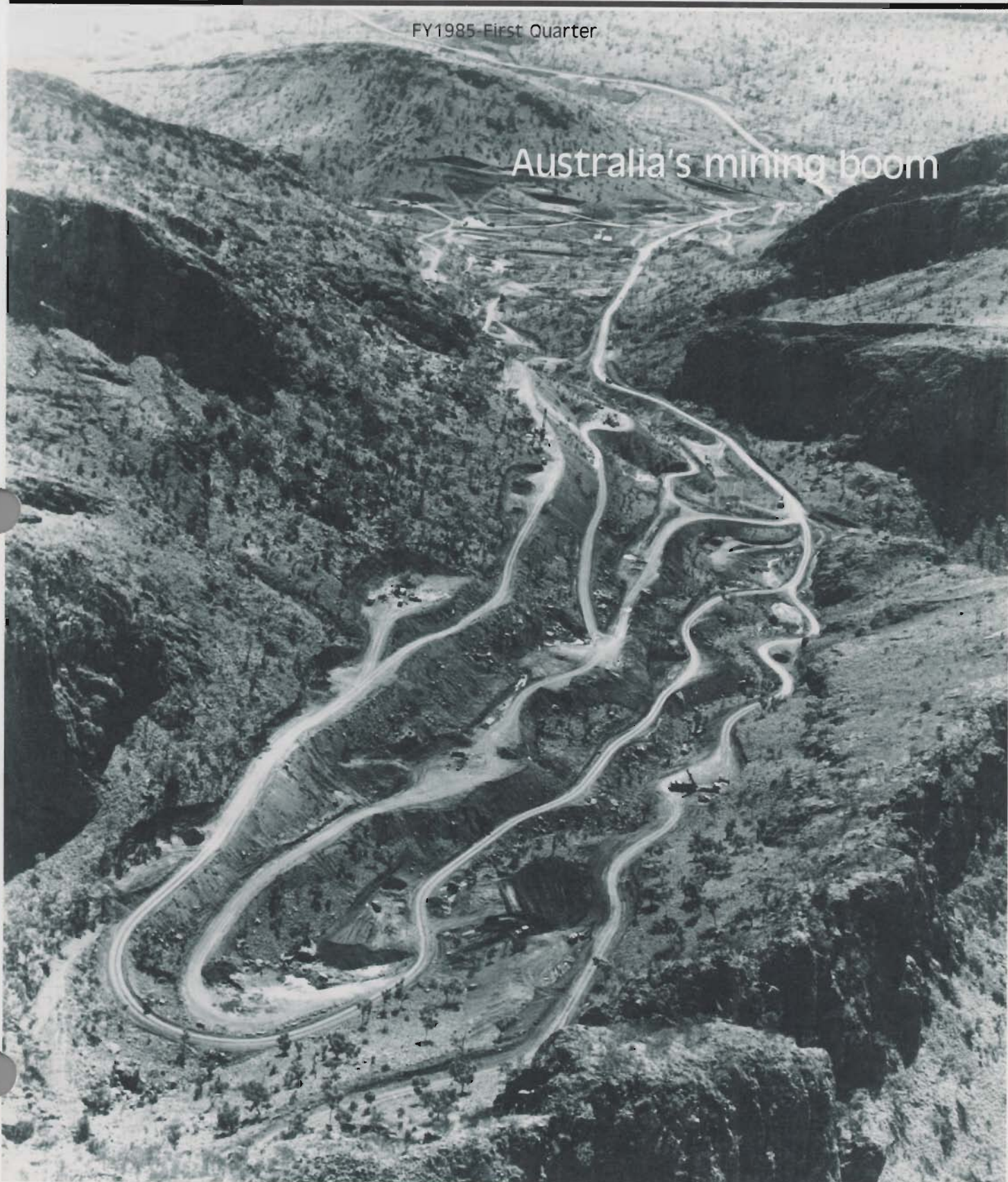


intercom

HP Intercontinental News

FY1985 First Quarter

Australia's mining boom



HP Computer Museum
www.hpmuseum.net

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The mining industry relies on HP equipment

Australia... the largest island and the smallest continent in the world, last Pacific frontier, place of sun and surf, home of kangaroo and koala.

This is the environment of Hewlett-Packard Australia which celebrated its 17th anniversary in November. Staff has grown from 26 to more than 600 and sales have increased by an average of 26 percent annually.

HP had modest beginnings in Australia. In 1947, agents George Sample and Co., through John Warmington, made the first Australian sale of an HP product. That voltmeter is still in working order, but now it's encased and honored in the foyer of the head office in Melbourne.

In 1967, HP Australia was formed. In 1981, John retired as managing director. David Booker succeeded him.

Last year, Australasia, which includes Australia, New Zealand and the South Pacific, was designated an HP region and this year, it made its first arrangements to manufacture for local consumption and export.

Supported by Intercon, HP Australia has been winning customers in all the usual ways, providing proven hardware and software solutions with products from all the corporate divisions and expertise drawn from HP's world experience.

But along the way, HP Australia has been eager to find local solutions for local problems, to contribute Australian innovation to HP global capabilities and shoulder responsibility that comes with increasing autonomy.

Political and economic power is still concentrated in the oldest established states of New South Wales (capital city, Sydney) and Victoria



An iron ore loading facility in Australia awaits giant ore carriers.

(Melbourne). But Western Australia (Perth), Queensland (Brisbane), South Australia (Adelaide) and Australian Capital Territory (Canberra) are bold challengers. Each contributes significantly to HP Australia's growth and success.

Western Australia, for instance, has had a remarkable mining boom. Perth's branch general manager David Chambers tied his ambitions as an electronics engineer to the mining industry years before joining HP. Not only has his staff sold energetically to the mining companies, but strategy has been for HP to umbrella smaller companies servicing them.

First target was winning the confidence of Hamersley Iron, which digs

ON THE COVER At Australia's only diamond mine, HP 3000, HP 9000 and HP 1000 power will soon handle security and inventory. The Argyle Mine is the world's largest in carat weight and most computerized.



