



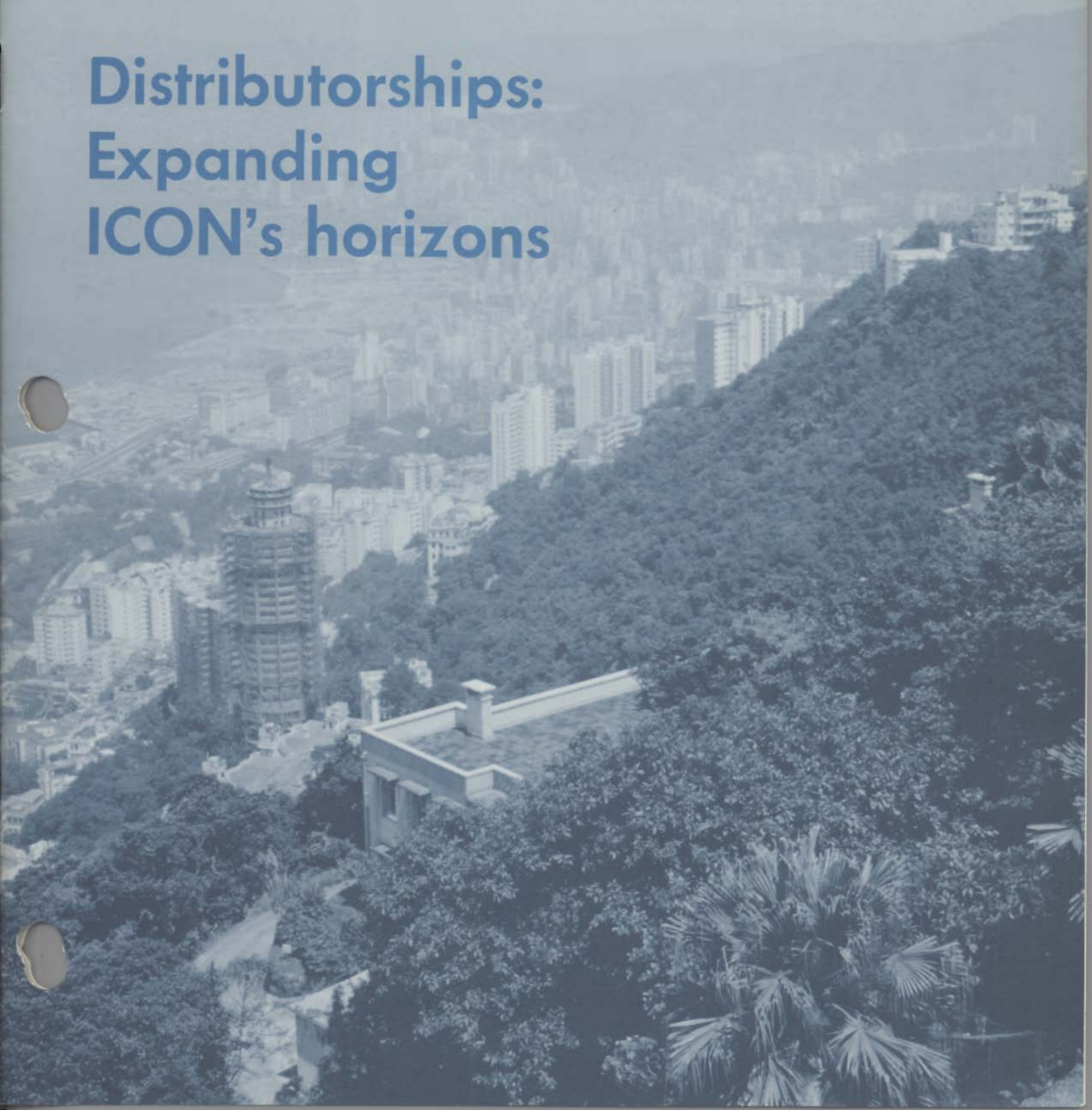
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Distributorships: Expanding ICON's horizons



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Enhancing a partnership

The recent two-week meeting in Palo Alto of ICON's largest distributors was a milestone event. It marked the first time we had invited the distributors to participate in a general management meeting, and it underscored their importance and the key role they play in ICON's success.

