "fast turn around distribution operation," they are able to handle about 75 percent of all Canadian imports — with only three people!

Strange situations are common throughout the region's warehouses. There's this story from **Venezuela**: "Once, our warehouse clerks were receiving, from our Customs Agent, a shipment of Personal Computers coming from Brazil through Aeroperu Airways. Suddenly, they noticed that the sealing tape color of one of the containers was slightly lighter than the others. Although there was no difference in weight with the rest of the boxes, they decided to open it, in order to check its contents. Instead of the merchandise, they found two truck motor pistons which were exactly as heavy as the corresponding twenty calculators."

Handling large volume is also a common challenge. About 2400 calculators come in to the **Brazil** facility for repair — and go out again each month. And last January, the **YHP** warehouse handled a



single order shipment of medical equipment to Kobe Hospital that totaled 113 boxes at a value of \$705,000 (400 million yen).

Modernization is noticeable region-wide. **HP Brazil** is in the process of switching to the Field Inventory Control System (FICS) from their huge old manual system. Currently they are running both in parallel, but will complete the substitution after the next inventory. **HP Mexico** reports a major accomplishment along these lines: they have come up with a good method of making their parts easy to find. Using color code for product lines and storing by part number sequence, warehouse staff can now find parts quickly, and it is very easy to reconcile parts in stock against FICS.

HP management style is, of course, similar everywhere. Affirmative Action is evident: there are women in management positions in the warehouse in **Melbourne** and in Service Administration in **Taiwan**. Concern for the em-

ployee's development is also evident: in many locations, job rotation is a common practice, providing not only a deeper understanding of each integral function, and back-up in all areas when needed, but also more of a challenge for each individual. **HP Brazil** has an unusual tradition of offering good opportunities for their employees' growth through contributing manpower to other areas within the company as needed.

Besides warehouse layout, shared challenges, and similar management styles, a final similarity unites the regional warehouses: the same spirit of teamwork and the same super people can be found everywhere, whether there are two people in the section, as is the case in **Cape Town**, or fourteen, as in **Brazil**. They all support each department within the organization, as well as our customers, in a most effective and responsible manner. They are the unsung heroes within the office and our thanks to them all for ensuring the smooth operation of this vital function.

THANKEW!

Special thanks to the following folks for their help in gathering information and photos on the warehouses of the region: Jose Feely, Argentina; Mary Thomas, Australia; Milton Brusius and Edison Vaccaro, Brazil; Saori Ohmori and Tsutomu Mochida, Japan; Rodrigo Rosas, Mexico; Rosanne Neall and Stanley Henkeman, South Africa; Bruce Thompson, Taiwan; and Ingrid Porras, Venezuela.



They're making a house a home— A tale of HQ's warehouse

The warehouse of any large corporation is somehow separate from the rest of the operation. It's unfamiliar territory to most of the office workers . . . about all we know is that trucks bring boxes in and take boxes out.

But it's what happens in between, the personal attention that each box receives at our modest lay-over retreat, that makes our warehouse a *warehome*. For example, each box is greeted at the door by Receiving. This is especially important as most of our guests are young machines, just off the factory line. One staff member checks on the well-being of each box, makes sure its numbers are still intact, and signs the guest register on its behalf. He or she then introduces the box to another staffer who gives it a lift to the area set aside for machines of its family. For the next week to ten days, it will have a chance to lounge around in beautiful California, visit with cousins, and prepare for its upcoming world trip.

Meanwhile, word of the traveler has spread to an order coordinator familiar with the country next on its itinerary. He or she makes the travel reservations, and handles all the legal documentation necessary for international travel. When everything is ready, the travel arrangement package is sent to Shipping, and soon the box is stacked with others who will be making the same trip. Having this chance to socialize and meet others be-



O.P. and warehouse staffers bid bon voyage to a \$2.5 million order on its way to India.

fore traveling is of the utmost importance — and usually a day is set aside just for this. Then the truck comes, and takes our friend away!

Another section of the warehome, the Repair Desk, is devoted to rehabilitation for those machines who have been dealt a cruel blow, either in transit or in the line of duty. These straggle in from the region, one at a time. The bruised and broken boxes are grouped together for mutual support and uplifting. Repair personnel give them tender loving care, noting their symptoms on an accompanying report, before sending them to their home division for treatment.