David Chambers is dwarfed by the tire of a 170-ton ore truck at Mount Tom Price mine.

from an enormous mountain of ore that is up to 62 percent pure. The company moves the ore seaward over one of the world's longest private railroads and can annually load 46 million tons into 220,000-ton carriers for delivery to steelmakers in Japan, China, Southeast Asia and Europe.

With the goodwill of a satisfied subsidiary, HP products are now attracting Hamersley's parent, the Conzinc Riotinto of Australia (CRA) consortium, and independent companies which service it.

The harsh environment of the Hamersley Range — remote, largely waterless, hot and cyclone-prone — calls for equipment of highest reliability and a dedication to the mining industry. David points out that miners are a special breed. They know their job, make quick decisions, aren't

afraid to spend, but insist on partners matching them in professionalism and stamina.

Recently there was a delay in the commissioning of an HP 1000 at Hamersley's isolated Mount Tom Price mine. Perth wasted no time flying customer engineer manager Rod Hale to the site. But even before he arrived, Sydney, 4,000 kilometers away via Perth, had agreed to lend district application engineer manager Ross Templeton in case his special HP 1000 expertise was needed.

Approving Hamersley executives noted that the plan was to get a fast solution at whatever cost and effort. The contingency plan was to cancel Ross's flight if Rod succeeded before he got away.

HP computers help Hamersley plan mine development, digesting a deluge of data from thousands of core drillings and other survey techniques which have revealed reserves of one and a half billion tons. Australia, as an ore producer, is surpassed only by Brazil. Surveyors, geologists, engineers and managers know where to dig economically, minimizing the cost of removing overburden and avoiding patches of inferior ore.

In blasting, HP computers orchestrate deafening symphonies. Up to 1,000 holes may be drilled for one blast with a ton of explosive per hole. It is awe-inspiring to watch a mountain side crumble, but the process is useless if blasts choke on themselves and rock merely shoots skyward. Computers plot successive split-second explosions in neat equilateral triangles, timed for one blast to push rock forward, clearing the way for rock behind to come out cleanly at the next firing.

Aerial survey and computer analysis are modern methods, quick and cost-effective, of finding minerals. Dr. Frank Honey of Geoscan explores for companies seeking copper, zinc, tin, bauxite, silver and gold as well as iron. Instead of a divining rod or a gut feeling, his tools are an HP A900 technical

computer, an aircraft and highly sensitive heat sensors. His people fly mid-afternoon when the ground is hottest, computer digitizing millions of pieces of information reflected upward.

About 4 a.m., when the surface is coolest, they retrack exactly and the computer compares readings. Substances cool at varying rates so their heat retention is fed to the computer and, after smart processing, to a high resolution monitor, showing iron as one color, copper another, mineral sands or trees as others.

Applied Computing and Engineering Technology (ACE-T) is a Perth original equipment manufacturer (OEM) which, with HP products, has developed aids for miners and railroads around the world.

Ore trains two kilometers long traveling at 75 kilometers per hour generate massive stress on wagons, locomotives, rails and undertrack. Stress waves snake up and down; drivers have little feel for what is happening far behind. Couplings at the front of a train stretch several wagon lengths as triple-header diesel-electric locomotives thunder toward a crest. But behind them, couplings compress as wagons roll downhill; others stretch on another rise; and those at the rear compress in a second dip. Braking technique is critical, so ACE-T and HP combined to build a train simulator to teach driving finesse by visually displaying the stresses during a simulated journey.

Hamersley trains once averaged six minutes delay a journey through coupling troubles. Since the simulator, downtime is negligible, equaling the acquisition of one extra train.

Anything that makes the guidance of giant seagoing ore carriers safer is a good investment. It was an expensive proposition, for example, to fly special bulldozers onto the deck when a ship went aground with 200,000 tons of ore

Continued next page

Computers design custom packaging

and had to be lightened before refloating. With Comsys, another Perth OEM, HP helps synchronize solar-powered beacons that mark sea lanes with strips of light rather than a confusing, winking kaleidoscope.

Qubit, part of Perth's Associated Surveys Group, has an HP 9920 as the heart of its TRAC 111 navigational system, developed first for ocean surveying around Australia but now in demand overseas. Locating a position on land within a centimeter requires special skill. How much more difficult it is to guide a trench digger 150 kilometers into the Indian Ocean, find the end of a gas pipeline and hold a bobbing work boat as another pipe is lowered and joined. Qubit has won a contract to position two 55-kilometer trenches for high voltage power under the English Channel between Britain and France. ■



Frank Moloney contributed the material that made this series of stories on Australia possible. He is a lecturer in journalism at Royal Melbourne Institute of Technology and an editorial consultant to Hewlett-Packard Australia.



Displayed on the wall behind Ben Van Essen (left) and Bruce Gow are some of Hardie Containers' computer-designed packaging.

Hardie Containers and HP Australia in Adelaide have combined to apply computer power to the packaging industry. An HP 1000 handles normal accounting tasks but has also been put to innovative uses in package design, controlling machines that produce corrugated board, that die-cut, print, count and stack.

Hardie's Ben Van Essen offers computer-aided planning to customers that reaches far beyond the factory floor.

The goal is to stamp out, with minimal waste, cardboard shapes that fold into containers. But computer-guided calculations also determine the quality and strength of corrugated board needed to protect a particular product, to give fully adequate but not extravagant safety margins for liquids such as wine and solids such as refrigerators and television sets.

Ben's calculations take into account not only a package standing alone on a shelf but when it is "bottom man on a totem pole," supporting a stack of pallets in a warehouse or in a jolting delivery truck. A custom-made carton, designed by computer in hours instead of months by hand, may be more expensive than a standard size. But it also may be more cost-effective if, for example, it makes optimum use of costly refrigerated space. Hardie showed at least one client that what it needed was not a new carton design, but attention to the size and configuration of its warehouse.

HP Adelaide's Bruce Gow is currently negotiating with Ben for an upgrade to handle imaginative plans for the remainder of the decade. ■

Government operations are streamlined

Sometimes what works well in one country flops in another. A system that copes splendidly with the peculiarities of government structure or taxation in one place may struggle away from its home environment. Even though local government everywhere comes down to land, how to service it, and who pays, a number of Australian municipal councils have felt the need for a more localized systems package than any available from overseas.

