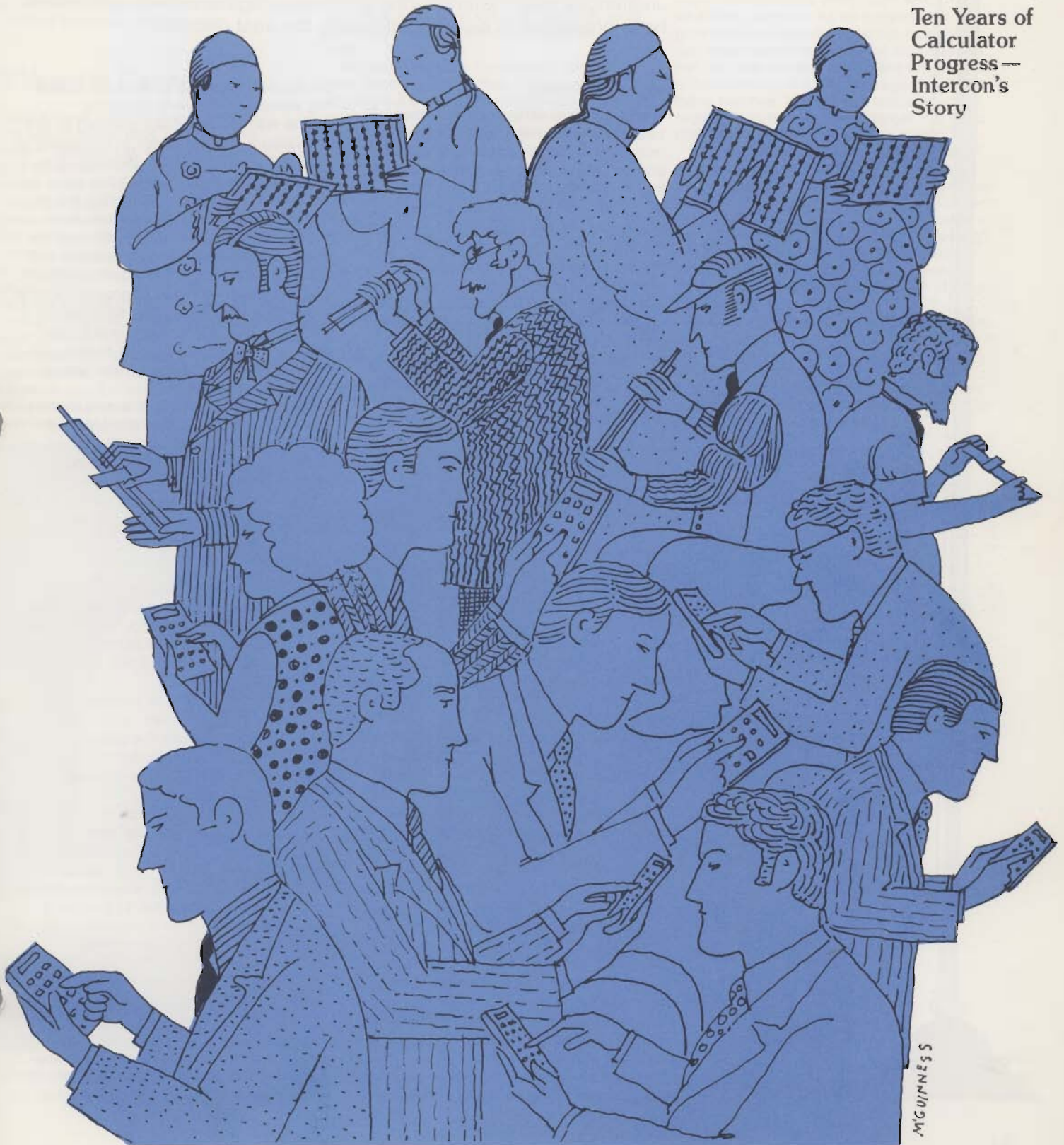

intercom

HP Intercontinental News

Jan-Mar 1982

Ten Years of
Calculator
Progress—
Intercon's
Story



HP Computer Museum
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Ten Years of Calculator Progress — Intercon's Story

1982 will see numerous commemorations of the 10th anniversary of HP's entry into the pocket calculator business around the world. At Intercontinental, the first orders for the HP-35 were taken in the spring of 1972, the first deliveries made that summer, and manufacturing operations began — in Singapore — that October.

Our story, then, takes a look back in time at some of the special challenges that manufacturing and marketing hand-held calculators have presented in our Region during the past decade.

In the Beginning

Intercon was little more than two years old when HP sent out a news release to a large assortment of trade and general news publications introducing the HP-35. It was our way of "running up the flag" and telling the world that we were entering into and intending to become a major force in the pocket calculator business, as it was then called.

Although the HP-35 calculator was under development much earlier, and it obviously received corporate support from the beginning, a presentation to the HP Board of Directors on 17 September 1971 signified, in effect, the final decision to enter the pocket calculator business. Shortly after that, by the end of 1971, a thorough U.S. marketing plan was devised and we were on our way.

Almost in parallel with the Corporate evolution of pocket calculator events, Ed White, Intercon marketing communications manager, was building a Regional marketing plan. Officially, the Intercon program kickoff occurred simultaneously with a Corporate press conference in San Francisco announcing our new "electronic slide rule." The Region's version of the press release went out in several languages to the media in all of our subsidiary and most of our distributor countries. In fact, this new product family was one of our best kept secrets and the initial announcements came as a surprise to many — HP and non-HP alike, in the Intercontinental field.

HP's original approach had been rather conservative; we would place the HP-35 in the important but somewhat limited market segment of engineers and scientists. Soon afterwards, with the introduction of the HP-80, we would move into the business sector. But the general public, students and teachers in particular, became rapidly impressed with HP's pocket calculators. Many of these users were already familiar with our reputation for quality in other product areas. Thus our customer range expanded rapidly, providing HP with one of its most difficult, but not necessarily unpleasant challenges, that is, increasing

production capacity to meet accelerating sales and delivery demands.

The way we originally planned to sell was also a limiting factor in our ability to forecast a large market. Buiding up a special sales force would have been extremely expensive, considering the rising cost of each HP sales person, so one of HP's original ideas was to allow field engineers or sales persons to sell pocket calculators as a sideline to their own product line. That approach, both in the U.S. and abroad, was soon abandoned as being inefficient and ineffective, and we moved to high-volume distribution channels through the use of independent dealers.

Initially, the company's best estimate, worldwide, was sales in the order of 2000 units per month, so HP geared up to produce that many from one plant — Advanced Products Division (APD) in Cupertino. But the demand turned out to be nearly 10 times that estimate!

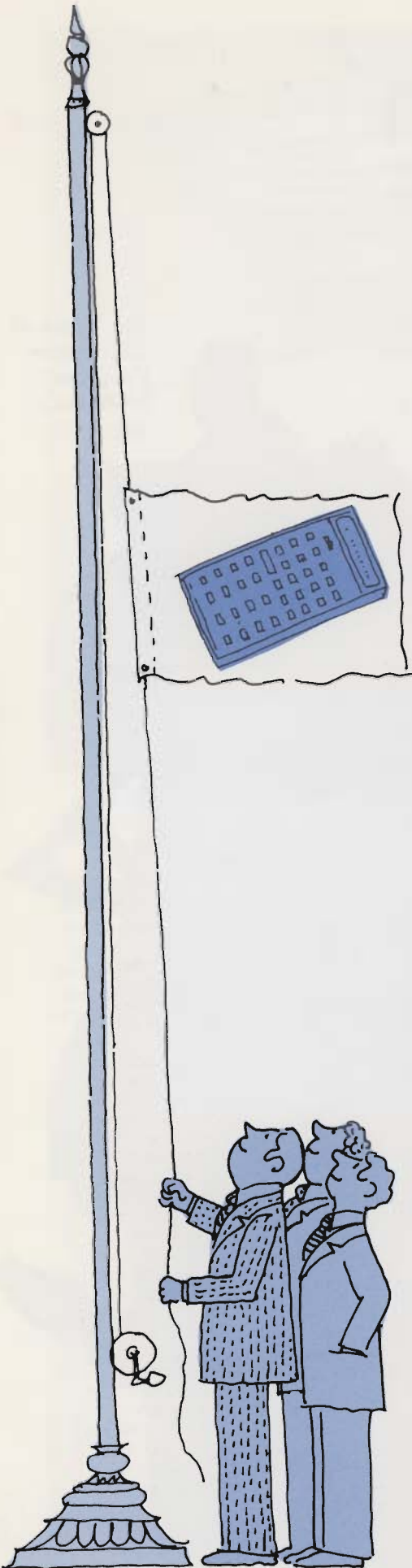
Riches to Rags to Riches

Dick Warmington, now services marketing manager at HP's Computer Support Division in Cupertino, took up the challenge for calculator sales in Intercon in 1973, and was to lead that effort for the next six years.