Distributors currently represent 33 percent of ICON's total business (excluding Japan and Canada). For some product lines, that percentage is even higher (42 percent of our instrument sales, for example.) Our distributors add great economic strength and stability to HP by ensuring broader geographic diversity. They give us the ability to market in countries where the market may be too small, too spread out, or where certain economic or political conditions make it impractical to have a full-fledged HP sales subsidiary. They also help provide worldwide service to our multi-national customers.

In the truest sense of the word, our relationship with our distributors is a *partnership*. We are partners in business in their countries, and the success of our mutual sales program really depends on our combined efforts and our ability to work as a team.

The distributor seminar was designed to strengthen that partnership and improve our abilities to work together effectively. Our goal was a dual one: we wanted to provide information on HP, our products, and the way we do business because we feel if distributor managers understand our philosophy and goals they will be better able to work effectively with their HP counterparts. We also wanted to explore the distributors' concerns and problems, and increase our understanding of how we can provide the proper amounts of support (e.g. in terms of market evaluation, development of a basic business plan, pre- and post-sales support, and a reasonable level of compensation to provide for their current and future financial needs).

COVER: Hilltop view of Victoria Island and Hong Kong Harbor. Hong Kong is just one place in the world where a distributorship enables ICON to maintain a base it would not otherwise have. Distributorships give the company the ability to market in countries where conditions make it impractical to have a full-fledged HP sales subsidiary. See special Distributor Supplement, pages 7-18.

To accomplish these objectives, we divided the meeting into three parts: 1) briefings on our current products, future plans and basic marketing strategy; 2) overview of our management, administrative and sales support procedures, and general management as it relates to them; 3) selected portions of the Hewlett-Packard Executive Seminar to improve management skills and give a better understanding of HP's approach to management (highlights were talks on management styles by Bill Ouchi and on economics by Jim Howell—both professors in the Stanford Graduate School of Business).

We feel the seminar was extraordinarily successful. We believe the distributor managers left with a better understanding of HP and our needs, and we certainly have a better insight into their requirements. Our frank workshop discussions on the strengths and weaknesses of HP in terms of our support to distributors were particularly valuable. Many improvements will be made as a result—and these should yield even greater sales success.

Another important benefit of the meeting was the exchange of information and ideas that took place among distributors. As you would expect, their concerns and challenges are similar to those confronting HP international subsidiaries (e.g. evaluating the market to see which HP products are a good match, developing a sound business plan to successfully market those products, finding and developing qualified people, raising enough capital to finance their operations, obtaining appropriate support from HP divisions and ICON headquarters).

In general, the two-week meeting was an important event which closed a number of gaps and improved existing relationships. We regret that we were able to invite only our largest distributors because of costs and our concern that the group not become unmanageably large. However, based on the reception it received, we suspect we will hold a similar meeting in two to three years. In the meantime, we anticipate that the recent meeting will result in even greater cooperation and sales success in our distributor markets.



Distributors



John Doyle, HP vice president for personnel, explains the company's personnel policies to distributor managers.



Distributors and wives, along with various ICON personnel, toured a winery in the Santa Cruz area.

It was a busy two weeks for the 16 ICON distributors who attended the recent distributor managers meeting in Palo Alto.

The group met with top HP officials, and attended a variety of seminars and presentations (see Alan Bickell's column, page 2). Time was also set aside for touring and leisure activities and attendees and their spouses took a day-long trip to the Monterey-Carmel area.

While their husbands attended

Learn about HP (and vice versa)



Stanford Professor Bill Ouchi talks about management techniques.



While their husbands attended meetings, distributor wives toured HP facilities. Here Eileen Collins (left) explains Corporate I.v. facilities. Left to right are Joji Yujuico, Maria Marta Klanderud, and Sylvia Calcagni.

meetings and workshops, distributor wives toured HP facilities, traveled to San Francisco and San Jose, and took several side-trips in the Palo Alto area.