Splits and consols are also a reality of life in the warehome. Young machines are sometimes divided from their friends at the whim of a customer: perhaps he or she ordered 1,500 components, then

decided they only needed 500. The box is split: 500 are sent on and 1,000 are sent back to the manufacturing division — a sad parting indeed. A consol is a much happier event: equipment from many parts of the country meet and travel together in the same compartment. (They get group rates, of course.)

It's a happy day for the warehome folks when a large shipment is ready to start its journey. Recently, a \$2.5 million dollar order stopped over for a few weeks before visiting India. When it came time to bid farewell, workers from O/P as well as the warehome staff members gathered for a bon voyage party. Not a tear was shed. Must be that Headquarters people know that their newly found friends will find things just as warm and friendly at the other end of their journey.

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Window on Intercon



This noodle stand in Taiwan offered friendly conversation as well as delicious food!

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 "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.



News Briefs



Distinguished vendor

Excellent support and concern for customers has earned HP Taiwan a prestigious "Distinguished Vendor" award from its largest customer, Chung Shan Institute of Science and Technology (CSIST).

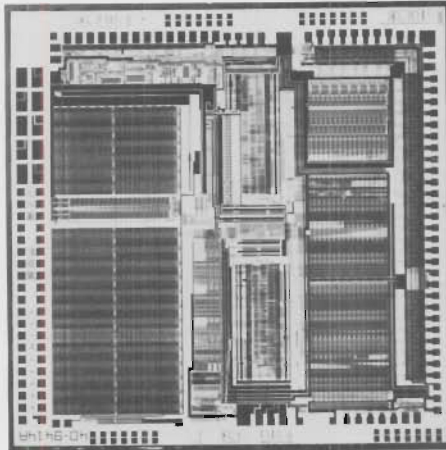
The HP-CSIST relationship began when CSIST asked HP Taiwan to help with a project designing radio transceivers for the Taiwan Police Department. The design group faced several problems in circuit and mechanical structure and requested that HP Taiwan help find capable engineers. HP responded by inviting two key HP engineers from the U.S. to offer their expertise.

CSIST finished the prototype and began production of 10,000 sets. To assure product quality, they purchased the HP 8950B automatic transceiver test system. Thanks to HP Taiwan and Stanford Park Division's effective training and after-sales support, the system was installed and in use within three months after the order was placed. CSIST attributed successful completion of their project to the help from HP Taiwan, and honored the subsidiary in a special award ceremony recently.



Wen Ko, HP Taiwan general manager, receives the "Distinguished Vendors" Award from Pao-sun Lu, director of CSIST.

SMILE! Singapore does not leave courtesy to chance. A recent national courtesy campaign reminded the populace of the importance of that attribute.



"Super Chip" — a work of art

Super chip celebrity

A tiny new HP computer chip said to be the most powerful in the world has drawn widespread media attention around the world.

The chip is only one-quarter inch on a side, but has 450,000 transistors built into it — more than twice as many transistors than any other chip developed so far. It provides as much computing power as large computers built just a few years ago.

Announcement of HP's new chip came at the International Solid-State Circuits Conference in New York in February. And the media calls and inquiries haven't stopped since!

Australian donation

HP Australasia has donated \$35,000 in goods and services to the Royal Melbourne Institute of Technology to assist the Institute in extending its HP 3000 administrative computer facility. The Institute is the largest post secondary college in Australia. It has 24,880 students and more than 4,000 staff. It is the largest education user of HP computers in Australia with two HP 300s, one HP 2000 and seven HP 1000 or 21MX systems. In addition to the donated upgrade, the Institute purchased additional memory, disc capacity and a terminal controller to handle increased workloads as the college moves its administrative data processing onto the HP system.

HP on the tube

HP calculators are now being featured in T.V. commercials in Melbourne, Australia. In a cooperative venture with Norman Brothers, a large chain of stationers, HP has been sharing a 30-second commercial with MAMCO office furniture. The main HP "prop" used in the commercial is a four-foot high HP 33E calculator replica flown in from the U.S. The calculator actually works — so well, in fact, that one of the HP sales managers tried to fit it into the car to take home to show to his kids!