Genasys II, an enterprising Australian OEM, set out to meet that need. And Campbelltown City Council, 55 kilometers south of Sydney, recently declared its faith in Genasys and HP.

The council wanted a number of interactive systems that would allow

continuous updating of files and rapid retrieval, each dedicated to a purpose but able to back up another at times of peak load or shutdown. When Genasys, which it trusted, went exclusively for HP equipment, there was no doubt.

"We felt the packages we had were not going to meet escalating demands and that we had to develop something of our own," explains the council's EDP manager Mike Limbrey. "HP appealed as a company that was competent, enthusiastic, reliable, flexible, with the right range of equipment and here to stay. Its people knew the capabilities of their products and what we were trying to do. We don't think we're taking a great risk putting all our eggs in one basket."

Sydney sales representative Colin Scott put it this way: "Without much of my urging, Campbelltown decided it wanted Genasys and HP. In the tender advertisement, HP equipment was specified. We weren't fighting other manufacturers. Genasys went to pitch for us and we gave strong backup. Alone, neither of us could have done it."

Soon an HP 9845B and an HP 9000 will service the engineers; the central library and its satellites will have a dedicated HP 3000/42; and an HP 3000/48 will service administration and finance. Already a fourth system is planned. Mike and his boss, deputy town clerk Ron Streater, speak with enthusiasm about mapping every parcel of land in the municipality and information being accessible from any of a large variety of references.

Campbelltown City Council intends comprehensive profiles, telling not just ownership and rates income but things like lot and postal number, approval for residential, business or industrial development, demolition or repair orders, easements, and unpaid rates to collect at time of resale.

Access will not be tied to file name alone; the system will respond to any number of inquiries. Ratepayers, builders and government authorities will be able to give a reference that means something to them and get an instant printout.

The Campbelltown initiative is being watched by scores of municipalities throughout Australia. HP and Genasys are confident they will be welcomed to many a new site. ■



Colin Scott (right) and Mike Limbrey are pleased with the systems package which features HP equipment exclusively.

Guarding against pollution

Mount Isa, where copper, lead and zinc are mined in northwestern Queensland, protects itself against sulphur dioxide pollution with help from HP. Sensors near schools and at other monitoring points tell when the gas reaches an unacceptable level. Computers then shut down the copper smelter.

Reliability of hardware is critical because of the remoteness and unfriendly environment of Mount Isa Mines. MIM developed process control software which, among many things, assays minerals. HP Australia acquired the package and now markets it to other clients. ■

Security is essential in quarantine research

At Geelong, 55 kilometers from Melbourne, HP Australia shares responsibility for one of the world's top security sites. Neither the White House, the Kremlin, nor any nuclear plant is guarded more diligently than the Australian National

Animal Health Laboratories.

Surrounded by water, Australia has, with strict quarantine, kept out foot and mouth disease, rabies, anthrax and other dangerous diseases able to devastate an entire livestock industry. With any inkling that an exotic virus

might have sneaked through, test samples of suspect tissue used to have to be flown to England. Elaborate precautions were needed in case of a crash: Containers within containers and pressure sprays of toxic gas to decontaminate the sample.

Australia has an A\$4.5 billion a year export trade in beef and lamb, mainly to the U.S. and Japan. In recent years, customers have indicated that precautions were not good enough. As a result, A\$150 million was voted to establish the Australian National Animal Health Laboratories which, world authorities say, is the most secure quarantine research institute ever built.

It had better be. Many people argue that virulent viruses should not be imported, even for scientific study.

Security has two bases. First, every device must have multiple backups. No object taken in ever comes out except after incineration. People submit to sophisticated sanitizing that includes passing through successive airlocks and taking as many as three showers upon entering and leaving. Clothing worn inside is laundered daily behind the wall. Cattle, sheep, horses and other animals that go in are slaughtered and incinerated within.

The second base is that the complex of several acres is designated as a huge vacuum cleaner, always sucking, never blowing. Going in, each air lock leads to a drop in pressure; the reverse applies coming out. So, should there be multiple failure of other devices, no airborne virus could escape to the environment.

A truly paperless environment is a necessity. Words not carried by telephone are transmitted by computer and letters typed outside. Diagrams drawn inside are presented to a photocopier within, but the print-out occurs outside.

With HP 1000 RTE-A assistance, the paperless environment is maintained. It processes a vast range of information associated with monitoring every movement through check points and the alerts that are triggered should anyone try illegal entry. ■



HP's systems engineer Glenda Patterson trains staff members at the Australian National Health Laboratories.

Cross training gets reorganization off to a good start



When Alan Bickell addressed the general managers and the marketing and sales managers who gathered in Palo Alto in November, he focused on Intercontinental's recent reorganization.

"Basically everyone in this room has a new assignment. We're casting a new set of players on a new stage. At the same time, we want to make sure that your old job is done well and that you get off to a good start on your new job."

Those words essentially describe why sixty managers from the regions and headquarters spent a week in Palo Alto. Much of the time was devoted to cross training so that each person understands the others' product markets/application thrusts, major new programs, competition, and markets of opportunity.

Alan congratulated the group on what he termed "a spectacular performance in 1984," referring to Intercon's reaching 110 percent of quota and a 39 percent growth rate.

"We got our act together and that success was not due just to the economy. We innovated in the value-added area; we got more aggressive; we took solution selling ideas from YHP.

"Now each one of us has to take a strong leadership role. We need to champion change, on the one hand, and to act as tribal elders on the other, passing HP traditions down by word of mouth."

Intercon marketing council head Mike Naggiar coordinated the meeting and applauded the growth experienced in all regions in FY84. For the upcoming year, he stressed the importance of business basics, those elements fundamental to year-in, year-out success.

They include financial performance, customer satisfaction and productivity.

In addition to executing these consistently, Mike listed three other goals for FY85: To make the new organization effective; to continue aggressive

sales momentum; and to create marketing success in the field.

Among the other speakers during the introductory sessions was Dick Warmington, Intercon marketing manager. Dick's aim for the upcoming year is to achieve recognition for HP as a company with marketing excellence. "Back in the '60s when we were primarily an Instruments company, we were known for marketing excellence among our instrumentation competitors. Now we have an opportunity to get back up there. Our focus is changing from marketing products to marketing solutions which meet our local customer needs." ■

And the winners are . . .