Highlight of the distributor meeting was the graduation and awards dinner. Three distributors garnered top honors for the year. Calcagni and Metcalfe, of Chile was honored for best order performance in Latin America in 1977. In the rest of the region, best overall order performance went to the

Electronics and Engineering Division of Motorola, Israel. Berca Indonesia had the most improved order performance.

Distributors were generally enthusiastic about the two-week experience. "The seminar was really a success," noted Willy Haftel of Bolivia. "It gave us a great chance to communicate both ways, and that was important."

Keith Stevens of New Zealand found the meetings "stimulating, rewarding, exciting, and tiring. I think

the direct, personal discussion was particularly valuable. Despite all modern methods of communication, there's no substitute for sitting around a table together."

Many found the management seminars valuable.

"By the time we hold another meeting in two years, I hope management by objective will be a reality in our countries," noted Einar Klanderud of Guatemala.



Ophir Toledo gives Dean a tour of the Campinas plant.

Almeida replaces Warmbold

Guenter Warmbold has stepped down as general manager of manufacturing operations at HP Brazil's Campinas plant, and Odmar Almeida, formerly Campinas marketing manager, has replaced him.

Guenter, who went to Campinas in 1975 to oversee startup operations, will return to GmbH in Boeblingen as facility manager. He leaves behind a solid record of accomplishments, according to ICON Director Alan Bickell.

"Guenter offered an extraordinary personal contribution to the development of HP's manufacturing activities in Brazil which since the first year of operation has become the largest exporter of electronic calculators from the country," Alan stated.

Odmar also brings impressive credentials to his new job. A Stanford PhD in electrical engineering (he also did research for Stanford), Odmar joined HP in late 1973 as a trainee in the Instrument Group in Palo Alto. He returned to his native Brazil in 1974 as a field engineer for the group, and eventually became sales district manager. In 1975, he was appointed Campinas factory marketing manager.



Odmar Almeida

Prior to working for HP, Odmar was a teacher and researcher at the Aeronautics Institute of Technology in Brazil (where he received a degree in electrical engineering). He also did research for the Brazilian Space Commission.

Odmar is enthusiastic about the challenges inherent in his new position.

"Campinas will be playing a very important role in HP's activities in Latin America," he states. "We will be looking for ways to make our contribution in that marketplace."

Odmar and his wife, Iris, and three children live in Campinas.

Brazil:

Brazil is a country of considerable opportunity for HP, according to Executive Vice President Dean Morton who recently spent a week there.

"I last visited Brazil in 1969, and was impressed even then by opportunities for HP," Dean notes. "Although things may have developed more slowly than we might have liked, it is clear that the Brazilian economy is really going someplace. If we have patience and do the right things, we can participate in and help with Brazil's success."

During his visit Dean met with various government officials to discuss the potential for increasing HP manufacturing activities.

"Brazil is a good place to manufacture," he states. "It has one of the fastest growing economies in the world and has averaged over six percent per year increase in real GNP for the past several years."

He adds that Brazil boasts a large body of technical people and a good labor pool.

"People are obviously ambitious and willing to work hard," he says. "In addition, the country has tremendous natural resources, and there is a feeling of vigor and vitality in the nation."

The Brazilian government still has a number of restrictions that tend to inhibit business, but Dean believes these will probably ease as the country's economy expands and they produce more things for export and gain control over inflation.

"While government restrictions have meant problems for us, we have to recognize that they are derived from legitimate national objectives," says Dean. "These include curbing inflation, broadening the technological base of industrial operations and developing an industrial economy."

Dean reviewed operations at the Campinas manufacturing plant and the year-old Alphaville sales headquarters, and came away impressed.

"The Alphaville office is certainly among the most attractive I've seen

Land of opportunity

throughout HP," he noted. "It has a striking design, but is very functional and open. Visitors know they're in an HP facility, yet it fits in very well with the surroundings and Brazilian architecture.

"I was also impressed with our manufacturing operation in Campinas," he adds, "and its potential as a means of participating in the Latin American market as a whole."

Personnel at both locations drew his praise.

"I think our Brazilian employees—both management and production people—are extremely capable and measure up very favorably with HP people around the world," he observes.

