

intercom

HP Intercontinental Operations News

FY 1986 — Fourth Quarter



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Opportunities in Far East/Japan Presented at Asia Day

Following the Worldwide General Managers meeting held in Palo Alto in late August, the Business Systems and Technology Sectors participated with Intercon in "Business Systems Asia Day." The purpose of the meeting was to discuss Hewlett-Packard's business opportunities in the Far East/Japan for commercial business systems.

As general managers from Intercon's Asian countries spoke, one thing became clear, the battle for the business computer market in Asia is going to be a "bloodbath." IBM, DEC, Wang, Prime and HP are all battling for their share of the Asian market, the fastest growing market in the world. Almost all the managers emphasized the need for local language solutions and Wen Ko from Taiwan said, "If we don't have an IBM link, we might as well sell instruments."

Each general manager gave some background information about the country and then spoke about the business computer market. George Cobbe praised the Korean work ethic. "They are hard workers and have a can-do attitude," he said. He explained that business is dominated by conglomerates and all of them are in the computer business.

Opportunities in the Korean computer market lie in manufacturing, office automation, and government administration. Some of HP's goals in Korea are to penetrate the manufacturing market, develop a relationship with Samsung for big sales particularly to the government and to work with a university for computer localization.

Taiwan's business structure is the opposite of Korea's. Rather than large conglomerates, the business community is comprised of a few big companies with many medium and small-sized companies being the rule. Wen Ko related that the strategy in Taiwan is to focus on electrical manufacturing, non-durable manufacturing and the trading and retail market. He pointed out that HP enjoys a "good reputation in Taiwan."

Chi-ning Liu called China "one of the most politically stable countries in the region." He forecasts a 30 percent growth rate for HP in the next five years. He noted that computers have been used mostly by educators in China. "We need to bring computers into production use as well as build expertise and a strong data base. "Our objective is to establish China Hewlett-Packard as one of the top three suppliers of business systems by 1990 through solidifying our strategic alliances and providing integrated Chinese solutions," he said.

Jack Lee pointed out that Hong Kong's economy is shifting from a manufacturing base to a financial base. "Hong Kong is the third largest financial center in the world next to London and New York," he stated. Jack pointed out the biggest users of computers in Hong Kong is the Royal Jockey Club. "They are the biggest buyers of minicomputers and DEC has that account completely sewn up."

He noted that the market is slow right now because of Hong Kong's uncertain future. "Capital investment is low; however, finance is picking up as well as trading and distribution. Hewlett-Packard has only been in Hong Kong six years so we have to build up our image with good marketing programs. We need to focus on the trading/distribution, manufacturing, education and finance markets," he said.

Victor Ang described ASEAN as a group of 14,000 islands with 300 million people. "We are not a homogeneous market. We have a subsidiary in Singapore and Malaysia and the others are distributorships. The real growth in the Singapore market is in finance and banking. Singapore wants to become the financial center of ASEAN; thus, there are many opportunities in the financial area. At the same time, the education field is becoming the battlefield of the computer market," he said.

He pointed out that Thailand needs local language solutions; however, the other countries in ASEAN do not need



Victor Ang, Dick Warmington, Walt Sousa and Alan Bickell during a break at Asia Day which was held in the Corporate headquarters auditorium.

HP Computer Museum
www.hpmuseum.net

For research and education purposes only.



"Looking Ahead to FY87"

by Alan Bickell



Tony Cheung keeps the speakers on time at Asia Day.

them so much. "The areas we need to focus on are manufacturing, finance and banking and the government," he said.

Of all the Asian countries, HP's presence is the weakest in India. Suresh Rajpal said, "We need a strong presence to market computers. Presently, the customer sees us with no strengths at all and several weaknesses. This is because we are not recognized as a supplier, we have no sales force, no relevant solutions, no local manufacturing and no value added programs."

Despite these problems, HP has had about a 50 percent growth rate since 1983. Suresh related that there are 800 million people in India. There are 160 million English-speaking people which makes it the largest English speaking country after the United Kingdom and the United States. He sees opportunities for HP in banking and finance, transportation and government planning and administration.

Business Systems opportunities in Japan were presented by Toshiteru Suwa, marketing/sales/support manager; Masao Terazawa, marketing manager; and Steve Hillyer, on assignment in Japan to work on developing HP's relationship with Canon for HP 3000 systems.

The market for business systems in Japan is large and growing. It is dominated by Japanese competitors (Fujitsu, NEC, Hitachi) and IBM. However, there are major opportunities for HP in select market segments. In particular, in the financial services area through collaboration with Canon, in the foreign multinational accounts and in HP's traditional market — electronic manufacturing.

The critical factors for success in Japan are local language support, development of commercial sales through Canon with the financial services area and localized software solutions to meet the requirements of foreign multinational and local electronic manufacturers.

Following the presentation, there were a series of workshops to allow country management and sector management to develop an overall Asian business plan for business systems. Markets were prioritized and the appropriate field and factory resources identified which will be key to HP's success in FY87 and beyond.

The day concluded with an Asian dinner. In an after dinner speech, Dean Morton, chief operating officer and executive vice president, emphasized HP's business opportunities in Asia. ■

We have just concluded our annual general management meeting here in Palo Alto. During this meeting we were briefed by each of Hewlett-Packard's product group management teams on business plans and new product introductions for the coming year. This annual activity serves as the primary vehicle for updating field general management on the directions of HP's business units. The program was excellent! Presentations were very well organized and the Group business plans were carefully articulated. It was particularly pleasing to see that many of their programs now had special emphasis on the unique requirements of our Intercontinental markets, particularly those in the Far East.

The overall impression I had was that HP's position in the marketplace in FY87 is going to be extremely strong. Examples included introduction of excellent new products in the Microwave and Communication area, and continued roll out of products from the Spectrum program based on HP precision architecture. The Design Systems Group's "design center" concept will grow significantly, with HP offering a broad range of applications in electrical and mechanical engineering design.