Kudos to...

Yoshinori Ebina, Medical/Analytical field engineer from YHP's Tokyo office received the "All Around Player F.E. Award," and **Yoshinori Nishibe**, YHP customer engineer from Osaka, was named "C.E. of the Year." Mike Muller, regional Medical/Analytical sales manager, did the honors on a visit to Japan.

Wolfgang Hauck, of HP South Africa, is South Africa/Latin American C.E. of the year, and **Jose Luis Aguirre**, of HP Mexico, is Analytical C.E. of the year.

C.S. Lin, of HP Taiwan, was named Far East Medical C.E. of the year, and **Roger Koh**, of HP Singapore, was Far East Analytical C.E. of the year.

Brazil was recognized as Medical service office of the year, and Singapore took top honors for best Analytical service office.

And the orders keep rolling along...

HP Brazil has supplied the new Air Force Hospital in Rio de Janeiro with two computerized medical systems —

one for the catheterization lab and the other, an arrhythmia monitoring system, for the intensive care unit. The \$700,000 sale included fetal monitors, ECG systems, stress test system, monitors for surgical and recovery rooms, and several defibrillator carts.

The Brazilian subsidiary also installed an HP 5600M catheterization data analysis system in the Cardiology Department of the Hospital das Clinicas of Ribeireo Preto, part of the State University of Sao Paulo Medical School.

The Singapore Ministry of Defense has recently purchased 24 units of the 3808A Distance Measuring Instrument (DMI) (a \$250,000 order) for military

applications. Competition for this sale was stiff between European and U.S. manufacturers. The perseverance of field engineer Jimmy Tan and a clearly superior product got HP the order. All units being considered went through testing, one test being to measure a five mile distance any time of day or night. For one reason or another none of the competitive units could measure that distance early in the morning. This left the Ministry of Defense with two choices: either they would need to convince any attackers to postpone until midmorning, or they would need to buy an HP laser-powered DMI. They decided to opt for the latter.

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INTERNATIONAL LIAISON. It's a tale to warm the hearts of even hardened cynics. Dale Virgil, HP Mexico S.E. district manager, transferred to the HP Mexico office from the U.S. There he met and fell in love with Azucena Valdovinos, Marcom specialist. They were married recently and, from all indications, will live happily ever after.



HP-85 SHIPMENT. HP Brazil's Campinas factory recently shipped 59 units of the HP-85 to South Africa, Venezuela, Argentina and Mexico. It was a real team effort, says Nelson Procopio, Import/Export supervisor.



WHOOPING IT UP. These three charmers helped entertain at a recent HP Brazil sales office party. Left to right are Hermes Paulino, O.P. invoicing clerk; Luiz Antonio Garcia, shipping forwarding clerk; Edison Vaccaro, warehouse supervisor.

Mr. Lucky

Tony Johnson, formerly of HP Canada and now general manager of HP Singapore (sales), may be just the luckiest guy around. His phenomenal run of luck began before he left Canada when he won a quilt in an office drawing (200 people bought tickets). Then, in five separate draws in another office lottery, he won the prize all five times (again, 200 people bought tickets, and Tony had purchased 20). The final capper came when he won \$100,000 (tax free!) in the Canadian Provincial Lottery. Now everybody is standing by to see what he can do in this year's Singapore Sweepstakes!

PLAYING GAMES. The YHP sales office offers its employees several tatami rooms for relaxing during breaks or lunch. Here employees play Shogi, an ancient Japanese board game vaguely similar to chess.



THE BEAR FACTS. An unidentified "grizzly" appeared in HP Canada's Toronto office to help publicize introduction of the new HP 3000 Series 44 computer (code-named "Grizzly" while it was being developed). Sheriff Alaily, Canadian regional sales manager for computers, approached him for a modest bear hug.



GLOBAL SEMINAR. This Indian audience was one of several around the world who turned out to attend the recent Intercontinental Computers in Industry Seminar. A total of 3512 customers in Hong Kong, Singapore, Malaysia, Taiwan, Australia, South Africa, Mexico, New Zealand, and India heard the half-day presentation made by experts from the divisions.