As Dick tells it, it was somewhat of a "riches to rags to riches" story, with 1973-75 representing the growth years, 1976-78 representing a dip in orders, and from 1979 onward, an upsurge in sales once again.

With calculators, HP had in effect moved into the "consumer" marketplace. "Before, when a customer, say in Venezuela, wanted HP instruments," Dick recalls, "the order would be placed through Intercontinental. But when a customer came in for a calculator, the stock had to be there, or else we wouldn't make a sale."

In order to coordinate sales, production, and distribution, a major program to establish an Intercon dealers network was launched in 1974-76, pioneering a program which has become the standard method of distributing our calculator products worldwide. The chal-





lenge was to forecast orders accurately enough six to twelve months ahead, so that the factories could build around this, and the stock could then be shipped out to the countries, in a timely fashion, without building up high inventories. Pocket calculators became the first HP products for which worldwide stocking points were established.

Intercon's internal order processing, service and repairs systems also had to adapt, when we began selling out-of-stock. Roberta Wilson, now order statistics supervisor, would in those days take the incoming information from the countries and manually enter it. Dick Warmington remembers that her work was "invaluable — in helping us keep track of orders accurately."

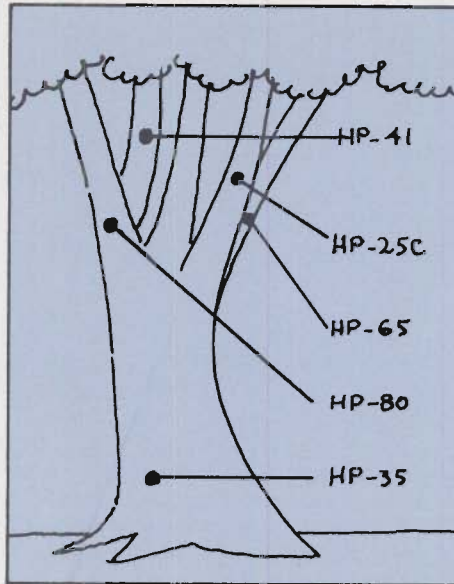
Due to geographic considerations and the different import regulations of the Intercon countries, we had to provide local component-level repairs. HP Venezuela — in addition to having the first and one of the most successful dealer programs — also had a walk-in, while-you-wait service program out of its downtown office. Solid distribution and service were important factors in maintaining calculator sales in Venezuela during 1976-78, when sales dipped elsewhere. In fact, approximately 40-50% of all HP sales in Venezuela during those years came from pocket calculators.

Yet another challenge involved the redesign of calculator rechargers — since calculators were considered by most countries as consumer products, they were subject to different safety regulations from those for our instruments. Australia, for example, prohibited importation of calculators until a recharger meeting their requirements was produced — a year or so after the product introduction. "We ended up making five different rechargers for different country requirements," says Ed White.

Linking Manufacturing and Sales

Not only did the calculator business strengthen some of our country operations, it also strengthened the link between manufacturing and sales. HP Singapore (see box) had started to produce the HP-35 in October 1972. Calculators then became the first HP products to be distributed in Singapore through direct sales, rather than through a distributor, as had been the case previously.

In Brazil, establishing manufacturing facilities for calculators in Campinas in 1975 provided HP with an entry into



Since the introduction of the HP-35, HP has developed and marketed nearly 30 different calculator models. Each of the "innovative" models identified above spawned several subsequent products, each taking advantage of that particular innovation.

LAFTA (Latin America Free Trade Association) markets, where previous importation of HP products had largely been restricted, in order to protect local manufacturers.

In fact, Jose Eduardo de Faria, now Latin America area sales manager and, at that time, product manager for calculators, recalls that, "Shortly after we started manufacturing in Brazil, all calculator imports were banned by the government, so Campinas was very timely. It not only enabled us to continue to sell in Brazil, it has also provided us with some definite trade advantages, thereby allowing us to sell more competitively in other Latin American countries."

In the sales-manufacturing linkage, there is a marketing group, residing in Campinas, of product managers, product marketing engineers, and marcom individuals. They are responsible for the training of field sales people on new products and software, advertising and

Singapore

Since October 1972, HP Singapore's Calculator Operation has manufactured 2.4 million calculators and peripherals, including 28 calculator models and a card reader and two printers.

Nan Quek, editor of HP Singapore's employee publication *Interface*, spoke with four of the "original cast" about some of the changes they have witnessed. Here are some excerpts:

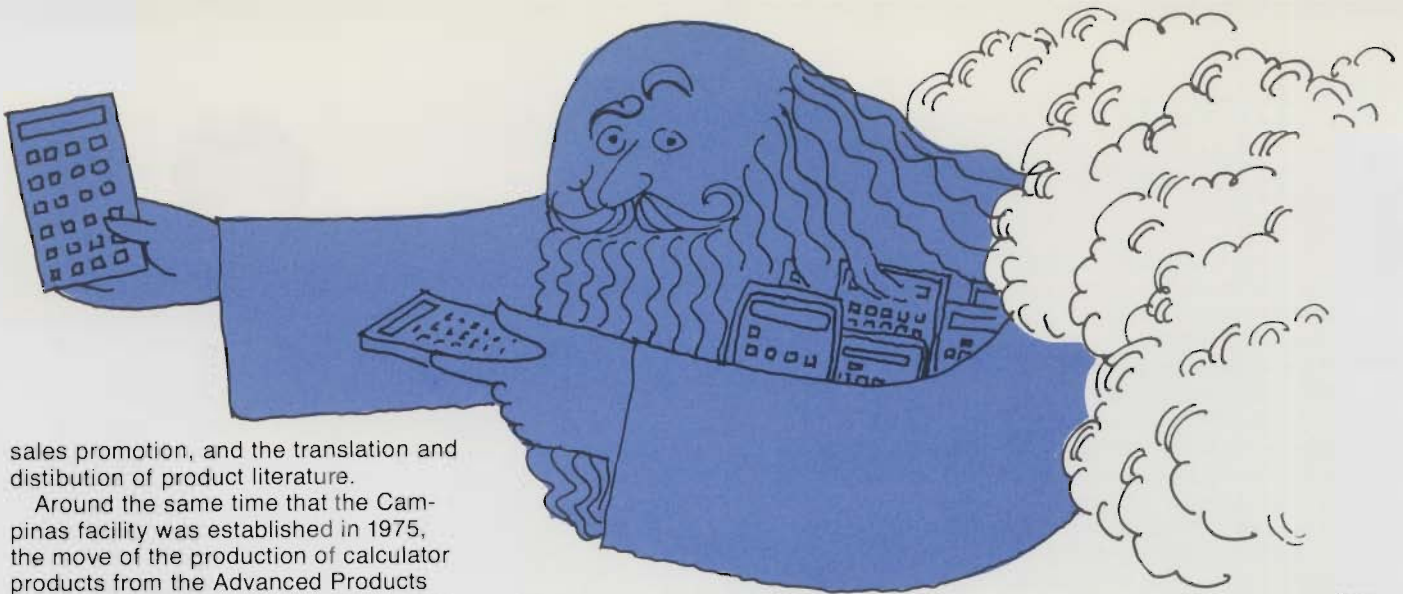
G.C. Lim, then supervisor for rechargers and now production manager: "Those were the days of adventure — power failures, frequent breakdowns of the (one) elevator, and a fire practically every week. People working in the garment factories on the floor below us (we leased two floors then in a flatted factory) would throw bits of material down the garbage chute. When others threw in cigarette butts, we'd have smoke coming out of the chute on our floor. . . . After a while, everytime the fire alarm went off, we simply got the hose and sprayed water down the chute!"