We are all very encouraged about our business prospects for the next year. The economies in most of our countries have turned and are moving in a more positive direction. Exchange rates seem to have stabilized. Our customers are starting to adjust to the new exchange rate levels. This is particularly important in Japan. With an improving economy, and a very strong and broad range of Hewlett-Packard new product offerings, we are positioned to have a very good year in FY87.

Our plan is to approach the establishment of order quotas and financial plans very conservatively. I discussed this at length with the general managers during our meeting, and we agreed that 15% growth in orders would be appropriate. We plan to position the organization so that we can continue to carefully control our field selling costs and employment. Intercon has made significant progress in improving its sales organizations' cost effectiveness. Similarly, our manufacturing activities have exceeded their FY86 profit targets. We would like to continue both of these trends into FY87. Not all of our markets can be expected to grow at the same rate.

While the country general managers were here in Palo Alto we staged a one-day program titled "Asia Day". This was a joint effort between the Business Systems Sector and Intercontinental to present Hewlett-Packard's business opportunities in the Far East. Country general manager presentations served to focus the Business Systems Sector divisions, as well as other supporting units of the company, including the Peripherals and Networks Groups, on the importance of this marketplace. These divisions play a key

(continued on page 4)

Looking Ahead *(from page 3)*

role in helping us position our products competitively, both in terms of price and features. Asia Day was clearly a big success. It raised the profile of our important markets in the Far East, and acknowledged the excellent job our teams have done there over the last several years.

Latin America received considerable attention during our discussions as well. It was a great pleasure to welcome Manuel Diaz in his new position as general manager of the Latin America Region. Through our past efforts in Latin America, we have created some unique opportunities for HP. The Mexico market has grown substantially, representing 45 percent of HP's Latin America business today. A new organizational structure has been implemented in Brazil which will allow us, through collaboration with our Brazilian partners, to directly address the computer market there. We see this as a very new and exciting opportunity for HP in that very important computer marketplace.

Canada and Australia have both experienced similar economic downturns and weak HP business. Again, our prospects for FY87 look much brighter. The indicators point to recoveries, and the product offerings already mentioned will be particularly helpful in those marketplaces. Canada and Australasia should post on-quota performances for FY87. Both organizations have continued to make excellent progress in productivity improvement and cost management.

If you sense from all of this that I am very optimistic about FY87, you are right, I am. We have a strong well-trained organization in place, excellent products, and an improving economic picture. I believe all of these will contribute toward a very positive business picture for HP in the Intercontinental territories in FY87.

FY86 isn't finished yet, but I think the story is pretty much a matter of history. Everyone deserves a lot of credit for managing in a very difficult economic environment. The hiring controls were severe, and the cost reduction guidelines were difficult to meet. The performance of each of our organizations is certainly worthy of considerable credit. We will finish FY86 with about 10 percent growth in orders, and over-target profit contribution to HP from both our sales and manufacturing activities.

Thanks for a fine job in FY86. Let's look forward together to a more positive and upbeat environment in FY87. ■

HP Supplies Asian Games

by Hans Kuendig

In cooperation with the Seoul Asian Games Organizing Committee (SAGOC), and the Seoul Olympic Organizing Committee (SLOOC), Hewlett-Packard Company will supply analytical instrumentation, back-up equipment, and support staff for use during the Asian Games to test athletes for substance abuse. The games will run from September 20 thru October 5.

During the past year, HP has provided a team of specialists to help with staff training and the installation of equipment at the Doping Control Center, located near the 1988 Olympic sports complex.

Samsung Hewlett-Packard, a joint venture formed in 1984, and Young-In Scientific Ltd., HP's analytical distributor in Korea, will play a major role in providing additional product, service and system engineering support during the games.

The Doping Control Center is located in a new five floor building currently leased by SAGOC and SLOOC. DCC's organization consists of members from SAGOC, SLOOC and the Korean Advanced Institute of Science and Technology (KAIST).

HP products in use at the lab include gas and liquid chromatographs, spectrophotometers, mass spectrometers, Series 9000 computer workstations, and Vectra personal computers. All systems are automated for unattended, multi-sample analysis.

Jongsei Park, a Korean native previously with the University of Maryland's Division of Forensic Pathology, will manage the lab. Park has called on Professor Manfred Donike and his team, out of West Germany, to bring the lab up to required standards for international competition. Donike's team has been involved with international sports events since 1972, and will conduct all drug testing for the Asian Games.

HP has provided analytical drug testing products to international sports events for many years. These events include the 1972, 1980, 1984, and 1988 Olympic Games; the 1982 and 1986 World Cup; and the 1983 Pan-American Games. ■

\$10 Million Computer Sales

CHINA HP AGREEMENT. China Hewlett-Packard has concluded a computer sales agreement worth approximately \$10 million (U.S.) with the Computing Center of the Ministry of Foreign Economic Relations and Trade (MOFERT) in China. According to the agreement, MOFERT will purchase more than 60 HP 3000s within a year — which could be one of the largest single minicomputer sales in China since the Chinese government imposed restrictions on foreign-currency expenditures last year.

“Take Charge of Your Health” is Intercon’s Theme

“Take Charge of Your Health” has been the theme of this year’s health program at Intercontinental headquarters in Palo Alto. Dani Nedom, Intercon’s nurse says, “The objective of this program is to offer on-site medical services and health education to help our employees to maintain and improve their physical and mental well-being.”

Dani believes the workplace gives her an excellent opportunity to help employees who want to improve the quality of their life through early detection of disease and general health education programs.

Current medical research in the United States shows that American lifestyles have a major influence on an individual’s health. These lifestyles often promote obesity, cigarette smoking, high fat diets, stress, and high blood pressure. These habits can lead to premature death from heart disease and strokes. Dani points out, “Most of these habits are within our control.”

Because employees at Intercon headquarters expressed the desire to lead healthier lifestyles, Dani, with the support of management, developed several programs. These include lifestyle screening, cholesterol and blood pressure screenings, a stop smoking program, on-site exercise class, voluntary exercise to music at 10 a.m. and 2 p.m., plus a six-week weight loss incentive program.