With so many Intercon sales and marketing people in Palo Alto in November, it seemed appropriate to announce the Intercon performance award winners for FY1984 at that time. When the group gathered at Ridge Winery for a final dinner, Alan Bickell presented the engraved plaques to representatives of the best performing countries. They are:

Best Overall Performance	HP Taiwan and HP Mexico
Best Order Performance	YHP Sales
Most Improved Order Performance	Samsung Hewlett-Packard HP Australia HP Mexico China Hewlett-Packard HP Malaysia
Best Administrative Performance	HP Canada
Best Cost Control Performance	YHP Sales
Best Customer Support Performance	HP Taiwan
Most Improved Customer Support Performance	HP Mexico
Top Sales Performance	
Computer Group	HP Australia
Medical Group	HP Australia
Instruments Group	YHP Sales
Analytical Group	HP Australia
Components Group	YHP Sales



STRATEGIC MARKETING COU
Mike Naggiar

MARKETING/SALES/SUPPORT

 Mike Naggiar

MARKETING
Dick Warmington

MARKET DEVELOPMENT (MDMS)
Bob Payne

MARKET DEVELOPMENT INFORMATION SYSTEMS
Juan Monterroso

MARCOM
Mona Foley

PRODUCT DEVELOPMENT
Frank Hublun

PERSONAL COMPUTERS
John Chua

CEO
Paul Balnys

AEO
John Maydonovitch

MAJOR ACCOUNTS
Larry Amsden

THIRD PARTY PROGRAMS
John Kohler

MEDICAL

 Tom Bailey


ANALYTICAL

 Mike Muller

COMPONENTS

 Jan Black

CANADA

 Malcolm Gissing

MARKETING
Alan Holdway

SALES/SUPPORT
Sherif Alaily

WESTERN AREA (Edmonton)
Sherif Alaily (Acting)

CENTRAL AREA (Toronto)
Tony Johnson

EASTERN AREA (Montreal)
Jeremy Beatty

CUSTOMER SUPPORT CENTER
John Cross

CEO
Jeff Shook

AEO
Rick Schwartz

MEDICAL
Ross Marsden

ANALYTICAL
tba

ADMINISTRATION
Gordon McLean


PERSONNEL
Brian Wright

PUBLIC RELATIONS
Bob McDevitt

QUALITY ASSURANCE
Gary Cooper

PANACOM OPERATION
Chuck Bonza

LATIN AMERICA

 Don Rowe

MARKETING
Rui da Costa

SALES/SUPPORT
Don Rowe (Acting)

CEO
Dick Hornor

AEO
Filiberto Arredondo

MEDICAL
Dennis Sabin

ANALYTICAL
Jelson Ghigonetto


COMPONENTS
Jan Black (Acting)

CORPORATE DEVELOPMENT
Ophir Toledo


ADMINISTRATION
Waldir Storino

PERSONNEL
Tom Lowden (Acting)


MEXICO

 Manuel Diaz


VENEZUELA

 Ernesto Kolster


BRAZIL

 Luiz Barata

ARGENTINA


 Juan Migue!
Parodi

JAPAN

 Kenzo Sasaoka

Toshio Muraoka

MARKETING/SALES/SUPPORT

 Toshiteru Suwa

MARKETING
Masao Terazawa

CEO
Masakazu Imahori

AEO
Yasuo Karakisawa

MAJOR ACCOUNTS
Ken Ueminami

EASTERN AREA (Takaido)
Tsugio Kataoka

WESTERN AREA (Osaka)
Kenichi Akasaka

YOKOHAMA AREA
Matsuji Tezuka

TOKYO AREA
Gi Nakatsukasa


MEDICAL/ANALYTICAL/COMPONENTS
Katsuto Kohtani

ADMINISTRATION and PERSONNEL
Shu Asai

QUALITY ASSURANCE
Katsumi Yoshimoto

HACHIOJI FACILITY (YID/YCO)
Mitsutoshi Mori

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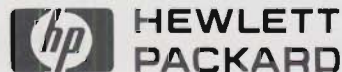
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ENTAL OPERATIONS
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ASIA PACIFIC OPERATIONS
Alan Bickell



INTERCONTINENTAL
OPERATIONS
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CIL

MANUFACTURING and PROCUREMENT COUNCIL
Walt Sousa

AREA

George Cobbe

MARKETING
m Yu

SALES/AEO
Rumold

AEO
S. Lim

ANALYTICAL/
OPERATIONS
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FAR EAST SALES REGION



Malcolm Kerr

MARKETING/SALES/
SUPPORT

Suresh Rajpal

MARKETING
Gary Gujral

CEO
Sunny Chan

AEO
Jansen Ek

MEDICAL
Mike Blomeyer

ANALYTICAL
Mike Muller (Acting)