Floris Goh, then production operator and now a supervisor: "We had to learn to do everything then because there was only a handful of us, so there was a lot of cross training. . . . Now there is also more automation. We used to pass parts from one operation to another by hand, but

now we can use the roller system to transport parts, and we'll soon be going to a full conveyor system."

Dhana Letchmi, a materials handler for calculator transformers: "We are now even more quality conscious than before. The introduction of Quality Circles has helped us to keep quality high."

Calculator Operation Manager Soin Singh, with an overall view: "We only had about 20 direct labor then but now we have about 350. Indirect labor also increased from 10 to about 200 now. . . . Our products are more sophisticated. Despite worldwide inflation, we've been able to improve quality yet reduce the price. I think that's the advantage of today's technology. . . . We never had our own Components Operation before, and had to rely on outside supply, but now we have one. We're doing more of our own ICs (Integrated Circuits), product packaging, and plastic molding. About 70-80% of our plastic needs are now filled in Singapore. We also have our own tool shop here — in the past, we had to rely on our U.S. division. . . . Our move towards vertical integration over the past 10 years has been a move in the right direction — it's raised the skills of our people and the quality and sophistication of our products."



sales promotion, and the translation and distribution of product literature.

Around the same time that the Campinas facility was established in 1975, the move of the production of calculator products from the Advanced Products Division in Cupertino, California to Corvallis, Oregon was begun. This move presented many challenges, with the transfer of large numbers of people from the Bay Area as well as the need to find and train new technical people in Corvallis. The responsibility for setting up the Corvallis personnel function fell to Gerry Tillman, who has now brought her talents to Intercon and serves as Headquarters personnel manager.

May the Force be with You

Prior to November 1979, calculator sales throughout the Region had been combined at the management level with what was then SF06, or the desktop computer sales force. With the merger of SF06 and SF02 (computer sales force) in November 1979, the time was right to establish management for Sales Force 12 at Intercon Headquarters and throughout the Region.

"The past two years have been very exciting for SF12 throughout the Region," says Steve MacDonald, Regional marketing manager. "We've had rapid growth and change in virtually every country and here at Headquarters."

During this time, individual countries have developed independent SF12 teams consisting of country sales managers, field sales representatives, systems engineers, service managers and service engineers, thus providing opportunities for a number of HP people. Coupled with this growth in people was a significant growth in orders and over FY80 and 81, SF12 orders increased by 115%.

Rapid growth of this magnitude could only be possible with the right products. In late 1979, HP had introduced the HP-41C, a powerful hand-held calculator with a number of plug-in options. It was an immediate success, so much so that we had to stop taking orders in our major countries for as long as four months to clear up the backlog — a case of history repeating itself. The 41C continues to be a strong product throughout the Region today.

With the introduction of the HP-85 in November 1979, we entered the fast growing and competitive personal computer market. This was a challenge for our field people, as in many cases — once again — a completely new dealer

network had to be established. New dealers had to be developed who had the marketing and technical expertise which would allow them to successfully sell and support HP's personal computer products. Today, Series 80 products and related peripherals represent approximately 40% of SF12's business throughout the Region.

In 1981, HP officially established the Personal Computation Group, with the traditional HP group structure. At the same time, Corvallis split into three separate divisions. The Calculator Division has the overall R & D, manufacturing, and marketing responsibilities for calculators, while the Personal Computer Division has similar responsibilities for Series 80 personal computers. The third division, Components, is responsible for designing and manufacturing integrated circuits used in HP products and is one of our largest and best equipped integrated-circuit facilities.

Steve MacDonald is confident of a bright future for SF12 products throughout the Region. He points out that, "A number of countries have government-backed programs to stimulate the use of computers within industry, government, and education. At the same time, the economies of Singapore, Hong Kong, Australia, South Africa, and Mexico have been strong, and it is expected that they will remain so. Of course, in a complex region like ours, there will always be some uncertainty, somewhere, due to changing government policies, economic fluctuations, and potential political unrest.

"Overall, we feel we have an excellent product offering, a positive economic picture, and the foundation for continuing to build a strong SF12 team to take advantage of future opportunities."

Significant Intercon Calculator Accomplishments

- Development of the 1st effective international distribution system with 20 stocking points.
 - Establishment of 1st independent dealership in HP (in Venezuela).
 - First and 2nd offshore manufacturing facilities.
 - Organization of component level repair capability, in each country.
 - Initiation of requirements for 5 different rechargers to satisfy import and safety regulations in a variety of countries.
-

Switching to Distributors — An Approach to Medical Sales



HP Mexico and HP Venezuela have joined Hong Kong, New Zealand and Argentina in choosing to sell their medical products through an independent distributor. And medical sales are expected to increase dramatically.

Why should independent distributors be better able to sell medical products than Intercontinental's own sales people? Why have outside representatives been more successful selling to medical customers in these countries?

One answer is that distributors often have more sales people devoted to selling medical equipment than the HP subsidiary could support. For example, Colimodo S.A., our new representative in Caracas, Venezuela, is an established, family-owned business with over 40 years of experience in the medical field. Our products compliment their products very well, and their 10 sales people will significantly increase HP's ability to cover the marketplace.

But increasing the number of sales people is not the only reason for the switch to distributors. The nature of medical customers has a great deal to do with it as well, according to Mike Muller, manager of the Medical products marketing group at Intercontinental Headquarters. Mike said the large-scale, non-profit nature of hospitals, coupled with the explosion of technology in health care, allows them to be more easily served by specialized sales organizations.

"In some Intercontinental countries, hospitals buy equipment in package deals," Mike explained. "If they want to outfit an intensive care unit, an emergency room, or a traveling cardio-pulmonary evaluation van, they usually want to buy what they need all at one time.

"Distributors can collect everything required — respirators, surgical lights and non-electronic equipment, as well as particular HP medical products — and put together a complete package for the

customer, train their technical staff and provide maintenance for all elements of the system."

In other words, because HP's medical products — cardiac monitors, ultrasound imaging systems, neonatal monitors, portable defibrillators — are frequently integrated with many non-HP products to form a complete system, it is not easy for hospital administrators to buy piece by piece. They rely on equipment distributors to understand, configure and service systems for them.