Newsmakers

Don Thomson, formerly major accounts district manager for HP's Neely sales office in Bellevue, Washington, has taken up his post as Far East area sales manager for computer products. Don joined HP in 1970 as a field engineer for the old 05 "data products" line in Canada's Vancouver office. He has been a field engineer in Ottawa, a commercial sales representative in Neely-Bellevue, district sales manager for the Spokane, Washington sales office, and major accounts district manager for Bellevue. A Canadian citizen, Don holds an electrical engineering degree from Queens University in Kingston, Ontario.

John Martinez has accepted the position of Instruments district manager in HP Mexico. John has 11 years of experience with HP, in both the Colorado Springs Division and at Neely Albuquerque.

HP Mexico's Personal Computing Products has a new field manager, **Ruben Berron**. He has been with HP for two and a half years, working as a field engineer for Computer Group. He is a graduate of Universidad Iberoamericana, Mexico City, in electronic engineering.

After spending a year and one half at Intercontinental Headquarters, **Juan Echavarria** is now in Mexico running their Installed Base Seminar Program. The new program offers one seminar per month for current customers to inform them about new products and new HP strategies. Juan, a native of Colombia, is a graduate of Boston University with a degree in electrical engineering.

Marius Furst has been named discipline sales manager of the Computer Group in South Africa. Marius started at HP five years ago selling Advanced Product Division products before moving to Instruments for two years. Then he moved to Cape Town as office responsible field engineer while selling computers, and later assumed responsibility for Medical and Analytical as sales manager.

Replacing Marius is **Bob Cattell** from HP Australia. He has been working in the Melbourne office as a field engineer in Analytical.

Kevin Peng has joined HP Taiwan as personnel manager. He previously worked with DuPont, where he was personnel and industrial relations manager in Taiwan. Kevin is a graduate of Taipei Institute of Technology majoring in chemical engineering.

Don Maston has been promoted to Instrument customer support manager for ICON and YHP. He is responsible for the bench, on site and systems engineering operations for both regions. Don has worked at Neely Santa Clara as district manager for the last two years, prior to that he has served as staff engineer and field engineer for three years. He first joined HP at the SPD as regional sales engineer for Neely Sales Region.

YHP has loaned us **Nobuo Oigawa**, who is working with the Headquarters' International Physical Distribution Group as a traffic specialist. He will be with us for two years. His purpose here is two-fold: first, to help us understand YHP and provide important coordination between YHP and Headquarters on key operating problems, and secondly, to develop his inventory and management skills, to further strengthen YHP in those vital areas. Nobuo has a B.S. in economics from Sophia University in Japan.

Joseph Ng has become admin manager for People's Republic of China. As part of the PRC marketing team, he has been responsible for all PRC admin and financial support since August 1980. Before coming to Intercontinental, Joseph was general accounting supervisor at the Santa Clara Division. A certified public accountant, he received his B.A. in accounting from Baruch College and a Masters from Stanford University. He is currently a Ph.D. candidate in economic history at Stanford.

ICON's new service support manager is **Jon Cretarolo**. He has had 12 years

experience at various HP divisions, including Mountain View, Corporate Finance, Scientific Instrument where he was accounting controller, Stanford Park where he helped coordinate the Spokane move, and most recently at Neely - Santa Clara where he was the sales support manager. Jon has an M.B.A. from U.C. Berkeley.

Carl Pennebaker is the newest member of the ICON Service Systems Group. Carl has worked at HP's Computer Support Division, and is a graduate of Miami University, Oxford, Ohio. He will be working on the conversion of the 470 Contract Management System to HP 3000 and will be responsible for its installation.

The sales support engineers in the Headquarters Instrument Group have a new manager, **Daphne Dorney**. Daphne has been with HP's international organization and with the Instrument Group for 13 years. She is a graduate of Edinburgh University, Scotland.

Steve Brown has taken the position of manager of the Intercontinental Treasury Management Group. Steve comes to our division from HPSA Geneva, where he worked in the European Treasury Group as the systems and planning manager. Prior to this assignment, he worked as domestic cash manager and as a financial analyst in the corporate treasury.