ADMINISTRATION
Jal Karani

PERSONNEL
Tom Pierson

QUALITY ASSURANCE
tba

KOREA
George Cobbe

TAIWAN



Wen Ko

CHINA



Chi-ning Liu

HONG KONG



Clive Ainsworth

SINGAPORE/MALAYSIA



Victor Ang

DISTRIBUTOR
DEVELOPMENT
THAILAND
Fred Traue

INDIA
Rhada Basu

INDONESIA
tba

AUSTRALASIA



David Booker

MARKETING
Roger Kane

SALES/SUPPORT
John Bieske

NORTHERN AREA
(Sydney)
Richard Vincent

SOUTHERN AREA
(Melbourne)
Bruce Marsh

CEO
Hans Nellson

AEO
Dennis Malseed

RETAIL/THIRD PARTY
Terry Wilde

MEDICAL
Les Lawrence

ANALYTICAL
Jim Watson

CUSTOMER SUPPORT
SERVICES
Gray Morgan

CORPORATE
DEVELOPMENT
Bruce Graham

ADMINISTRATION
Bruce Thompson

PERSONNEL
Geoff Windsor

QUALITY ASSURANCE
tba

NEW ZEALAND



Wayne Squires

MANUFACTURING
and
PROCUREMENT



Walt Sousa

SINGAPORE
COMPUTER OPERATION
Koh Boon Hwee

IC OPERATION
Nie Khian Thian

COMPONENTS
OPERATION
Tan Bian Ee

DISTRIBUTION CENTER
tba

CONTROLLER
Alex Chan

PERSONNEL
Wong Kan Seng

MALAYSIA
COMPONENTS DIVISION
John Fischer

ASIA PROCUREMENT
(Tokyo)
Dick Locke

FACILITIES
Dinesh Chandiok



CORPORATE
DEVELOPMENT
and
MANUFACTURING



Lee Ting

MANUFACTURING
PLANNING
Ophir Toledo

FACILITIES PLANNING
Dinesh Chandiok

PUBLIC RELATIONS
Sy Corenson

MANUFACTURING
OPERATIONS
PUERTO RICO
Mike Forster

GUADALAJARA
Jose Grapa

CAMPINAS
Odmir Almeida

CHINA
Chi-ning Liu

FINANCE and
ADMINISTRATION



Larry Tomlinson

CONTROLLER
Doug Thompson

TREASURY
Bruce Tomberg

LEGAL COUNSEL
Don Drumright

INFORMATION SYSTEMS
Andrea Johnston

EXPORT MARKETING
SERVICES
Walt Reichert

SUPPORT
ADMINISTRATION
Jon Cretarolo

PERSONNEL



Tom Lowden

HEADQUARTERS
PERSONNEL
Gerry Tillman

COMPENSATION/
BENEFITS
Russell Warmington

TRAINING/STAFFING
Bob Coutts

“Let’s work together to make another vintage year.”

by Alan Bickell

Intercontinental’s official quota for FY85 tops the one billion dollar mark! I have challenged the management teams of our five sales regions to exceed this goal by ten percent. The outstanding performance we achieved in FY84 leads me to believe that the opportunity to do this exists. If we work together we can add a significant new increment of business in FY85. I expect the economies in most of our countries to remain strong, and I believe that the recently announced reorganization of our sales and marketing resources, as well as results of the numerous value-added programs we implemented during FY84, will strongly work to our advantage in this coming year.

Before I move on to discuss our goals for FY85, let me express my personal thanks to every single member of the Intercontinental team for your outstanding performance in FY84. This was truly a banner year for us, one in which we achieved remarkable growth and contributed well beyond target to HP’s overall profitability. I hope that you are all as proud of what we accomplished as I am.

Our slogan for FY85 is “The Year of Marketing Innovation”. One of our main objectives during the coming year will be to integrate the selling resources which have historically been organized under separate sales forces for Instruments, Computer Systems and Personal Computers, into one more powerful unit. We will be adding to this field marketing resources which will focus far more of the marketing activities, which were traditionally carried out in divisions and groups, into the field. Our field marketing program will focus on achieving a better understanding of our markets and our customers’ needs, the personalization of our products and solution offerings to these specific markets, and development of a stronger non-personal selling program. With better feedback of market trends and requirements to our groups and divisions, their new product development projects and marketing support programs will be better focused on our markets’ needs.

Through all of this, we believe that a much more personalized and market-specific selling and marketing force will be established in each country. This combination will significantly enhance our ability to develop these markets and become a more dominant supplier in the fields that we have chosen.

Our objectives for FY85 center around this overall mission and focus on the following key areas:

- **Customer Satisfaction** — Make this a strategic advantage.
- **Balanced Business Management** — Manage all financial variables.
- **Value-added Programs** — Harvest benefits from FY84 start-ups.
- **Integration of Marketing, Sales and Support** — Achieve synergy.
- **People** — Emphasize and enhance the HP way.

I discussed the importance of our **Customer Satisfaction** objective in the last issue of *Intercom*. Simply stated, our goal is to achieve unerring excellence before, during and after the sale by every member of the organization. Through this effort we will strive to set Hewlett-Packard apart from the competition. We must establish in our customers’ minds a clear understanding that the Hewlett-Packard Company and the people who represent it are dedicated to providing them with superior products and services and that we truly warrant the most trusted supplier status.

I believe a key to achieving this goal is the implementation of the TQC concept in the broadest possible sense. Leadership in this area starts at the top and runs right down through the organization. In FY85 we will carry out training in TQC, implement a field quality assurance function in our sales regions, and evaluate our managers’ and supervisors’ performance at all levels of the organization on the degree to which they embrace and obtain results from the TQC concept.

Our focus might be on identifying problems which impact customer satisfaction or impair our productivity. These problems must be systematically solved through the analysis of data and the systematic monitoring of performance against established improvement goals. I am confident that we will be able to achieve continuing dramatic improvement in customer satisfaction, productivity, cost effectiveness and job satisfaction through **Total Quality Commitment**.

Our second objective deals with **Balanced Business Management**. Here our focus is on managing all of the financial elements with which we must deal in carrying out our marketing, sales/support and manufacturing activities. Our order quota is a challenging one, yet achievable. Shipment goals established for our manufacturing activities are equally challenging. In meeting these, we need to ensure that our costs and asset investments are managed effectively and to target. The emphasis here has to be on meeting monthly, quarterly and annual goals. What we want to see is a smooth transition through the fiscal year. We have made progress on this but quite frankly, at the end of FY84, our old enemy, the year-end bulge, reappeared. This was disappointing to say the least, because for the two prior years we had managed to avoid this problem.

Everyone in the organization must recognize that our targets and quotas are contracts with the corporation. These contracts must be honored. The welfare of our company is dependent upon our meeting these goals on a continuing and consistent basis. We cannot afford to squander our resources and this means that assets, particularly inventories, need to be better managed than they have been in the past. Our targets call for significant improvement in this area. Manufacturing cost is another area that needs attention. We have targeted improvements in manufacturing cost for FY85, and these must be achieved.

The Intercon Gallery

We will continue to aggressively develop and implement **Value-added Programs** in each of the countries in which we operate. During FY85, we should harvest results from major investments which have been made over the last several years in Korea, China and Mexico. We have set in motion a number of programs across Intercontinental. Virtually every country has been involved in this process. We need to be sure that these activities perform as advertised and yield significant incremental business to us during the coming fiscal year. A special challenge for us will be to more closely integrate our existing and proposed new value-added activities with group and divisional plans.