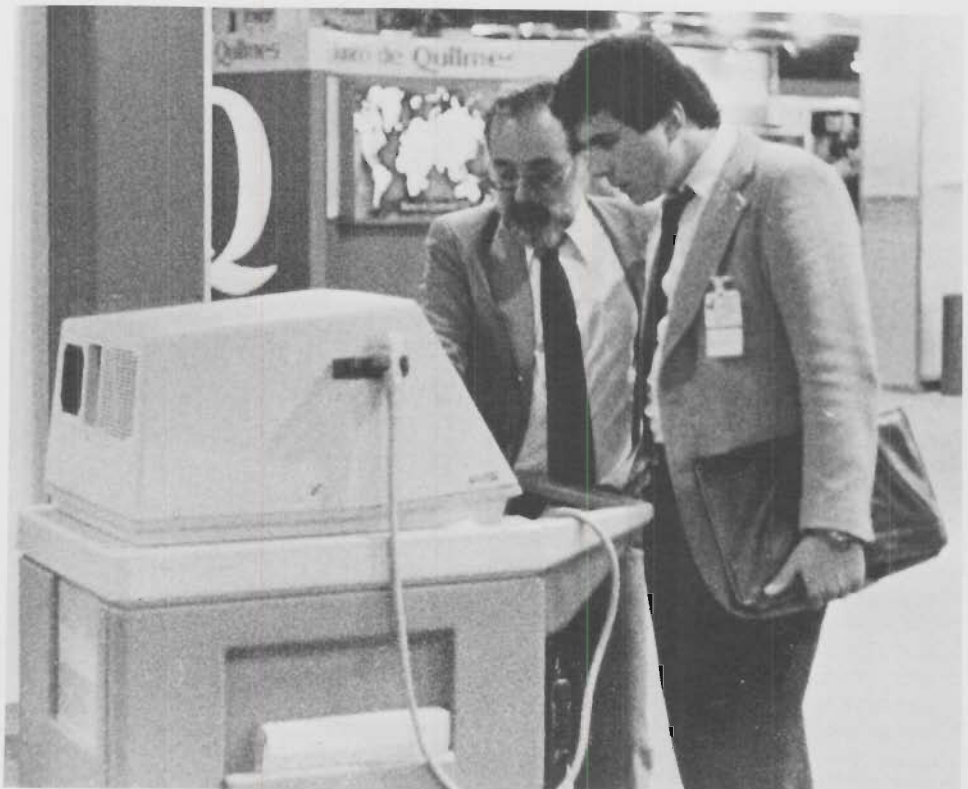
ECISA (Equipamento Comercial International S.A.), our new representative in Mexico City, was founded by a former HP employee, Tom Mansfield. Tom was the Medical field engineer for Mexico, so he is well-acquainted with our products. The flexibility that he now has outside the HP structure will help him do business in the Mexican environment, as he can now add non-HP products and provide more flexible terms both in pricing and payment.

Such flexible financing is the third advantage independent representatives can offer our customers. Fiscal man-

agement policies in hospitals often demand flexible payment terms that HP may not be in a position to provide. For example, Biotron, HP's distributor for medical products in Buenos Aires for the past four years, has recently sold more than \$800,000 worth of HP equipment to the Hospital Naval there, under a long-term financing plan. The arrangement was much more flexible than HP's standard 30-day terms.

Customers have been satisfied with the services provided by our medical distributors. Capitan Francisco Juarez, the chief medical officer for the Hospital Naval commented, "The traditional quality associated with HP's medical systems, coupled with the high level of service from Biotron and the unique financial package they were able to offer, were compelling reasons for us to select HP monitors exclusively for use at the new Hospital Naval."

The added flexibility and financing a distributor offers keeps our customers happy. The added sales keep HP happy. It's no wonder the switch to distributors is on!



Carlos Betesh (left) of Biotron, HP's representative in Argentina, shows the HP Ultrasound system to a customer at a recent trade show in Buenos Aires.

Intercontinental Intermediate Range Plan Update

In the past, I have reported to you on the annual process of updating HP's Intermediate Range Plan. Each year, in June, we prepare an updated forecast for the next five years, looking at our sales expectations, and the related marketing and manufacturing strategies which will be required to support them. Here at Intercontinental, we have been particularly concerned with two organizational strategies which we feel will greatly enhance the effectiveness of our management and support organizations in meeting our customers' requirements. These strategies have to do with the rationalization of international territory assignments between Intercontinental and Europe and the decentralization of our management and support resources from Intercontinental Headquarters in Palo Alto out into the field. Over the last two years we have made a lot of progress in both of these areas, and I would like to update you on where we stand today.

First of all, with regard to the rationalization of territory assignments, we concluded that HP's market in Israel, and our developing markets in North and Central Africa, would be best supported by the Geneva Headquarters; hence, we have transferred those territories progressively over the last two years to their responsibility. The results thus far are extremely encouraging, particularly in the case of Israel. Europe is now in a position to provide timely, close-in, consistent support in the areas of sales management, and technical and administrative support. In turn, the Intercontinental management team has been able to focus all of its energies on the markets which logically fit within its span of supervision.

The next area we worked on was the decentralization of sales management and administrative support for the Far East from Palo Alto to Hong Kong. This process has taken place over a two-year period, and has now been completed. We have reported these results to you in several earlier issues of *Intercom*. Today, the Far East Headquarters has measured up to all of our expectations. Sales management is out in the field where the action is, a number of local managers have been promoted to positions of importance in the Headquarters organization; commercial services and administrative activities have been fully implemented, and as a result, we have achieved significant productivity improvements. We have now started the

all-important process of repatriating managers who were temporarily transferred to implement the start-up. As they return, their positions are being filled by managers from the territory. An extremely important element of our decentralization plan was the provision of career growth opportunities for individuals residing in the territory.

Our next step in decentralization involves the management of the Latin America area. Here we have concluded that physical transfer of these activities to a location in Latin America is not practical at this time. However, we believe that significant improvements in operating efficiency will occur if we organize all of the activities which support Latin America together into one team. We therefore decided to provide a setting here in Palo Alto which gives this team physical autonomy. Previously these activities had been scattered through our Headquarters facility here. Individual sales management functions had been physically located with the product group sales teams. Similarly, administrative activities had been divided more on a functional basis. We have now consolidated these activities into a new location in our Headquarters building. José Grapa, general manager for the Latin America Area, and Rui da Costa, administration manager, have been responsible for the transition process, which was successfully completed in March.

In support of the organizational moves I have described above, we have been working on several other important strategies which also are now yielding important improvements in asset management and cost effectiveness. One of these programs is referred to as the Factory Goods Direct Shipment Program (FGDS). Chuck Marr has overall responsibility for this program's implementation and management. This essentially involves the direct shipment of products from our factories to our sales offices, eliminating the interim step which used to be carried out here at Intercon Headquarters and at the Eastern Distribution Center in New Jersey, whereby products received from divisions were sorted, temporarily stored, reconsolidated, and forwarded to individual sales companies. The direct shipment program eliminates the need for this stage in the shipment process, and as a result, shortens the inventory pipeline and reduces the absolute amount of transit inventory required, thereby reducing HP's investment in this asset area. At present, almost all intra-corporate shipments to countries in Europe and Intercontinental move under the direct shipment program. This transition should be completed during 1982.

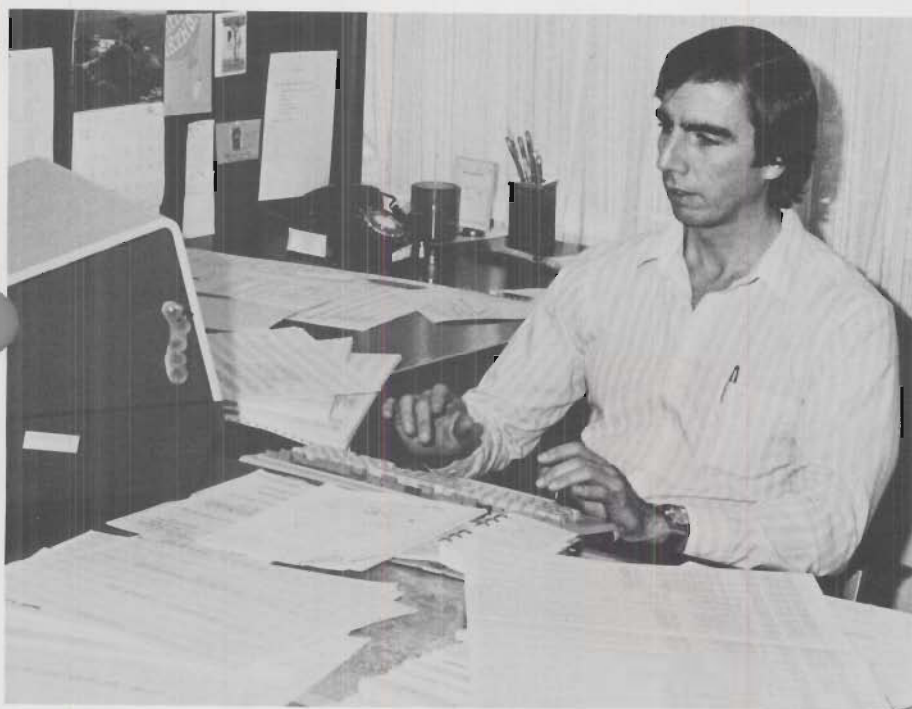
Another program which is related to the direct shipment program has to do with the direct importation of products (DIP) from our overseas factories for the U.S. market, and this program also falls



All those who work with the Latin America Area are now seated together in new office space created on the ground floor of the Headquarters building. Shown here are Rui da Costa (right), Latin America Area administration manager and José Grapa, Latin America Area manager. Jose has recently been named operations manager for HP's Computer Operation to be located in Guadalajara.