Dani related, “All the programs have been received enthusiastically and have benefited the participants. For example, seven people have stopped smoking and eleven are being treated for previously undetected high blood pressure. The most dramatic incident involved the detection of an irregular pulse and erratic blood pressure which led to corrective heart surgery. Happily, that person is now healthier, completely recovered and back to work.”

In addition to these various programs, Dani offers personal health counseling. “Individuals with health related problems visit me on a drop-in basis. I see an average of 90 employees every month and refer about three to doctors.”

Dani also works with the Intercon benefits representative to expedite health care through knowledge of HP medical plans plus appropriate referral to the medical community. She strongly encourages employees to be knowledgeable health care consumers.

Dani believes health awareness at Intercon is unique because it has been adopted as part of Intercon’s philosophy and has been incorporated into their training programs. The “healthy manager” was presented as a module in “Managing at HP.” Stress management classes tailored to perceive stress in the workplace have been attended by over 100 employees, which is about one-third of Intercon’s staff.

Dani is a graduate of the O’Connor School of Nursing in San Jose. She recently received a B.S. in Human Relations



Dani Nedom puts up a notice for Lifestyle Screening.

and Organizational Behavior from the University of San Francisco. She started at Intercon in 1984 when management decided to include a nurse in the personnel department. Dani was hired to start a pilot program and now works part time.

She concludes, “I feel privileged to bring health awareness and education to our employees. I have a special affinity for the employees at Intercon. They are a vibrant, energetic group of people and I am happy to bring a positive contribution to their lives.” ■

Overview of HP Given to China Foreign Trade

An overview of Hewlett-Packard was given to 35 customers of China Foreign Trade Organizations (FTO's) during a week-long conference in the Palo Alto area August 4-8.

The purpose of the conference was fourfold: to arrange for qualified FTO's to meet with HP's top management in order to strengthen customer relations, maintain loyalty and further stress the company's commitments in China; to conduct product strategic presentations and tours to help FTO's to understand HP's main product lines; to gather sales related feedback from FTO's on how China HP can perform better in the future; and to conduct a purchase agreement workshop to help FTO's more effectively fulfill their current agreements.

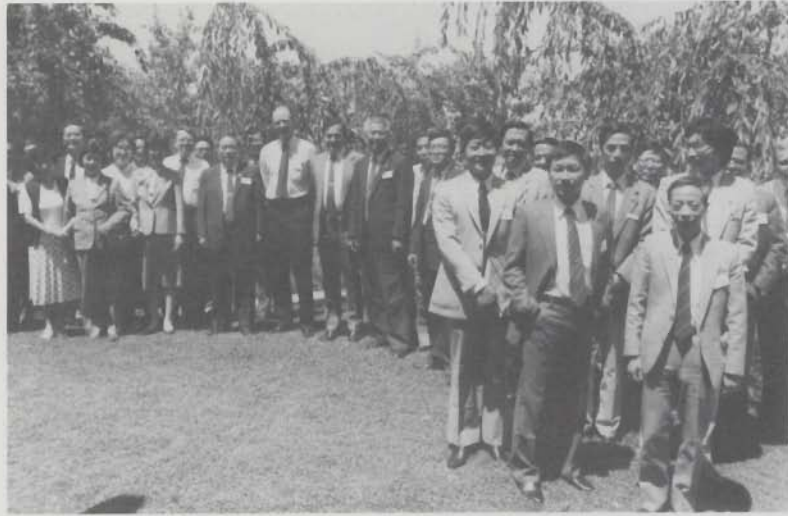
Opening day of the conference was held in HP's Corporate headquarters. Lee Ting, director of Corporate Development and Manufacturing, Intercontinental Operations, welcomed the participants. He told them that HP stresses teamwork as well as personal relationships in an informal atmosphere. "During this conference we hope to establish two-way communication so we can improve our ability to meet your needs," Lee said.

Baohe Zhang, president of Instrimpex and the group leader, then thanked HP for its hospitality on behalf of the participants. "I hope the conference will help my Chinese colleagues to have a greater understanding of HP products as well as promote understanding between our societies," Zhang said. He expressed the belief that the conference will lead to more HP products in the Chinese market. Zhang concluded, "I foresee much future expansion between the Chinese representatives and Hewlett-Packard."

Chief Operating Officer, Dean Morton, spoke on the state of computation and the electronic industry. He went over the reasons for the recent two-year slowdown in the industry. "Part of it is a reaction to the high rate of growth in '83 and '84. Also, there has been a general slowdown in capital goods spending. However, we are beginning to see a re-emergence of growth."

Dean outlined the general structure of the electronic industry. He related that worldwide sales are \$320 billion; 4.3 million people are employed worldwide; and there are 13,000 firms in the United States. Of these firms, 4,500 are in California with most of them in Silicon Valley. Massachusetts has the second highest concentration of electronic firms with 1,000. He noted that the industry is dominated by one company: IBM.

As for market trends, Dean related that computers are getting smaller, have more power, but are costing less. He predicted that by 1990 "you'll be able to hold a computer that will sell for about \$100 in your hand." He pointed out that the cost of hardware per unit is coming down; however, the development of software has not kept pace. "We need to develop more customized software, continue with the



Dean Morton with customers of the China Foreign Trade Organization.



Some members take a cruise on San Francisco Bay.

Organization



Entering Corporate headquarters for a fact-filled day.



Bill Terry relates HP's history.

development of artificial intelligence, and make computers more user friendly.”

Bill Terry, executive vice president related the history of HP. He talked about the early history of the company and how it has expanded to 65 divisions worldwide. He then outlined the structure of a typical division. Bill attributed HP's success to its technology, commitment to customers, quality, and the Corporate objectives which were formally written in 1957.

After lunch in the executive dining room, Lee Ting spoke about the history of HP in China, the current activities of the joint venture, the many working relationships HP has with other organizations in China, and the future directions for HP in China.

Lee related that HP's first contact with China dates back to October 1972 when Machimpex invited HP to hold discussions of mutual business interest. “Bill Doolittle, then vice president of International, and myself traveled to Canton and Beijing where we established the initial contacts,” he said.