Singapore Manufacturing has a new compensation and benefits manager, **Kan Seng Wong**. K.S. is also new to HP, coming to us from the Ministry of Defense, where he worked as director of manpower and, most recently, deputy secretary. He is a graduate of the University of Singapore, with an M.S. degree from the University of London.

Gina Lahud has been named finance manager at HP Mexico. A Purdue University graduate with a M.S. in finance, Gina has been working at Intercontinental headquarters for the past year as senior accountant. She is a native of El Salvador.

Dale Virgil has been promoted to district S.E. manager for HP 3000 in HP Mexico. He was formerly senior systems engineer for the 3000. Dale joined HP three years ago in the General Systems Division Online Support Group. He also spent time at Intercontinental headquarters as a staff support engineer in the Computer group before transferring to Mexico. He holds a B.S. in computer science from California State University at Chico.



Don Thomson



Ruben Berron



Gina Lahud



Juan Echavarria

Facing problems—and solving them

By Alan Bickell
Managing Director
Intercontinental

This issue of *Intercom* spotlights HP Mexico. It is an exciting story, one of dramatic economic growth in a country long plagued with inadequate investment and high unemployment. The current petroleum-based economic turnaround in Mexico has encouraged substantial amounts of domestic and international investment in that country.

Mexico's upsurge in economic growth has yielded enormous opportunities for Hewlett-Packard to contribute through sales of its products for measurement and computation. Our ability to capitalize on this opportunity today is a tribute to the managers who had the foresight to establish an HP presence in Mexico in 1966, and to all of the HP employees who, over the years, have contributed to the subsidiary's growth and achievement record.

Reading the article, you might get the impression that our history in Mexico has been one of success upon success. While I think we all can be justifiably proud of our subsidiary's current performance, it is important to recognize that over the years there have also been problems. One which I would particularly like to focus on relates to our ability to retain and develop key employees at all levels of the organization to ensure we have the necessary maturity and strength of organization to provide for our future growth. We have had a number of general managers, and have also experienced high turnover in sales and administrative activities.

As we look at the management team in Mexico today we see that several key positions are held by expatriates. This is a further reflection on the difficulty we have had in developing, within the country, the necessary management to meet today's responsibilities. We remain dedicated to operating our international facilities with local nationals. I personally believe this is an extremely important part of the HP Way. We are working hard to develop the necessary organizational stability in Mexico to ensure that we can replace the expatriates that are assigned there with Mexican nationals.

In any organization we can expect some employee turnover. Preferences for other geographical locations, changes in family status, and opportunities for career growth outside of HP represent legitimate reasons for turnover. It is clear that no company can provide opportunities for every single individual. Turnover on a worldwide basis runs between five and ten percent per year, depending upon the location and employment category.

In Mexico, however, we have historically had periods where we ran significantly in excess of these numbers. Our careful analysis of this problem indicated that no single factor was the sole source of the difficulty. It really boiled down to a whole series of things. These included compensation programs which were not competitive in a high inflation environment, inadequate attention to new employee orientation and developmental training, and a situation where the HP Way was not being practiced as rigorously as it should have been. Finally, in some cases, individuals had been selected for employment who really didn't measure up to HP standards, and weren't capable of growing with us.

Our success story in Mexico could have had quite a different outcome if we had allowed these problems and resulting high employee turnover to go unchecked. Fortunately, the shortcomings were recognized and corrected, and today we have an extremely strong management team in Mexico, and a very competent overall organization. They have capitalized on the substantial acceleration in market growth which started in 1979, and have doubled their company's sales.

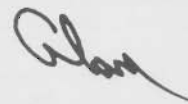
The opportunities which we see in Mexico are repeated over and over again throughout Intercontinental, and we must make sure we are in a position to take advantage of them. In each country where we operate, we must concentrate on hiring the best people with the intention of providing them a long term career with Hewlett-Packard. We all share the responsibility of ensuring that the aspirations of these individuals are recognized and that we continue to pay close attention to our corporate objective to develop

our people, both as individuals and as members of a team, in a manner which ensures the highest possible return on their investment of time in terms of job satisfaction and professional accomplishment.