Two innovations in the world-wide distribution pipeline were implemented during the past year, the Direct Shipment Program and the Direct Import Program. Here are the people involved: (from left to right) Chuck Marr, Dave Davis, Nobuo Oigawa, Deborah Johnson, Marilyn Roudebush, Trina Poehl, Jeanne Dias, George Pocan, Jan Krebs, Peggy Milovina, and Ann Shaw. Not shown are Janet Baldwin, Terri Hockley, Ron Ingersoll, Janine Sempier, Paddy Sweeney and Larry Welch.



Dennis Forbes, senior programmer/analyst at Headquarters, writes software for the new Intra-corporate Shipment project, one of several systems being developed to increase productivity in the Region.

under Chuck Marr's responsibility. Here our objective is to import products directly from our overseas factories to our U.S. customers. Previously these products had been imported in bulk and inventoried at specific divisions in the U.S. They were then redistributed when customer orders were received. Again, our objective is to reduce investments in inventory. This program is also operating very effectively at this time.

Last but not least, major investments have been made over the last several years, and are planned for the future, in the automation of our administrative and financial activities. These efforts are directed toward improving productivity, eliminating tedious manual processes, strengthening internal controls, and enhancing the quality of information

that is used to manage our various businesses.

In the marketing area, we will be installing data bases of product and customer information in our sales companies which will support on-line customer quotations in local language, order processing, inventory management and the shipping and invoicing of products. These systems will all "talk" to one another so that redundant data entry will be eliminated and control will be enhanced.

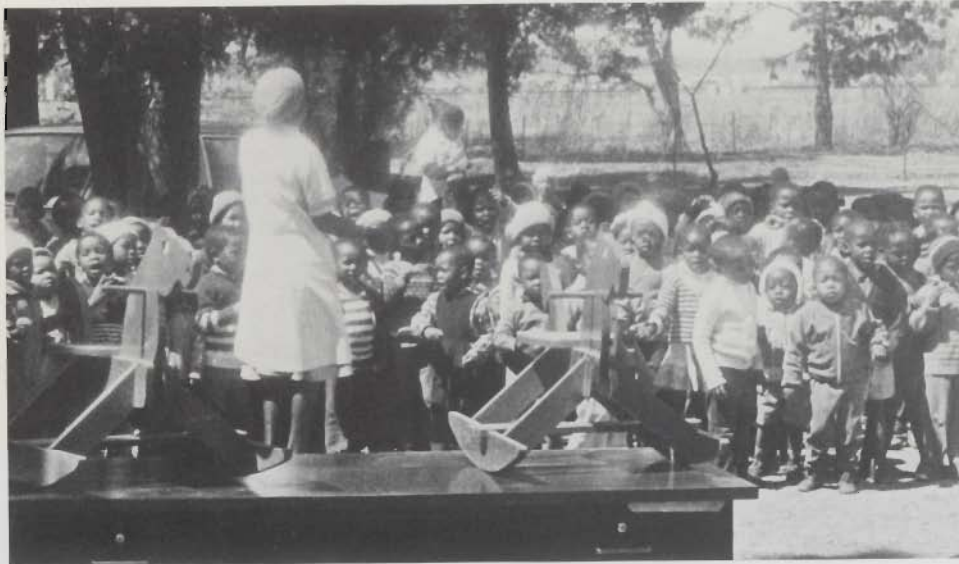
In the service area, we are automating the management of our installed base, contract management, repair cost collection, parts inventories, service accounting and invoicing. In the financial area, we have made substantial progress the last few years in installing

user-oriented, on-line systems. Our focus for the future is the enhancement of our financial reporting system to provide more reporting flexibility, an on-line accounts receivable system to give current, accurate credit and collection information, and personnel systems to assist in managing our personnel administration activities. Our systems development activities have not only allowed us to improve the efficiency of our present organizations, but they have also supported the decentralization process described above. Systems development is an area you will be hearing a lot about in the next couple of years, as we have a very significant level of activity planned over that time. We will be updating you regularly as our work progresses.

Good Citizens — Around the World

OBJECTIVE: To honor our obligations to society by being an economic, intellectual and social asset to each nation and each community in which we operate.

This is not merely theory at HP — as one of the Corporate Objectives, it is a living philosophy practiced throughout the company, around the world.



Rocking horses, wagons, desks, chairs and blackboards worth over \$500 U.S. were donated by HP South Africa to day care centers near Johannesburg. Called creches, these centers care for children from three to six years of age, and provide them with three meals a day, while their mothers work in factories, stores and as domestic servants.

Saridah Shaik Abdullah and Joanne Liew of the Community Activities Committee at HP Malaysia, Penang, unwrap the new mattresses donated to a nearby orphanage.



A primary school in Alexandra Township, South Africa has library books for the children to read, thanks to HP South Africa employees, who donated \$3214 U.S.* to the READ Campaign. The money will be used to buy and fill 10 "box libraries," which look like small two-shelf book cases with lockable lids. This portable system allows the books, which are selected according to the

ages and interests of the children, to be circulated to all classes.

READ (Read, Educate and Develop) is a South African organization which collects money to establish libraries at Black schools. Complete libraries are provided in secondary schools, while primary schools get the portable system described above. READ also conducts training courses for teachers so they can help their students get the most from the new libraries.

These young readers in South Africa are not the only people to benefit from HP's philosophy toward citizenship. Such stories come in from all over the Region, as HP employees both individually and in groups make economic, intellectual and social contributions to their communities.

For example, in Taiwan, several HP employees were touched by reports they heard on television of a man and a woman in need of help. They gave over \$100 U.S. to aid a 21-year-old student who suffers from uremia and must make weekly trips to the hospital, where a special machine cleanses his body of toxins which cannot be released in the normal way.

And over \$50 U.S. was given to an ambitious night school student whose family could not afford to support her academic pursuits.



Employees from HP Canada, Toronto, presented a "large check" to the Salvation Army recently. The money was raised in a two-week campaign which included a bake sale, raffle, employee car wash, hot dog sale, computer arcade, equipment auction and donations. Employees gave over 2,000 Canadian dollars, which HP Canada matched for a total of \$4,100 Canada or about \$3,500 U.S. The money will be used to buy food for needy people in the Toronto area. Presenting the check are (left to right) Malcolm Gissing, country manager for Canada; Pat Farrell and Viv Mundy, who organized the fund-raising effort; and Captain Donald Coppel of the Salvation Army.



Hong Kong employees gather before their 10 kilometer hike. They earned almost \$500 U.S. for distribution to charitable organizations in the "Walk for Millions" sponsored by the Hong Kong Community Chest. HP donated \$40 U.S., or \$220 HK — one dollar for each kilometer completed. The rest of the money was contributed by other sponsors, many of them fellow HP employees.

HP Singapore's Community Activities Committee (CAC) has donated \$100,500 U.S. to many local charities since it was started in 1977. Charitable organizations write to the CAC for financial aid and other support. The committee gives careful consideration to each appeal, examining their organizational structure, source of financing and past performance. Committee members visit the charities as well.