In addition to the integration of **Marketing, Sales and Support** activities into a new, more powerful and effective market-focused force, FY85 will see us continue the process of decentralization from Palo Alto out through the regions to the countries. Countries are the key tactical units of our field selling and marketing organization. This is even more true today than it was in the past. Our targets call for significant new investments at the country levels to ensure that our new field marketing activities are effectively implemented there and that our selling program is more aggressive and effective than it has been in the past.

We want to meet all of our operational goals without compromising the spirit of the HP way. We have an outstanding group of people in every one of our operating activities. We intend to maintain an environment which challenges every member of the team to excel, and which rewards this excellence with a professional operating environment and compensation and benefit programs recognizing and rewarding excellence.

Let's work together to make FY85 another vintage year for Intercontinental. I encourage each of you to set personal goals for FY85 which will bring an extra measure of innovation and excellence to your own performance within the broad framework I have described. If we all do this and work at it, I am confident that the sum of all the individual parts will be an extremely impressive and powerful whole. ■

Alan Bickell is vice president and director, Intercontinental Operations.



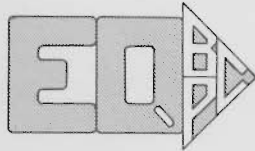
THINK YOU KNOW WHERE THIS PHOTO WAS TAKEN? If your answer is Japan, sorry, you're wrong. The location is actually Intercon headquarters in Palo Alto and the day was Halloween. Mitzi Hayward (center) of export administration provided the attire for her co-workers Craig Jeong and Bettie Donovan. The yukata worn by Craig actually belongs to Mitzi's husband and both kimonos are from Mitzi's own collection. She moved to the U.S. 28 years ago, but visits Japan every few years.



DUAL CELEBRATION Two noteworthy HP events occurred in Korea in early fall. A HP 3000 computer arrived at the Samsung Semiconductor and Telecommunications Co. (SST), a division of the Samsung Group, marking the 15,000th worldwide installation of the computer. In addition, an official opening ceremony was held for HP and Samsung's joint venture.

On hand for many of the surrounding festivities were (left) K.S. Sim, SHP director; Bill Rumold, SHP sales manager; Alan Bickell, HP vice president and Intercon director; P.K. Sung, SHP executive managing director; Paul Ely, HP executive vice president; J.K. Lee, SST; George Cobbe, SHP president; and Wes Wickham, Latin America Region marketing development manager.

The Intercon Gallery



WINNING DESIGNER The quality teams program at Brazil Personal Computers (BPC) in Campinas now has an official logotype, thanks to Nelson Procopio. His design, shown above, was chosen by BPC employees as the best of 30 entries. Nelson said he was happy about the award "mainly because my simple suggestion will symbolize one of the most important tools HP is implementing." The logotype will be used as a trademark on all BPC publications and campaigns related to quality teams.



TELEVISION DEBUT Two Intercon employees were interviewed for a special series produced by the Cable News Network (CNN) in the U.S. in October. The subject was immigration and the purpose was to focus on people who come from outside the U.S. to work for American companies. Sales support engineer-YHP Hajime Kawano (above) contrasted the Japanese and American work environments — more time consciousness in the former and more comfort in the latter — for CNN correspondent Greg Lefevre. Hajime has been at Intercon headquarters for three years and frequently returns to Japan on business.

Having been living in the U.S. for only three weeks at the time of the interview, Waldir Storino (below) observed that the HP philosophy is the same in every country. The Latin America Region administrative manager, who speaks three languages, expressed his affection for his home, Brazil, but also appreciates the opportunity to know other cultures.



Panacom will build on

Hewlett-Packard Canada Ltd. was established in 1961, but it wasn't until 23 years later that the company established its first permanent manufacturing operation. The official ceremony took place in September this year when local dignitaries joined HP employees to celebrate the opening of HP's Panacom manufacturing operation in Waterloo. A leased facility will be the temporary quarters of the operation until such time as a permanent facility is completed on the University of Waterloo's north campus.

Panacom is responsible for the design, development, marketing and manufacturing of industrial data-acquisition and control (DAC) systems. Major product lines include remote terminal units, stand-alone software systems, automated fueling systems and industrial keyboard panels.

At a luncheon hosted by the city of Waterloo to welcome HP to the community, HP Canada president Malcolm Gissing spoke about the nearly quarter of a century of company operations in that country.

"A few years after we established our first sales office in Canada, we made a chart of our sales growth," he recalled. "We then drew a line to the right of the chart, trying to project what sales we could expect in the future. The chart was entitled 'Think Big.'

"In the 70s, our annual sales were greater than we had projected. And, in fact, in the 80s, they were even greater. So, to plan for this decade, we made a chart, 'Think Bigger.' We are equally optimistic about our prospects for the 1990s."

Malcolm pointed out that electronics technology presents two very real prospects: It can make our existing industries more competitive in the world market, and it can use the talents of our people to create a whole new industrial sector.

"The industry is actually getting bigger because it's getting smaller.

Waterloo campus

The miniaturization of electronic circuitry has enabled computers and instruments to become smaller, but infinitely more useful. The small, handheld calculator HP sells today provides the same computing power as the largest mainframe computer of 15 years ago. Electronics has been projected to become the world's fourth largest industry by 1990. By the year 2000, it should rank second only to energy.

"Every opportunity exists for equally rapid advances in the years to come. The keys to future developments in the industry are innovation and competition, both of which face some serious challenges."

According to Malcolm, the threats to innovation include an expected shortage of engineers and the high cost of research and development. "We are concerned, for example, that Japan graduates two and a half times as many engineers per capita as we do in North America. Electronics relies heavily on R&D for its constant output of new products. At HP, we spend about 10 percent of our sales revenue on R&D and the investment has paid off well. Last year, fully 70 percent of our business was generated by products produced in the previous four years."

Threats to competition, the second major challenge facing the industry, are in the areas of cost, performance and quality. "I feel that one of the best ways to compete is to invest in people, research and productivity improvements."

"In my view," Malcolm concluded, "the years ahead promise to be the most exciting yet for the electronics industry." ■

Survey reveals likes and dislikes

by Hans Kuendig

It's official. The 1984 *Intercom* magazine readership survey has come to an end. During November, surveys returned to Intercon headquarters from all of the Intercontinental regions, literally from around the world.