To make certain that we measure up to this objective throughout Intercontinental, we have stressed the following points:

- Select the most capable and suitable candidates for each job.
- Encourage teamwork and open communication as the key to achieving organizational synergy.
- Make personal performance goals clear and provide timely and accurate performance evaluations.
- Coach people on a day-to-day basis with continuous evaluation and feedback.
- Offer a minimum of one organized and pertinent professional training experience per person each year.
- Emphasize organization depth as a key to guaranteeing backups for positions and for developing the people needed to meet HP's growth requirements.
- Provide advancement opportunities for everyone, regardless of race, color, creed, sex, age or national origin.

Our experience in Mexico was an important lesson for me personally, and I believe it has relevance throughout Intercontinental. The goals delineated above are vital ones, and when they are not being met, swift and decisive action must be taken. Other Intercontinental countries — like Mexico — have tremendous opportunities ahead of them, and we should make certain we are prepared to meet them.



Literature—Its use, limitations and costs

By Sy Corenson

We are indeed fortunate to work for a company that provides us with an almost infinite variety of professionally prepared publications so that we can do our work more effectively. A listing of the publication categories alone would fill the pages of this entire issue of *Intercom*. Needless to say, the cost to produce, print and distribute this literature is a major expense for HP each year, certainly running into the millions. In fact, most of us would go broke just paying for the cost of the ink.

While we do not recommend, in light of our concerns for expense, that we immediately reduce or severely restrict the proper use of literature for its intended purpose, we do feel that many of us, rather unconsciously, contribute to this vast and growing cost. Here are a few suggestions relating to literature that can help HP remain a financially healthy company.

1. Be realistic about the literature requested via Mails III. Ask yourself, do I really read everything sent to me? Also, has your job changed such that some literature previously requested still makes sense? If not, take the time to have your name removed from the list.

2. Share literature with your co-workers whenever possible instead of requesting multiple copies in any one department.

3. Each person and even each department does not necessarily need stock quantities. In fact, many publications become obsolete in a relatively short period of time. When stock quantities are stored in multiple locations, many copies generally end up in the waste basket when revisions are issued.

4. Literature distribution lists to customers from headquarters and field offices should be "pruned and cleaned" often to eliminate unqualified or no longer interested recipients. In this case, not only is the literature wasted but, with the ever increasing costs of stamps and bulk shipments, distribution costs frequently exceed publication costs.

5. Technical and corporate literature should not be handed out in quantity at trade shows and exhibits. Instead, visitors to our booths should be requested to fill out "bingo cards" so that follow-up sales calls can be made, with appropriate literature if necessary. Also, this procedure can contribute substan-

tially to the growth of customer listings.

6. Of particular concern is the wholesale and frequently indiscriminate use of annual reports. This beautifully produced and prestigious document exemplifies everything that's good about HP, and the inclination is to pass out copies to everyone in sight.

There's no question that annual reports are valuable tools, especially in sales, recruitment and public relations situations. The thing to remember is that each time an annual report is given out, it's the same as giving someone \$2.00 (cost of publication plus shipment). The point we are making is, let's be prudent and selective just as we would be in making a \$2.00 purchase.

A good guideline, when ordering one or more copies of a publication, is to act as if you or your department had to pay for its cost and shipment because, in the final analysis, that's what happens in an indirect sense.

The medium is the message

As a certain HP traveler put it, it was the strangest message he'd ever received. Returning to his room at the new Hyatt Century Hotel in Tokyo, he found the message light flashing on his phone and promptly called down to inquire. After giving his name and room number, a young lady's voice in uncertain English told him, "Your message will be in 20 minutes, O.K.?"

"What do you mean, 'my message will be in 20 minutes'?"

"Isn't 20 minutes O.K.?"

"Who is the message from?"

(No comprehension)

"What is the message again?"

"Your message will be in 20 minutes."

"That's the message?"

"In 20 minutes."

(Giving up) "Thank you."

Thinking that a clearer response could be obtained in person, the traveler headed down to the front desk. Meanwhile, his wife, who'd accompanied him on the trip, returned to the room from an outing. The phone rang.

"Sir," said a more confident male voice, "the masseuse you requested will come up to your room in about 20 minutes."

Needless to say, the situation henceforth became even more complicated.

Eventually, though, the pieces fell together when this unnamed HP director discovered he'd inadvertently dialed in the first place, not "message," but "massage."

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