Approximately 65% of HP Singapore's staff of 2300 give through payroll deductions, with the company matching each dollar given. This year \$24,500 U.S. was donated to seven charities.

In Penang, Malaysia, employees have been active in a variety of activities in the last few months. They donated almost \$1000 U.S. to the St. Nicholas Home for the Blind, and an equivalent sum to the Mt. Miriam Cancer Hospital. They sponsor a student at the Cheshire Home (for crippled children), donated mattresses and blankets to Wisma Yatim (an orphanage), and collected toys, sports equipment and books for the Old Folks Home and the St. Joseph Orphanage.

Such a flurry of activity is normal in Malaysia, whose Community Activities Committee has also organized many such activities during 1981, including beach picnics for mentally retarded children, crippled children and residents of an old folks home; and repainting beds in the Federation School of the Deaf.

Officially, HP is committed to being an asset to every community where it does business. HP provides funds to each facility, based on the number of employees at that location, to be donated as the local facility chooses. And individually, employees the world over are giving of themselves, their time and their money. Helping others. And being good citizens of the world.

*All donations have been converted to U.S. dollars, at exchange rates which were in effect when the donations were made.

News Briefs

New Sales Offices for ICON Region



HP South Africa held opening ceremonies for their new office near Johannesburg recently. The two-story, 75,000 square-foot building was completed in 18 months. Fifty customers and visitors from top companies in South Africa attended the Open House. Forty products were demonstrated, including the HP 77202A Ultrasound System, shown here. While Medical field engineer Pierre Jordaan holds the transducer to his chest, the screen shows a moving, two-dimensional image of his heart, which would allow a specialist to examine the heart's structure and movement.



Work is progressing smoothly on HP Taiwan's new building, located in the financial and commercial center of downtown Taipei. The 14-storied structure is scheduled for completion by April 1983. At present, HP Taiwan is cramped into 20,000 square feet of space: the new building will have 75,000 square feet. "It's a long-term strategy," explains Bruce Thompson, HP Taiwan's administration manager. "We will not use all the space now, but will sublease two or three floors until we need them. The building should meet our space requirements for the next six to eight years." In the photo, Bruce (right) and Wen Ko, HP Taiwan's general manager (left), discuss plans for the new building with a construction worker.



HP-125 Helps Out

An HP computer made things easier and more enjoyable for 3000 art patrons at a recent benefit at the American Embassy in Argentina. "Art Night Show" was organized to exhibit and sell paintings, photographs, ceramics and other works by famous Argentine artists. A percentage of the profits from the sales was used to help American orphans and elderly people living in Argentina.

Francisco Llosa used the HP-125 to store the title, artist's name and price for each artwork shown, and to print out a receipt for each work sold.

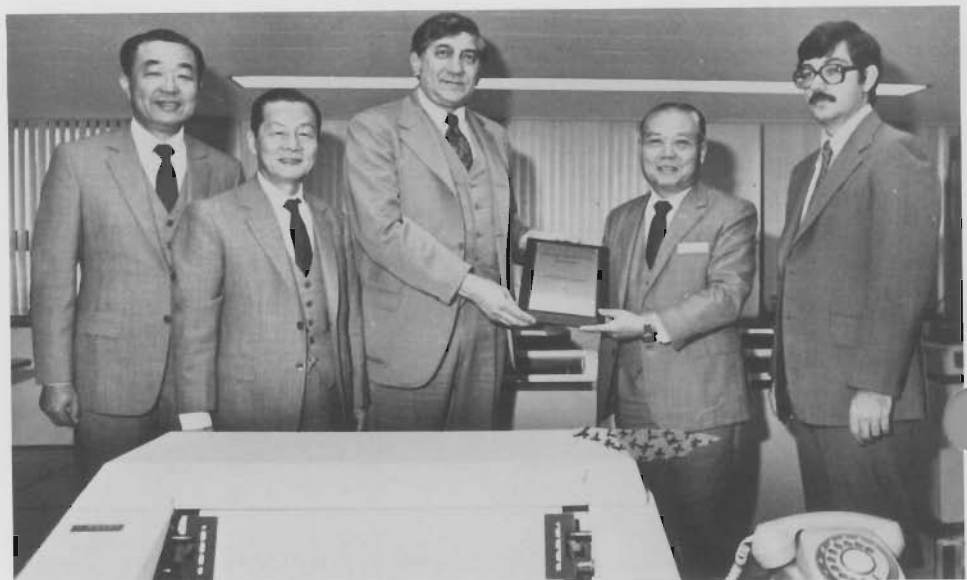
Go Team!

Raised arms and shouts of "We will achieve quota this year" ended the 1982 kickoff meeting of the YHP Instrument marketing group. Known in Japan as *nemawashi*, or background, such meetings are traditional and always encourage everyone to work together, pulling in one direction.



Distinguished User Honored

Sy Corenson, Intercon's public and marketing communications manager, presented HP Taiwan's "Distinguished User's" Award to the China External Trade Development Council (CETDC) in Taipei. This was to honor CETDC's excellent performance in using HP 3000 series 44 to help handle their foreign trade input as well as provide services to local importers and exporters. Pictured from left to right are Wan Kuei Mao, EDP manager of CETDC; Stanley Wang, deputy secretary-general of CETDC; Sy Corenson; Kuan Hsiung Wu, secretary-general of CETDC; and Vince Mancuso, HPT computer sales manager.



People Make it Happen

HP Singapore/Malaysia sales won top Intercontinental honors for "Most Improved Order Performance" for good reasons—some of whom are shown in the photo below. From left to right are Vincent Lee (\$1 million in sales), Felix Lee (Best Systems Engineer), Paul Chan (\$1 million in sales), Jimmy Tan (\$2 million in sales) and Lionel Lim (\$1 million in sales). Not shown is Mas Iskandar (Best Customer Engineer). Sales figures are given in U.S. dollars, which make them even more impressive.



The Intercontinental Award for Best Customer Service Performance went to the Brazil Sales organization, who recognized several employees in a special awards ceremony. From left to right are Luiz Barata, country manager, José Grapa, Latin America Area manager, and Rubem Dickie, Computer Systems Group customer engineer. Awards were also given to service managers in each of the disciplines: Carlos Falcao (Computers), Carlos Ribeiro (Instruments), Helio Ventura (Medical and Analytical), and Rubens Stephan, Jr. (Personal Computation Group).



Francis Tse, of HP Hong Kong's Instrument Group (right), was honored recently as "Salesman of the Year" after achieving 190% of quota in FY81. Clive Ainsworth, general manager for HP Hong Kong, presented him with a plaque and a watch at the annual dinner dance.



Keith Watson, HP New Zealand Instruments field engineer, has become that country's first "million-dollar man." Keith sold \$1.2 million in Instruments in 1981—a remarkable record for a young man who has only been with HP for two years, and who was on his first year of being assigned a quota.

Thai Terminal Developed

HP now has a computer terminal that uses the Thai language. The terminal, a 2622A, has a built-in printer driver which has also been modified to print Thai. Rux Jira, customer engineer manager of Unimesa, HP's representative in Bangkok, Thailand, headed the project, which was completed in about a month, a remarkably short time. Rux attributes this speed to the excellent help they received from Eric Grandjean and Srinivas Sukumar of HP's Data Terminals Division.

Simultaneously, Unimesa has been working to provide system support for the modified terminal on all HP 3000s (3X and 4X series). Now a user can type in either Thai or English, and see those characters or letters on the terminal and printout. However, the computer itself will still be programmed in English. This will allow the system to remain compatible with standard HP subsystems (or programs) without modification.

Having a system that uses Thai is a major breakthrough, as it will enable a user to keep a data base of Thai names and addresses, do payroll, etc., in addition to other business applications previously available only in English.