Of the total number of surveys sent out, about 1,000, 45 percent returned home to Palo Alto. A very respectable showing, indeed.

ABOUT THE RESULTS

As one might expect, many different observations were made, such as "one of the best and most enjoyable magazines Hewlett-Packard prints," and this somewhat puzzling comment, "I've never seen one since joining in 1973."

But these comments could not compete with what has come to be known as the Australian phenomena. It seems that when it comes to distribution, *Intercom* sometimes "magically appears" on the desks of employees in Australia.

It may be of interest to note that the survey was statistically evaluated with an HP 150 and Lotus 1-2-3™. Some 11,000 entries were placed into the spread sheet, and, of course, some opinions were expressed more often than others.

The magazine received a favorable review in general. Although it is good to know that most readers are

satisfied with the publication as it is today, there were certain areas mentioned that could be improved upon. Here are some of them.

Readers would like to see more sharing of common problems and solutions. In recent months, the magazine has focused on such topics as training, employee communications and customer satisfaction, all of which effect all Intercon entities. However, we do recognize that there is a need for more of this type of communication.

Some readers think that there should be more coverage of local events and culture. *Intercom* does attempt to cover all of the regions and countries equally, relying on input from individual locations. The amount and timeliness of these contributions help determine the magazine's content.

Time and space limitations can also restrict the number of stories about events and people that are primarily of local interest. Actually it is the primary responsibility of the many newsletters published in the countries to highlight local activities.

There were several requests for more color and more photos. Undoubtedly, in some cases color can enhance the appearance of any publication, particularly when a true representation is needed. For example, when flags were used on the cover of an early 1984 issue, four color (a printing term meaning the full

Continued next page



In compiling the survey results, Hans Kuendig made some 11,000 entries into an HP 150, using Lotus 1-2-3.™

Newsbriefs

spectrum-blue, red, yellow and black) was necessary to give proper representation. In most cases, however, two color (black plus one other primary color) serves well and costs substantially less. In regard to more photos, *Intercom* editor Lynn Schulte welcomes contributions but stresses the need for good quality to ensure sharp reproduction in the magazine.

Readers from the Far East and Latin America expressed a desire to read *Intercom* in their own languages. In the future, technology may allow us to print copy in several languages. Realistically, though, this is not likely to be available for several years. And, because of *Intercom's* relatively limited circulation at present and the wide variety of languages involved, the per-copy cost would probably be prohibitive.

Some readers commented that *Intercom* should be published more frequently. *Intercom* does not really attempt to be a current news vehicle. Rather its objective is to focus on subjects that are of interest and concern to our wide range of readers and to cover stories in some depth. With this in mind, a quarterly magazine seems best suited to the publication's purpose at this time, relying on local newsletters to keep employees up-to-date as the *Intercom Supplement* does at headquarters.

Our appreciation to the survey participants for their sincere and insightful comments. We will try to see that *Intercom* magazine reflects changes resulting from everyone's responses. ■

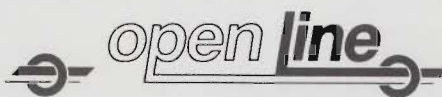
Hans Kuendig is working in the public relations department at Intercontinental as part of HP's Student Education and Employment Development Program (SEED). One of his major responsibilities has been the coordination of the Intercom survey.

For readers who would like to have more detailed information on the results of the survey, or who are considering a similar project, an in-depth report will be available as of January, 1985. It will cover all aspects of the survey (design, implementation and evaluation). For copies, please contact Intercon headquarters public relations.

East meets West

Visitors from the People's Republic of China were in Valley Forge, Pennsylvania recently for a two-week operational training course on the HP 8410A network analyzer system. Ten professors, lecturers and instructors from various universities in several different Chinese cities joined David Chan, an HP field engineer stationed in Beijing, for in-depth classroom and lab work.

Hosting the group was the southern area of HP's Eastern Sales Region. The visitors gave a China doll to the Valley Forge office which, in turn, presented a Liberty Bowl now on display at China's Ministry of Education.



What's on your mind

There's a better than 50 percent chance you didn't work at HP five years ago. Even if you were here, you may only vaguely recall something called "Open Line." It was a survey that questioned more than 7,000 of the company's U.S. employees about their attitudes on working at HP.

Another Open Line survey is scheduled to begin in January in the U.S., Canada and Puerto Rico. In the fall of 1985, the same process will take place in Europe and the rest of the Intercontinental locations. About 20 percent of HP employees will complete a 100-question attitude survey which will be analyzed by an outside consulting firm who will report the data back to HP. Then the information will be fed back to individual locations where small groups of employees will study the results, identify problems areas, and offer possible solutions to local problems.

HP president John Young says he is frequently asked how HP can retain all the "good things about the company as we continue to grow. The answer is that we have to put more effort into many areas; chief among these is communication with all of our people."

Years ago that was easier to do. But now, with HP's worldwide employment topping 80,000, it's a real challenge. Organizationally, HP is a very different company from the one surveyed in 1979. Even the company's primary businesses have changed.

"We expect these changes to be reflected in different results, and we hope to learn how employees feel the company has changed," says Frank Williams, manager of corporate personnel communications and marketing who is coordinating Open Line worldwide.

Newsmakers

Far East

Tom Pierson has been named Far East Sales Region personnel manager. He joined Intercon in 1978 as compensation and benefits manager after which he transferred to HP South Africa as personnel manager. In addition to personnel functions in the sales region, Tom will also be responsible for providing assistance in establishing personnel programs and staff in new operations such as Korea and China. He has a degree in business management from California Polytechnic University.

R&D manager for Samsung Hewlett-Packard in Korea is **Young Dae Kim**, an HP employee since 1969. He has worked as a development engineer for the Stanford Park Division and most recently for the Network Measurement Division in Santa Rosa. Young Dae received an undergraduate degree from Seoul National University, a master's from South Dakota State, and a doctorate in electrical engineering at Stanford University under the HP honors coop program.

Suresh Rajpal's new assignment has taken him to Hong Kong where he is the marketing, sales and support manager for the Far East Region. Suresh has a degree in electrical engineering and has done post graduate studies in the field at the University of Toronto. He also has a master's in business from York University in Toronto where he began his HP career in field sales. Suresh had been Far East Area Instruments sales manager, also in Hong Kong, and Intercon Instruments marketing manager.