David Packard made his first visit to China in 1977 at the invitation of China's Ministry of Foreign Affairs. Two years later, in 1979, HP held its first series of technical seminars in Beijing. John Young, chief executive officer, and Dean Morton were in China at this time and met with foreign trade organizations and universities and visited various research, production and medical facilities.

“The seminar's ultimate success was the fact that almost every piece of equipment we brought was sold and left in China,” Lee noted.

In the latter part of 1979 Packard visited China for the second time and HP established a full-time organization dedicated to business development in China led by Chining Liu, the current president and general manager of HP's joint venture.

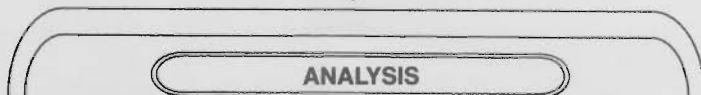
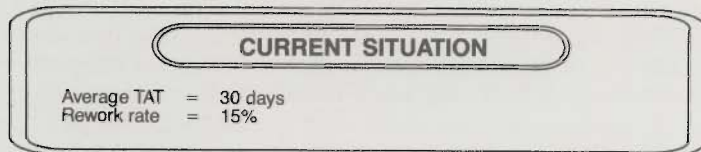
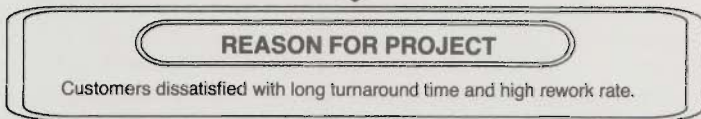
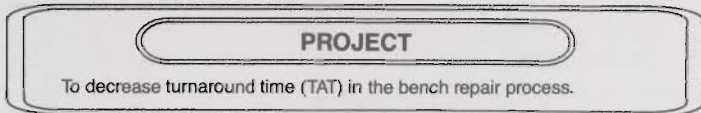
A joint venture agreement was signed in 1984 between HP, CEIEC (China Electronics Import Export Corporation) and the Beijing Computer Industry Corporation. “After one-and-a-half years of operation, the CHP staff has more than doubled to about 170 employees. The majority are local employees who are being trained and developed in the HP way,” Lee said.

Lee pointed out that HP's involvement in China is not limited solely to the CHP joint venture. “We are actively working in the analytical, microwave, and medical instrumentation area with other Chinese organizations.”

The rest of the week was devoted to presentations by group marketing managers, product demonstrations, and visits to divisions in Silicon Valley. Chuck House, director of Corporate engineering, gave a wrap-up presentation on the subject of HP's innovation for the future. ■

TQC at work in HP Mexico

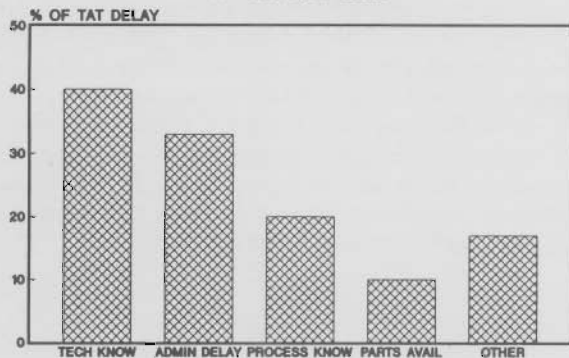
HP Mexico's CEO Field Repair Center received an increasing number of complaints regarding the turnaround time (TAT) and high rework rate of their bench repairs. After analysis of the problem and decisive action Francisco Garfias, Quality Manager, Bernardo Morales, CEO Manager, and their team put TQC to work. Here is the story.



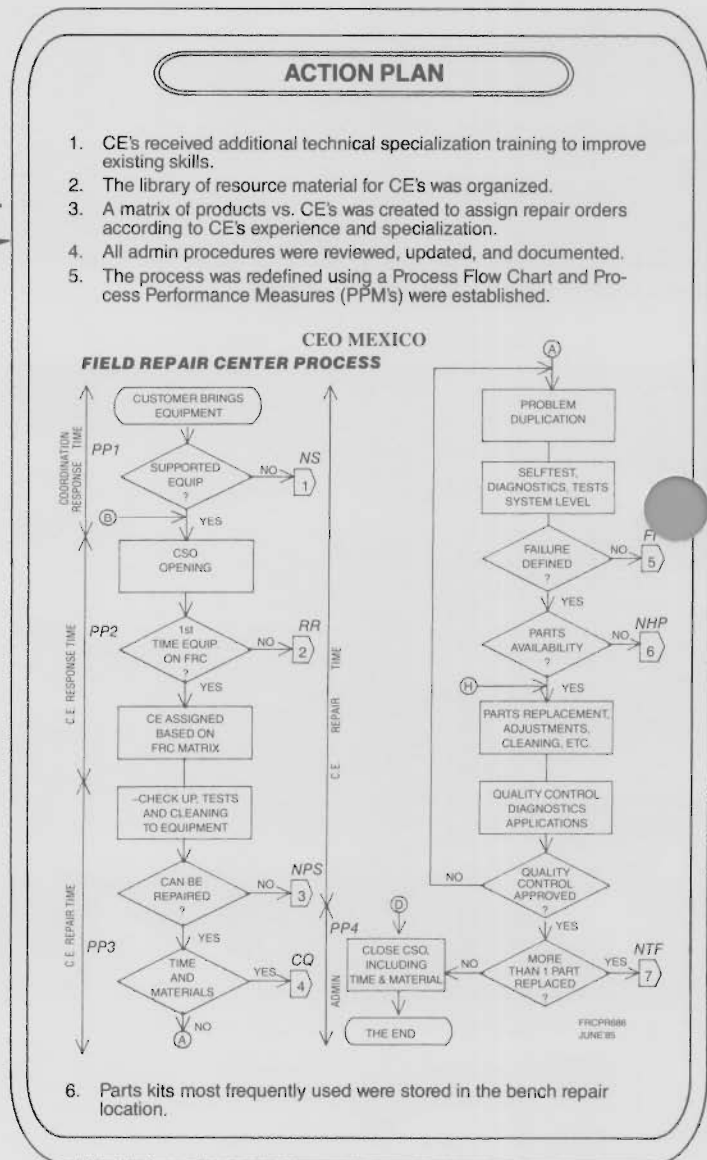
Determined that within a sample of 200 orders:

- The greatest impact on TAT occurred due to problems with CE's lack of technical knowledge (40%).
- Disorganized source material for CE's resulted in technical delays.
- Lack of an efficient system to assign orders to most appropriate CE's resulted in delays.
- The second greatest impact on TAT was due to problems within the admin process (33%).
- 20% of the TAT delays was due to a complicated bench repair process, of which the employees did not have a thorough understanding.
- Unavailability of parts accounted for 10% of the delays.

CAUSES VERIFICATION
N = 200 Repair Orders



Main Causes Delaying TAT





RESULTS

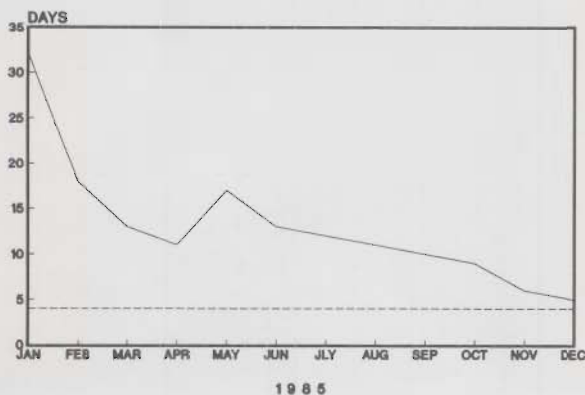
After 6 months, the team reported the following achievements:

1. TAT changed from 30 to 5 days.
 2. Rework rate decreased from 15% to 2%.
 3. Employees were visibly more motivated with their job.
- Special Case: "In January 1985, three CE's repaired 170 calculators in 6 days. By December 1985, one CE repaired 125 calculators in just 2 days."

This employee increased the productivity rate . . . 13 fold!!

TOTAL REPAIR TIME (TAT)

TOTAL TAT OBJECTIVE



STANDARDIZATION

1. Documentation of admin procedures.
2. All employees involved in the process were trained in TQC.
3. To continue tracking PPM's ensuring health of the process.

REMAINING PROBLEMS

To continue working on improving TAT in bench repair process.

FUTURE PLANS

Application of the same process methodology for Medical and Analytical equipment.

The Networking of Grants



John Mack, Northrup account manager for Neely sales; Elizabeth Braun, international staff assistant for Northrup; and Sy Corenson, manager of Intercon public relations.

by Sy Corenson

First, let us define the word "Grant". It's the word HP now chooses to use, instead of "donation" or "contribution," when performing its cash or equipment philanthropy. It isn't entirely clear why these words have changed, but perhaps it's because a relatively small percentage of HP's philanthropic program relates to charity. Even so, because of the large size of HP's program, local and national charities do receive substantial HP support.

However, the primary thrust of HP's philanthropic grants program in the U.S. and abroad is to provide advanced state-of-the-art products to universities and select agencies to enhance the educational process or, for example with the special artificial intelligence (AI) systems grants, to help provide the means for basic research for emerging technologies.

Also, in the U.S. and abroad, it is in some cases disallowable for tax reasons and/or in poor taste to use a grant as a condition of, or to be associated with, a sale. Nevertheless, though HP's granting objectives are truly altruistic, we surely recognize the many benefits, mostly long term and strategic, that HP might enjoy because of its efforts.

Other obvious spin-off benefits of our grants program is that they tend to build product and corporate familiarity and loyalty among students and faculty members. Many of them are potential customers and even HP employees.

There are many opportunities to help orchestrate benefits instead of waiting for them to happen by chance. And, it doesn't really dictate the granting of big ticket products. They can be modest in size. Such was the case with a minor grant to Argentina which had a variety of potential benefits. I think it's an interesting story.

Early this year, we received a telephone call from Dr. Richard Low representing the U.S. based Argentine-American Cultural Foundation. Dr. Low is a Harvard trained physician and surgeon with roots and continuing interests in Argentina. His specialty is in a rapidly growing area of medical concern: emergency medical and trauma systems. Curiously, there seems to be a need in a developed country like

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Networking Grants *from page 9*

Argentina and especially in its sophisticated major metropolis, Buenos Aires.

With that in mind, the resourceful and dynamic Dr. Low set out to acquire ambulances as well as the necessary defibrillator and monitoring equipment to provide Buenos Aires, Cordoba, and other Argentine cities with initial systems. In a way, this program was to be educational to the Argentine public and government officials to support massive growth of this badly needed service. The emergency medical care ambulance systems will serve as demonstration models of what could be, not only in Argentina but throughout Latin America.

Being a realistic person as well, Dr. Low approached the Northrop Corporation (a major account for HP) for financial support to purchase used ambulances. He also asked HP for medical electronics equipment. While he was willing to accept used equipment, we found it more appropriate and even less expensive to provide two of the newest HP defibrillators. They are lightweight, battery operated, portable and have heart monitoring capability. Because the grant was made to an IRS approved U.S. foundation, despite its offshore destination, we obtained the units at factory cost and received the maximum enhanced tax deduction, so HP's actual cost was minimal.

Another benefit we recognized early in our decision making process, was networking this event with Northrop in order to strengthen our corporate relationship with this major account. As such, we contacted John Mack, the HP major account manager, and invited him to join us when the defibrillator ownership was transferred at Northrop's corporate headquarters. John's involvement brought him in contact with the top purchasing officer at Northrop and the visit also provided him with a good historical and organizational perspective of this top customer. Since Northrop is a large multi-disciplined corporation, like HP, important contacts and in-depth understanding is required to manage such accounts. John leads a staff of 15 who serve this account.