Instruments Award

Intercontinental Instruments Regional Marketing Manager Suresh Rajpal (below left) congratulates Mike Cunningham of Stanford Park Division (SPD) as Mike accepts the "Best Presentation" award for the new product training he did in Taiwan in January. Sunny Loo, new area sales manager for the Far East, is seen looking on. Suresh reports that the award was made in late March during the Instruments area managers tour of SPD. Says Suresh "We wished to recognize excellence in training as well as strengthen Intercon's visibility at the manufacturing divisions."



Samsung Chairman Visits HP

Chairman B. C. Lee of the Samsung Group (left) chats with HP President John Young, during a recent visit to HP with 12 other Samsung officials. The Samsung Group is one of the largest industrial organizations in Korea. Its business activities range from textiles to heavy industry to broadcasting to consumer and industrial electronics. In the background, from left, are President J. K. Kang of Samsung Electronics, HP's exclusive distributor in the "land of the morning calm," HP Director of International Manufacturing Dick Love, and Senior Vice President—International, Bill Doolittle.



Newsmakers

HEADQUARTERS

Three key managers in the area of administration and controllership will switch places this July. Intercontinental's **Dennis Raney** will move to HP European Headquarters in Geneva, replacing **Lloyd Taylor**, who will transfer back to the U.S. to replace **Larry Tomlinson**, who will, in turn, replace Dennis at Intercon Headquarters.

All three have worked at Intercon Headquarters and on international assignments. Lloyd was Dennis' predecessor at Headquarters for four years, and Larry had served as administration manager for HP Brazil.

Prior to assuming the position of Intercon controller/administration manager four years ago, Dennis had worked for three years in Singapore as finance and administration manager for HP's manufacturing activities in Singapore and Malaysia. Dennis is a graduate of the University of Chicago, with a master's in business administration.

Intercontinental's Instrument Marketing Group has a new manager, **Suresh Rajpal**. Suresh joined Intercontinental Headquarters in 1977 as Far East Area Instrument sales manager, serving first in Palo Alto and most recently in Hong Kong. He has been with HP since 1969, when he joined as an Instrument staff engineer in Toronto, Canada. Suresh holds a degree in electrical engineering from Banaras University in India, and has done post-graduate work in the same field at the University of Toronto. He holds a master's degree in business administration from York University, Toronto.

Suresh replaces **Walt Sousa** who has assumed the newly created position at Corporate of Microwave and Communications Group marketing manager.

Larry Amsden is the new manager of the Computer Group's major accounts program for the ICON Region and Japan. His primary responsibility is to develop ICON Area major accounts and local country major accounts. Secondly, he coordinates and helps develop multinational major accounts headquartered in the U.S. or Europe, making sure they receive good support in the ICON countries.

Larry has been with HP for 22 years, most recently serving as the area Computer sales manager for Latin America and South Africa. During this period, computer sales in Mexico grew from \$4 million to \$12 million, making HP the

fourth or fifth largest computer supplier in Mexico. Larry graduated from Stanford University with a master's degree in electrical engineering.

Replacing Larry Amsden is **Marc Matoza**, the new Latin America sales manager for Computers. During his nine-year career with HP, he has been product manager for the HP 3000 while it was still at General Systems Division in Cupertino, and, most recently, HP Canada district manager for major accounts. He holds a degree in computer science from California Polytechnic State University.

Another new face in the Headquarters Computer Group is **Paul Balnys**, the new customer engineer manager for the ICON Region and Japan. He started with HP in Toronto in 1974 as a systems engineer (S.E.). A pioneer in HP's software business in Canada, Paul became the first S.E. district manager, and later the first country S.E. manager. Then switching to the hardware side, he became the customer engineer manager for HP Canada. He replaces Don Barkley who left the company.

Tom Bailey, the new Latin America Area Medical sales manager, has been with HP for 16 years. He has had wide-ranged experience within the Neely Sales Region, having served as district sales manager for both Medical and Computer Systems. Most recently, he has been the Neely regional administrative manager. In addition to electronics training he received in the Air Force, Tom holds a degree in business from California State University at Fullerton, where he also did graduate work in international business and management.

Mike Blomeyer, who recently joined Intercon as the Far East Area Medical sales manager, began his HP career two years ago at the St. Louis office as a Medical field engineer. Prior to joining HP, Mike spent nine years with Beckman Instruments. He holds a degree in international business from California State University at Fullerton, and received electronics training while in the army. Mike will be in Palo Alto for four months, after which he and his family will relocate to Singapore.

Karen Weigel has moved into the newly created position of regional order administration manager. Her area of responsibility includes the Headquarters consol group and the two Far East support departments, who ship directly to

subsidiary and distributor customers. Karen has been with Far East order processing since joining HP in 1978. Most recently she was supervisor of the Far East order processing group, the first of the Headquarters order processing departments to decentralize to HP Asia. Karen's group worked with HP Asia to set up initial procedures and re-define responsibilities at Headquarters.

Max Yang is the new administrative manager for China Marketing. He has a bachelor's degree in accounting and statistics from Tam Kong University, Taiwan, and a master's in business administration in finance from the University of Santa Clara. He has had six years of cost accounting experience in U.S. firms prior to joining HP's Optoelectronics Division's cost accounting department in January 1981. In his new position, he will be responsible for service administration, commercial services, financial control, and training for the PRC. He replaces Joseph Ng, who left the company.

CANADA

Ralph McMillen is now the general accounting manager for HP Canada, responsible for the direction of the total general accounting group, with emphasis on accounting plans for decentralization, internal controls and documentation for Canadian accounting procedures. Ralph joined HP Canada in 1979, and has worked as a financial analyst and as financial services supervisor. He holds a master's degree in business administration from McMaster University in Hamilton.

JAPAN

Yokogawa-Hewlett-Packard

Shu Asai, (YHP) corporate administration and finance manager, and **Toshiteru Suwa**, sales manager for Instruments, have been elected to the Board of Directors of YHP. Both first joined Yokogawa Electric Works (YEW) in 1959 and moved to YHP at the time of its inception in January 1964. There, Shu assumed general administrative responsibilities and the role of YHP secretary, while Toshiteru joined YHP Sales. Shu is a graduate of Yokohama National University in economics, and Toshiteru holds a degree in electrical engineering from Sukui University.

Mitsutoshi Mori has been promoted from director to managing director of

YHP's Instrument Division. After graduating from Waseda University in electrical engineering, he joined YEW in 1954, and moved to YHP in 1973 as R & D manager. He was elected to serve on the YHP Board of Directors in February 1979.

Ken Uyeminami has accepted the position of general manager of the Shinjuku sales office, which opened on March 15. Ken also joined YHP at its inception. He has been a manufacturing control manager, a Computer sales manager and production manager at YHP's Computer Division. Ken holds a degree in economics from Dohshisha University in Kyoto, Japan, and a master's in business administration from the University of California, Berkeley.

ARGENTINA

Marcelo Iglesias is the new personnel administrator for HP Argentina. He has been involved in personnel work for the last eight years with major Argentine companies. He is a graduate of the Universidad Argentina de la Empresa, with a degree in industrial relations.

HP Argentina also has a new finance manager, **Horacio Sanguinetti**. Horacio is new to HP, coming to us from General Motors Argentina. He has a degree as a public accountant at the National University of Buenos Aires.

HONG KONG

Sunny Loo has taken over as the Far East Area Instrument Marketing Group manager. He moved to Hong Kong from Singapore, where he started the Instrument Group sales effort in 1975, serving most recently as Instrument marketing manager there. Sunny is a graduate of the University of Singapore, with a degree in both electrical engineering and business administration.

SINGAPORE

Wong Kan Seng is the new personnel manager for HP Singapore. Kan Seng joined HP in April 1981 as the compensation and benefits manager, after spending several years in senior administrative positions with the Singapore government. He is a graduate of the University of Singapore with a B.A. in English and history. He also holds a master's degree in business administration from the London Business School, University of London.