Another purpose of Dean's Brazil visit was participation in a management seminar held March 13-17. He provided the seminar's introduction, and handled a session on research and development.

He also managed to find time to pay a visit to the Institute of Cardiology at the Hospital Das Clinicas in Sao Paulo where two years ago HP installed \$3.5 million in medical equipment—the largest single medical order in HP history at that time.

"I viewed the equipment and met with a number of physicians and administrative people at the Institute to get their reactions," he explains. "It is a beautiful installation job—one we can be proud of. We've also done a superior job of supporting it."

One of the highlights of his visit, says Dean, was the appointment of Odmair Almeida to replace Guenter Warmbold as general manager of HP Brazil manufacturing operations.

"I'm glad I could be there to participate in the announcement," notes Dean. "It really marks the transition between local and expatriate management. It was obvious that Odmair was a popular choice, and I'm confident he will continue the good work Guenter started."



Making transition plans are (l-r) Dean, Odmair Almeida and Gunther Warmbold.



Dean talks with Teresa Dos Santos, Campinas production line supervisor, and Odmair Almeida.



Dean examines the work of Aparecida Leite while Ophir Toledo looks on.

Old ceremony for a new building



Phil Towle accepts sacred bough from the Shinto priest who performed opening ceremonies for the new building.

It was a blustery March day in Tokyo, and the low moan of the wind sometimes rose above the rhythmic chantings of a Shinto priest who stood before a fragile shrine. One by one, solemn Japanese and American executives came forward to accept a sacred tree branch from the priest. They bowed several times, and placed the branch on the shrine, while the priest continued his prayers requesting health and prosperity.

The scene was the inauguration of YHP Japan's new \$7.5 million sales headquarters. The opening Shinto religious ceremony was followed by a less solemn indoor buffet luncheon where celebrants drained a barrel of saki, according to Phil Towle, retired Corporate construction manager/now consultant, who had been with the building project since its inception three years ago.

"It was quite an occasion," he notes, "and there was good reason to celebrate. The building was finished exactly on schedule, and it really is a beautiful structure."

The best-laid plans . . .

It's not always easy to construct a building in Japan.

Neighbors' complaints that the new YHP sales headquarters would obstruct the sun coming to their property actually caused an alteration in the building half-way through construction. Rather than going straight up from the ground, as the original architectural plans provided, it was decided to slant the building. If you look at the structure from the outside, one side of it is actually angled down.

Five stories high with 80,000 square feet of floor space, the new headquarters is a considerable improvement over the old rented offices which offered only 25,000 square feet of space. The new building will facilitate increased sales activity and more support for the growing Japan market, according to Toshio Muraoka, YHP sales manager and vice president.

"We expect to be able to better serve our customer through access to demonstration, training and conference room facilities, as well as give quicker response to their purchase requirements by means of our modernized administrative and support services."

The whole second floor of the building is a "customer floor" which includes conference rooms for training and customer services.

There is also an extensive underground parking facility which will be a boon both to customers and to YHP employees who drive to work.

The 425 YHP sales and service employees wasted no time moving into the new structure. Over one weekend all equipment and furniture was transported from the old offices and put in place in the new building.

"It was about the most efficient move I've ever seen within the company," says Phil Towle. "People who planned and handled it did an excellent job. Monday morning everything was in the new building and people showed up to straighten up their work areas. Right after lunch everybody was back to work in the new office."

On April 14, a second opening ceremony was held for key customers and various HP, YEW and YHP officials. The opening of the new building climaxed about three years of plans and construction.



The new structure is located five miles from downtown Tokyo.



The movers do their stuff.



YHP employees put their work areas in order.

ISRAEL

Turning in a top performance under difficult conditions



Ruins of Cesaria in Israel.



Motorola Israel plant.



Paul Biro, manager of Motorola Israel's Electronics and Engineering Division, explains HP equipment to an Israeli government official.

It's not easy conducting business in a country that is constantly on military alert, says Paul Biro, manager of Motorola Israel's electronics and engineering division. On top of economic and communications difficulties caused when there is a military emergency, the company must cope with frequent manpower shortages when personnel are summoned for reserve military duty.