So in summary, this grant project did much more than focus on a single purpose. Here's what it has accomplished (or will):

- Provides life saving capability in an important area of need
- Granted the systems at the lowest possible cost to Intercon and HP
- Provides HP major account management with extended visibility and contacts
- Brought HP to the attention of government officials including the president
- Will introduce a new HP product into Argentina for the first time
- Will receive high publicity and continuous visibility (i.e., logo on the vehicle)

In any grant exercise, a post-installation review determines its success. But obviously, if grant planning and objectives consider multiple opportunities, the potential of real benefits to HP can be improved. ■

Anniversary in Mexico



Manuel Diaz cuts the anniversary cake with Maria de la Cruz Delgado who has been with HP since January 1, 1967. She has the most years of service with HP in Mexico.

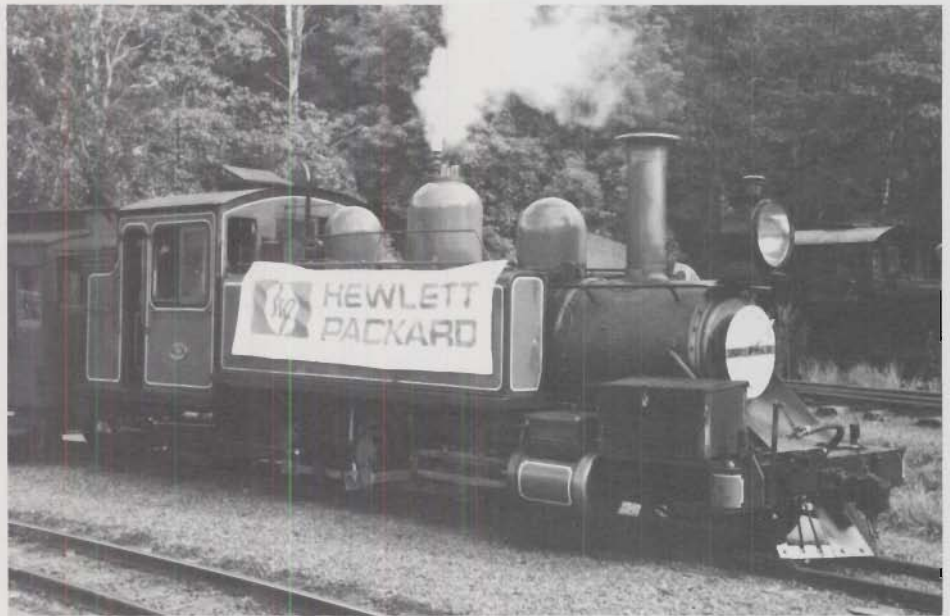
Twenty years in Mexico was celebrated by Hewlett-Packard during the month of July. The main celebration took place in Mexico City at the Colegio de Condatores, an auditorium which holds over 300 people.

Former general managers of HPM were guests of honor at the event. Present were Vicente Garcia Aracil, HPM's first general manager in 1966; Jean Francois Thions, 1974 to 1977; Antonio Castro, 1977 to 1979; and Sergio Mendez from 1979 to 1982.

Manuel Diaz, the current general manager, presented an award to HPM employees who have been with the company more than 10 years. To honor HP's first computer and electronic customers, a special commemorative gift was designed. These gifts are currently being delivered by the sales force.

HP started operations in Mexico on July 9, 1966 as a small distributor office which imported electronic instrumentation for commercial use. By 1968 there were 55 employees, now there are 534. Today HPM has sales offices in Monterrey, Queretaro, Guadalajara, Torreon, Ciudad Juarez, and Chihuahua. There are two manufacturing entities in Guadalajara: Guadalajara Computer Operation and Microcomputadoras Hewlett-Packard. HPM saw a 180 percent sales growth in 1985 and sold over 200 HP 3000 systems in that year. ■

HP Runners Challenge "Puffing Billy"



by Gwen Welsh

"Puffing Billy" warming up before the big event.

In the Dandenong Ranges outside Melbourne (not far from HP's Australasian head office) a unique race takes place annually.

Some 2,000 runners challenge the supremacy of an 86-year-old steam train, aptly named 'Puffing Billy,' over a picturesque 13.5 km course to determine who is King of the Ranges.

This year on a chilly April morning, nine HP hopefuls joined the enthusiastic band of runners who set off in Le Mans style from the main street of a Melbourne suburb.

Puffing Billy's driver, who lined up with the runners, dashed 500 meters to reach his train. On arrival at the end of the route, he climbed from the locomotive and raced to the finish line.

For the better part of an hour, it was steel and steam versus flesh and blood all the way through the hills — up steep slopes, over old wooden bridges and through tranquil fern gullies.

At various points, competitors ran parallel to the train and were urged on by hundreds of people lining the route. Also, passengers had crammed into the race train eager to take part in the event in comfort. Among those travelling in the VIP carriage were HP's John Bieske and family, who no doubt offered suitable words of encouragement along the way to our HP representatives.

In all, 522 competitors came in ahead of Puffing Billy. The winning time was 40 minutes, two seconds. Because of brake problems, a disappointed loco crew could only manage to get the train across the line in 55 minutes, 26 seconds, almost five minutes slower than last year.

Warwick Bray, Melbourne Office HP 3000 SE, was the sole HP runner to beat the train, recording 54 minutes.



Peter Schurr, regional network analyst; Warwick Bray, HP 3000 SE; and Peter Ratten, medical CE are ready to challenge "Puffing Billy."

However, everyone finished the course and will be out to better Warwick's time next year.

HP is one of the sponsors of this event and each year loans the race organizers a Touchscreen PC and printer. These are used to record race entries and to print a certificate for all runners showing their time and how much faster or slower they were than Puffing Billy.

The software, which was donated to the organizers, was written and documented by Richard Brearley, also an HP 3000 SE.

The great Train Race is run through the voluntary efforts of the Puffing Billy Preservation Society to aid in the restoration of G42, Puffing Billy's big brother who may one day provide the challenge to entrants in this most unusual race. ■

New building for HP Campinas employees



New Campinas building.