NEW ZEALAND

Wayne Squires, general manager of HP New Zealand since November 1982, has now been appointed to the Board of Directors for that subsidiary. Wayne joined HP in 1971 as a sales engineer and opened the Auckland branch office. In 1974, he was appointed Instrument Group marketing manager in Wellington, and became country manager in 1976. He began his electronics career with the New Zealand Post Office, and later worked for Sample Electronics, HP's former distributorship which the company acquired in 1976.

Brian Leighs has been appointed company secretary for HP New Zealand. He joined the subsidiary in 1979 as administration manager. Prior to that, he spent one and a half years in London and Brussels as a financial accountant for Noranda Mines Limited, a Canadian Multinational, and another seven years as financial director and production manager in a family textile business. Brian is a graduate of Victoria University in Wellington with a bachelor's degree in commerce and administration. He became a Chartered Accountant in 1974.

Alan Thompson has become HP New Zealand's Computer Group marketing manager responsible for sales, customer engineering and systems engineering. Alan joined HP in 1975 as a service engineer, and has served as a customer engineer, and sales representative and sales manager in the old Desktop Computer Group. Most recently he was sales manager for the Computer Group.

Bruce McCormick is HP New Zealand's new Instrument Group marketing manager. He was formerly an Instruments sales engineer in HP Australia's Sydney office. Bruce joined HP New Zealand in 1974 as an Instrument staff engineer in Wellington. He moved to Auckland in 1975 as a sales engineer, and then to Sydney in 1979.

Roy Armour is now HP New Zealand's Computer Group customer engineering manager. Roy joined HP in Scotland in 1970 as test engineer in the South Queensferry, Scotland factory. He emigrated to New Zealand in 1976 and joined HP New Zealand as a customer engineer.



Suresh Rajpal



Larry Amsden



Marc Matoza



Paul Balnys



Tom Bailey



Mike Blomeyer



Karen Weigel



Max Yang



Horacio Sanguinetti



Wayne Squires



Brian Leighs



Alan Thompson

Congratulations, HP Canada



Sometimes we're so close to a situation we can't "see the forest for the trees."

Last year, adequately in advance of the publication of the previous issue of *Intercom*, we prepared a plaque for HP Canada, commemorating the 20th anniversary of the establishment of that subsidiary. My face is as red as a Mountie's coat for having overlooked the importance of that event and not publicizing that fact, not only for Canada but for the Region as a whole — since Canada was the first country subsidiary in Intercontinental to celebrate a 20th anniversary.

Even more significant is the tremendous growth experienced by HP Canada since it "opened its door for business," on 1 November 1961.* Starting with only five people in a single office, HP Canada now has 852 employees at all levels in 11 offices across the country.

We do not publish sales volume data on individual countries, but the plaque presented to HP Canada by Bill Doolittle on 14 October 1981 included an order volume achievement graph illustrating an overall sales growth. On a percentage basis, the compounded annual growth rate of sales for the 19 years reported was an unbelievable 154.45%.

It's obvious that our Canadian cousins have contributed more than their fair share to Intercon's and HP's success.

Your writer has been around to witness only the last 12 years of the HP Canada experience. When I arrived on the scene, growth was already healthy, but sales were only 10% of what they are today. Those were the exciting entrepreneurial days — lots of experimentation and joint activity between Canada and Intercon Headquarters. Shortly after that, we at Headquarters recognized that HP Canada had ma-

tured sufficiently to go it alone, similar to a U.S. Region.

Although we in Palo Alto are not in touch with HP Canada on a day-to-day basis (only our Intercon/Corporate and Components Marketing functions have a direct relationship), all of us continue to have a keen interest in this grown-up, well-educated and professional member of our family. It's nice to say "I remember when" but even better to say, with pride, "Our relative up north is a leader."

Happy (belated) birthday, Canada! We promise not to forget your 30th when it comes around, speaking only for those of us young enough to plan that far in advance.

* Actual incorporation was on 17 October 1961.

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Special Contributor (this issue): Mary Duenwald



Bill Doolittle, now HP senior vice president, cut the ribbon at the official opening of HP Canada, while Montreal municipal officials looked on, in 1961.

NOTE: The following article by Malcolm Gissing, General Manager of HP Canada, appeared in the November 1981 issue of *The Canadian*, and is reprinted here with permission.

20 Years in Canada

Does it seem possible that only twenty years ago, October, 1961, that Hewlett-Packard (Canada) Ltd. was first incorporated? Who could have conceived at that time our founding company was to grow to the size of organization that it is today in Canada; growing in sales from only a half million dollars in the first year of doing business here. Today we need substantially more than that every day to get anywhere near our quota for FY82.

Who would have thought too that the company that started with five employees should end up with over 800 employees spread over 11 offices across Canada 20 years later. Companies and human beings have many similarities. In those early years we certainly needed lots of care and attention and non-feeding to keep our heads above wa-

ter, but we did learn to take our first steps on our own. It was not long before that a small, dedicated band of entrepreneurs who joined us, had the company moving along at a fairly fast pace. One could even say that they were starting to run before they had learned to walk.

Ten years after the formation of the company there were more than 200 employees working out of six offices in Canada. Our sales at that time had exceeded the princely sum of 14 million dollars. I feel everyone who worked for us at that time was both amazed at the historic progress we were making and the rate of growth that we were sustaining. Ten years later, bringing us to today, that rate of growth has increased yet again. Our company size has grown tenfold, not only in the number of people working for us but in the sheer dollar volume that we now handle.

During the last five years, however, we had to make the largest transition of all; moving from being a large small company to a small large one. While this may appear purely a play on words, it is in fact, a very real situation, affecting us in many ways.

As we look back over those 20 years, one of the key parameters that has kept this company so successful has been our con-

cern for the customer. Working directly with the customer, making sure that all of the employees who joined us were enthusiastic, dedicated members of the team who knew what was going on. As an organization grows, it is very evident that not everyone can know everyone else in the organization, nor can they know what is going on in detail — how some of the customer's problems are being handled. I think it is a requisite of our organization that we do not forget that basic philosophy of taking care of the customer.

The key people now responsible for that program operate at the district level. They include the sales team, SEO team, customer engineering team as well as the administrative team. It is these four teams who make a concerted effort to understand the roles and missions of the various functions of the departments they work with. They understand the customers' concerns in all of those areas.

There is no doubt as we look ahead at the next 20 years that we can still maintain this ferocious growth we seek. Indeed, we can still have that win situation where both the customer feels good about Hewlett-Packard (Canada) Ltd. and we feel good about the job that we have in our organization.



Malcolm Gissing



Uphill Racer



Hang gliding may not have been on the minds of HP's European communications managers as a way to go when they spoke of promoting "linkage" in communications throughout HP's international family, during their visit to Palo Alto last year. Yet by "linking" two participants from HP Europe with one intercontinental country, Japan, the sport seems to have served that purpose admirably, as our story illustrates.

Here, Heinz Schleppe, a plant maintenance supervisor at HP Boeblingen, prepares for take-off during the recent Third World's Hang gliding Championship on Kyushu Island, where HP was also represented by Maarten Brandt, shown at right below, with Heinz. Maarten, when he isn't coaching the Dutch team, works as a contracts administrator and is also responsible for sales finance at HP Amsterdam.

Heinz took up hang gliding five years ago because he wanted "a hobby that could be put aside and got out again at will." As a member of the West German team, Heinz helped bring home the World Championship title for hang gliders with an aerodynamic control system. But the battle was, literally, uphill all the way.

Says Heinz, "The requirements [during the recent competition] established new standards for hang gliding. Not a single landing area could be reached in direct flight." And the starting point for his most interesting — and difficult — flight was located "down in the valley, with the turning (or halfway) point six kilometers away and 300 meters higher than the starting point!"

The bad weather that complicated and even postponed many of the flights actually provided more time for sight-seeing and sampling the local cuisine. Here, Heinz recalls another triumph, "Supported by the helpful and friendly Japanese, we soon passed the chopstick test . . . Altogether, the World Championship, the Japanese people, the journey, and the food left a host of impressions and memories."