John So has been appointed manufacturing manager for HP's joint-venture company in China, working at Intercon headquarters until he relocates to China in the second quarter of 1985. John received a degree in electrical engineering from National Taiwan University and a master's in the same subject from the University of Nevada. He started at HP labs in 1966 and most recently was production manager of the microelectronics department of Network Measurements Division.

YHP chairman and HP board member **Shozo Yokogawa** received the Kun Nito Zuiho Sho award from the Electric Instrument Association of Japan of which he is the chairman. The honor is the second most prestigious industrial award given by the Japanese government. Shozo responded to the presentation by expressing his appreciation for the recognition. "But I understand that I'm receiving this award because I represent this industry."

The president of Yokogawa Hokushin Electric Co. also received another honor in the form of the Second Order of Merit,



Young Dae Kim



Suresh Rajpal



John So



Bud Bromley



Shozo Yokogawa



Walt Reichert



Doug Thompson



John Janetos



Mario DeLima

Order of the Sacred Treasure, from the emperor of Japan. The award is presented to those who have contributed significantly to the business world and the national or public interest. Shozo is the first person in the measurement instrument industry in Japan to receive it.

Former Latin America/Caribbean Analytical sales manager **Bud Bromley** is now responsible for HP's Analytical business in Japan and Korea. In both of those countries, HP products and service are now handled through distributors rather than the established joint ventures. HP Analytical's distributor in Japan is Yokogawa-Hokushin Electric Works; in

Korea, it is Young in Scientific Company, a division of Ginsco. Bud came to Intercon about five years ago as Analytical sales manager for Latin America and South Africa after serving as a field engineer in New Orleans. He has a degree in natural sciences from Mercer University in Georgia and completed two years of a work/graduate study program in group psychology.

Palo Alto

Assuming Bud's role as Latin America Region Analytical sales manager is **Jelson Ghigonetto** who was Brazil's Analytical sales manager. Before joining HP in Sao Paulo in 1976, he worked for Petrobras, Brazil's largest oil company, and received a degree in technical chemistry from the Colegio do Carmo in Santos near Sao Paulo.

Clement Yu has come to Intercon as Computer applications engineer administrator after serving as administrative manager with the International Trading Co. There he developed and implemented control and reporting systems, formulated accounting policies and established product pricing. Clement has a degree in accounting and economics from the University of Toronto and an MBA from the University of Washington.

The new position of Intercon export marketing services manager has been filled by **Walt Reichert** who is combining his prior duties as Computer marketing support manager with the commercial services organization. He joined HP in 1969 as a contracts negotiator and later spent four years in the Computer Marketing Group with emphasis on international agreements. Walt has a degree in economics from Stanford University and an MBA from Pepperdine University in California.

New controller at Intercon headquarters is **Doug Thompson** who had been controller for HP Malaysia Manufacturing since 1981. He began his HP career with the Calculator Products Division in Loveland, Colorado after receiving an MBA from the University of Colorado. Doug also has an undergraduate degree in international business administration from that university.

Canada

New personnel manager for HP's Panacom manufacturing operation is **John Janetos**, formerly personnel manager for the company's Central Canadian zone based in Toronto. He joined HP five

years ago as a personnel representative in Edmonton. John graduated from the University of Waterloo and received a master's in social work from Wilfred Laurier University in Waterloo.

Latin America

Mario DeLima is now the controller for the Personal Computer operation in Campinas, Brazil after being the cost accounting manager since 1980. He has a degree in economic sciences from the Pontificia Universidade Catolica de Campinas. Mario came to HP in 1975 after working for Texas Instruments.

Mike Forster has been named operations manager of HP's manufacturing operation in Aguadilla, Puerto Rico. He replaces **Ray Cookingham** who has accepted the position of controller, products groups, within the corporate offices. Mike has been with HP since 1973 and served for two years as general manager of the Manufacturing Division before its absorption by the Stanford Park Division. His most recent position was manufacturing manager of the Computer Systems Division. Mike holds an industrial engineering degree from Stanford University and an MBA from the University of California at Los Angeles. ■

Correspondent Spotlight



Marlene Simarelli provides *Intercom* with news and views from Campinas, Brazil where she works in quality assurance. She is especially well-equipped for the job as correspondent as she has a degree in journalism and has worked in both TV and radio. Marlene enjoys gymnastics, playing the guitar and being close to nature, a preference she developed growing up on a farm in Leme, San Paulo state.

Intercontinental Service Awards

Traditionally HP honors long-term service at the end of each calendar year and this year more Intercon employees than ever before are receiving recognition. Here are the employees who have accumulated 15 or more years with the company.

Argentina

15 years

Luis Francisco Musolino

Australia

20 years

Dave Reddy

15 years

John Bieske
Peter Griffiths
Ian Johnston
Ray Mills

New Zealand

15 years

Wayne Squires

Palo Alto

30 years

Wes Wickham

25 years

Gerry Tillman

Jane Chikuma

20 years

Tom Bailey

15 years

Janet Ballew-Junger

Sy Corenson

Bob Coutts

Jan Krebs

Bob Payne

Walt Reichert

Brazil

15 years

Gloriberto Marella

Haroldo Dos Santos

Jose Luiz Guedes

Renato Maia

Oscar Barbosa

20 years

Tony Johnson

Inge Harpell

Gerry Weightman

Canada

15 years

Gary Bauer

Aileen Furlong

Amor Bekkouche

Darcy Meehan

Armand Theral

Kay Schieder

George Jones

Bob Mayer

Ernie McKinnon

Lena Bishop

Norm Lang

Colin Reay

Vince Terpstra

Singapore

15 years

Koh Swee Lan

Kalsom Junid

Mosnah Sikassan

Koh Lian Tee

Ng Bee Leng

Salmah Supani

Wong Ai Khew

Wong Wai Fong

Saodah Kamsir

Suraini Mitropawiro

Kamariah Sukim

Junaidah Omar

Saniyah Sa'at

Tan Lay Bee

Jamilah Majid

Jumiah Mosni

Sumiah Munir

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