Employees of Brazil Personal Computer Operation in Campinas moved into a spacious new building in March. The building is divided into three sections, A, B and C. The new plant is located eight miles from the center of Campinas near sugar plantations.

Section A is the largest with 25,834 square feet. It houses the production lines and admin activities. Personnel, EDP, quality control, meeting rooms and a cafeteria are located in section B. The power house, maintenance and record retention are in section C.

Outside is a recreation area where employees can play volleyball, tennis or soccer. There are also barbecue facilities.

Hewlett-Packard has a five-year lease on the building which was constructed and is owned by BBN-Engineering and Construction, Ltd. HP participated in the development of the building and monitored construction so that it would meet HP's standards.

HP's Campinas manufacturing facility began operation in 1975 and was housed in a quonset building until construction of the new building. Initially, calculators and some medical products were manufactured at the plant. Now, its main product lines are desktop computers and calculators.

Campinas is one of the largest cities in Brazil. The city's economy is based on industry, commerce and agriculture. It is known throughout Brazil as a cultural, educational and sports center. ■

MPG Reorganizes Move for Latin America

The recent reorganization of the Medical Products Group has resulted in the relocation of the Medical Product Group marketing and support managers from Intercontinental headquarters in Palo Alto to MPG headquarters in Andover.

Tom Bailey, region marketing manager; Eris Kalkan, region customer support manager; and Dennis Sabin, Latin America medical marketing manager are now all located in Andover.

Several factors affected their move. One is the Medical Products Group decision to measure its general managers by worldwide market performance rather than by manufacturing facility criteria. This organizational entity is called a Strategic Business Unit or SBU. MPG's largest market is Critically Ill Patient Monitoring (CIPM).

The Intercon region has some of the most rapidly growing opportunities in the world for CIPM products. Tom stated, "It is essential to provide convenient access for CIPM managers at Waltham to Intercon region managers. Since we are based at Andover, we also have easy access to the Imaging SBU and Medical Supplies SBU.

Another consideration in the move was proximity to customers. MPG headquarters is only one hour flying time from Canada's headquarters in Toronto as well as major customers throughout the central and eastern provinces. Tom noted, "Canada produces over 35 percent of MPG's Intercon orders."

Tom explained that Latin America distributors and key customers often visit Miami. "MPG's East Coast location makes communication much easier. Also, there is a surprisingly high volume of Intercon customer visits to the Boston and New York area."

The only negative side of the move that Tom sees is the distance from key resources at Intercon headquarters. "Fortunately, this is significantly offset by willing and capable people throughout headquarters. There is also a growing set of office automation and communication systems to minimize the negative impact of long distance communication," he said. ■



Manuel Diaz, second from right, at a reception welcoming him as general manager for the Latin America Region.

In a continuing decentralization of region management within Intercontinental Operations, strategic management of the Latin America Region is moving from Palo Alto, California, to Mexico City, Mexico.

Manuel Diaz has been named Latin America Region general manager, effective immediately, replacing Don Rowe who has left the company. For the next year Diaz will also continue to serve in his present capacity as country manager for Mexico with direct management responsibility for HP de Mexico. He will remain in the subsidiary's new sales headquarters facility in the Las Lomas section of Mexico City.

Since its formation in 1982, the Latin America Region has shared a facility with Intercon Operations in Palo Alto. During the next 12 months the region's marketing, sales management, customer support management, and financial analysis functions will be relocated to Mexico City. Remaining in Palo Alto will be commercial services

(order processing) and distributor administration and support. (Intercon Operations accounting will continue to handle the region's accounting function.)

Other Intercon region headquarters are already located outside the U.S.: Far East Region in Hong Kong, Japan Region in Tokyo, Australasia Region in Melbourne, and Canada Region in Toronto.

Diaz joined Hewlett-Packard in 1982 as head of HP's sales subsidiary in Mexico. He had previously served as director general of Infodinamica, S.A. de C.V. and executive vice president of Bancomer, S.A., both in Mexico City, and as general manager for IBM Corporation's Northern Latin America Region. He holds an electrical engineering degree from the University of Havana and an M.S. in solid state physics from the University of Cincinnati, where he also completed course work for a Ph.D. in nuclear physics. ■

New Position



Rick Justice will join Intercon November 1 as Director of Sales, Marketing and Support. "I am very excited about Hewlett-Packard's potential in Intercon," Rick says, "and I am looking forward to working with the Intercon team as we move beyond the billion dollar threshold." Rick hopes to merge a very diverse HP background that includes field, factory, and Corporate level experience with the cultural diversity and unique market opportunities that characterize the Intercon Operation.

Rick will have three roles in his new position. First, he will assume management responsibility for sales, support and marketing functions at Intercon headquarters. Second as sales manager, Rick will lead Intercon's sales teams, leveraging direct sales activities with Intercon's major account, value added channel and dealer programs.

Finally, Rick will have responsibility for integrating region wide sales, marketing and customer support activities to focus on Intercon's main goal — expanding sales, building on excellence in customer satisfaction and attaining a pre-emptive market position created by HP's value added program.

Rick joined HP in 1973 when he worked as a summer student with the original HP 3000 product management team. In June, 1975 he joined Neely Sales as a sales representative. Three years later, he was named district sales manager. In 1981, Rick joined the Computer Marketing Group as worldwide field marketing manager. From 1982 to 1984, he managed the Computer Sales and Marketing Center activities. For the past two years, he has been director of HP's Worldwide Major Accounts program.

Rick holds an engineering degree from the University of Santa Clara and an M.B.A. from Stanford University. ■

Newsmakers

Canada

John Cross has been named manager of personnel for HP Canada including the Panacom Automation Division. John joined HP in 1967 as a sales engineer for medical products and has held positions in service, manufacturing and administration. His most recent position was general manager of HP Canada's Customer Support Center. He has a degree in Electrical Engineering from the University of Toronto. John is a member of the Board of Trade and the Western Business Club at the University of Western Ontario.

Tony Johnson has been appointed general manager of the Customer Support Center for HP Canada. Before joining HP in 1965, Tony was a systems analyst at the National Research Council in Ottawa. He has held a number of senior positions at HP. Among them are branch manager in Ottawa, Toronto and Montreal; electronic instruments sales manager for Canada; an overseas assignment as general manager for Singapore and Malaysia sales; area general manager for Central and Western Canada; and most recently as general manager for the Professional Development Center. Tony is an active jogger, squash player, skier and windsurfer.

The new general manager of the Measurement and Computation Group is **Ross Marsden**. Previously, he was manager of personnel for HP Canada as well as the Panacom Automation Division. Since joining HP, Ross has served as a sales representative for computer systems in Toronto, district sales manager for Alberta and branch general manager in Edmonton. He returned to Toronto as district sales manager, major accounts and was appointed region sales manager for the Medical Group in 1983.

Hong Kong

Tommy Chan has been appointed Far East Region Marketing Communications manager. Based in Hong Kong, he will have responsibility for marketing communications activities in the Far East Region. Tommy came to HP from Wang Pacific Ltd., where he was the Asia Area marketing communications manager. He holds an M.A. in Journalism from East Texas State University and a B.A. in the same field from Baylor University.

Doug Thompson is the new corporate development and manufacturing manager for the Far East Region. In his newly created position, he will be based in Hong Kong to provide leadership and coordination for the development of new HP business in the region. Currently, he is Intercon controller and formerly was the controller for Malaysia manufacturing in Penang for three and a half years. He holds a B.S. in International Business as well as an M.B.A. from the University of Colorado.



John Cross



Tony Johnson



Ross Marsden



Tommy Chan



Doug Thompson



Deuk Soon Lim



Seong Hoon Ko



Tien Teck Yap



Hans Neilson



Jerry Chen



Fang Ming Lu



Shion Chuang Huang



Sken Chao

Alan Ng has joined HP Asia as region legal counsel. Most recently, he was vice president and senior legal advisor for the Dharmada/DMT Group, one of the top ten largest conglomerates in Indonesia. Alan received an LL.B from the University of Hong Kong and a PCLL from the same school. In 1982, Alan was admitted as a Solicitor of the Supreme Court of Hong Kong and of the United Kingdom in 1986.

Korea

Deuk Soon Lim, who has been country CEO manager of Samsung Hewlett-Packard, has been appointed country AEO manager. He holds a B.S. in Electronic Engineering from Hanyang University in Korea. Before joining SHP, Deuk Soon served as CEO manager for the Samsung Electronics Company approximately nine years.

Seong Hoon Ko replaces Deuk Soon Lim as country CEO manager. He received a B.S. in Electronic Engineering from Sungjeon University in Korea.

Tian Teck Yap has been assigned to SHP as manufacturing administrative manager. Previously, he was management accounting manager for Personal Computer Singapore operations. He has a Bachelor of Accountancy from the National University of Singapore. Tien has been with HP since 1972.

New Zealand

Hans Neilson has been named New Zealand country manager. He joined HP in 1978 as district CE manager and has held several managerial positions in the customer engineer area with HP Australia. Before being named to his new position, Hans was quality assurance manager. He received his B.E.E. from Foothold Technology in Melbourne, Australia.

Taiwan

The new administration manager of HP Taiwan is **Jerry Chen**. He joined Intercon in 1980 as YHP support supervisor. He went to Taiwan in 1981 as an import/export supervisor, and in 1982 he switched careers to become a computer sales rep. In 1984, he was promoted to office responsible district sales manager of the South Taiwan branch. Jerry received his MBA from the University of California, Los Angeles in 1980.

Fang Ming Lu has been named Quality manager for HP Taiwan. Fang Ming joined HP in 1980 as a system engineer and was named AEO district manager in 1983. He holds a B.S. in Computer Science as well as an M.S. in Applied Physics from Chung Yuan Christian University in Taiwan.

Shiou Chuan Huang has accepted the position of personnel manager for HP Taiwan. He joined HP in 1979 as an instrument sales rep and was promoted to district manager in 1982. He was made country AEO manager in

1985. Shiou Chuan holds a B.S.E.E. from the Tatung Institute of Technology.

Sken Chao has been named Corporate Development manager for HP Taiwan. Sken joined HP in 1979 and has held various posi-

tions in the HP Instrument service field ranging from IPG service manager to country CEO manager. He received a B.S.E.E. from Tatung Institute of Technology.

Photo Gallery



Dancers entertain employees and their guests in the cafeteria.



A young visitor looks through the microscope.

On Sunday 4 May 1986, from 10 am to 6 pm, relatives and friends of HP employees visited the new HP Malaysia Plant and Sports Complex which has been in operation for about a year. The objective of Family Day was to enable employees to show their families what they do at HP and to stimulate public interest in the electronics industry.

Several programs were planned for the day. The visitors went on a plant tour, visited an exhibition where they could see the products HP produces and some computers at work. Entertainment programs like a magic show, special children's programs and singing sessions were held. At the Sports Complex there was a tele-match and exhibition matches and games. There were also games stalls for visitors to try their skill and luck.

At the end of the day a total of 5,500 people attended Family Day.

Photo Gallery



Tatsuo Tanaka, Yoshimasa Shibata and Masahi Masaki were members of a YHP group who toured the West Coast in July. Here they enjoy a barbecue across the street from Intercon headquarters. While here they toured Intercon headquarters, Corporate headquarters which included the Computer Center, the Palo Alto machine shops and the Cupertino site. Besides visiting HP facilities, the group of 12 employees who made the trip at their own expense, also played golf and attended a dinner party.



Sarah Bramlett, No. 79, and Kathy Tambini, No. 81, from Intercon headquarters take the Family Fun Run in stride. The run was held in July for 234 HP people and their families. The 5K (3.1 mile) course began alongside Corporate offices, wound around a nearby high school and up a final steep hill. Their efforts raised money which the club will use to help underwrite the personal expenses of HP runners throughout the U.S. who compete in corporate meets.

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