"Naturally when our employees are called up for military service it affects the company's operation. We try to prevent any breakdowns by relying on groups of people, rather than just one person for important activities. Sometimes, of course, only we 'old boys' are left, and we try to do our best to respond to the needs."

Despite the country's unusual situation, Motorola Israel has managed to prosper and, indeed, has registered tremendous growth over the past 25 years.

The firm was founded in the late forties by Russian emigrant Moshe Bassin soon after Israel gained independence. Moshe and an apprentice installed public address systems and it was a very small-scale operation. The company continued to expand its horizons, and a decade later had eight employees and was registered under the name "Electronics and Engineering Ltd.

In 1958, Moshe attended a trade show in the eastern U.S. and struck up a casual conversation with Bill Doolittle (now HP's vice president of

International Operations) who was manning the HP booth. The encounter ended with a representation agreement, which was concluded in good Mediterranean tradition with a handshake.

For several years, HP sales was a part-time activity. By 1962, however, HP activity required full-time work and Paul Biro joined the company as a sales engineer and service technician.

"The job was not easy," Paul recalls. "The repair facilities consisted of a few Heathkit instruments and a small workbench set up in the kitchen of the apartment which served as an office."

(Continued on page 8)

(Continued from page 7)

By this time, sales had reached a volume of \$120,000. The company moved to new facilities, added staff, and business started to grow at a rate of nearly 50 percent per year.

In 1964, the company entered into a joint venture with Motorola Inc. and set up a manufacturing operation for two-way radio communication equipment. The representations activity—for HP and other firms—continued

within the framework of the Electronics and Engineering Division, where it continues today. Currently the division has 50 employees and sales last year hit \$12 million (with HP providing the largest volume).

Total company employment stands at 900. Its three other divisions (Communications, Data Control, and Sales) manufacture a broad line of two-way radio receivers, supervisory control systems for public utilities and irrigation, telex transmission

equipment and radio paging systems. They export to Central African countries, as well as to Iran, Canada and the U.S.A., with sales and service staff maintained in each country.

HP products are popular in Israel, says Paul. "HP is considered the Cadillac of technical equipment," he states. "Customers soon reach the conclusion that they have a better return on their investment if they buy HP because of its reliability and long-range support and accuracy."

PAKISTAN From humble origins, Mushko has prospered



Pakistani soldier stands guard at Shalimar Gardens in Lahore.



Afsar Ali, Mushko managing director.

Weekends in Pakistan are weekdays in other parts of the world—a situation which considerably complicates his firm's international business, says Afsar Ali, managing director of Mushko and Company Limited.

"Because of Muslim religious customs, the Pakistan government declared Thursday and Friday weekends instead of Saturday and Sunday," he explains. "That means we essentially end up losing four working days—which is quite a handicap."

Politics are another problem for Pakistani businessmen. There has

been little political or economic stability for the past ten years, and business goes up and down in concert with political upheavals. During the civil war in 1971 which resulted in East Pakistan becoming Bangladesh, Mushko lost an entire branch and about 25 percent of its total business.

Despite the handicaps, Mushko has continued to thrive. From humble origins in 1948 (the company was started from scratch by Ali's father, Mushtaq Ali, after he and his family fled India penniless after the

partition), it has burgeoned into a \$3.5 million a year trading business with two offices and 70 employees. Air conditioning equipment is the mainstay of the company, as well as of Emitac Ltd.—an offshoot firm formed by Ali's brother in Sharjah, United Arab Emirates (also an HP distributor).

Mushko has represented HP for the past 17 years, and handles all product lines except computer systems. It also distributes products from a number of other international companies.

INDIA

Blue Star is shining example of hard work, determination



In 1943, Blue Star Limited's operation consisted of two people reconditioning airconditioning equipment out of a leaky bamboo shed near the Bombay docks. Today the firm is a manufacturing, engineering, contracting and marketing enterprise with 2400 employees and offices in 13 major cities.

Founder Mohan T. Advani reflected on this impressive growth when the firm celebrated its 30th anniversary in 1973. His musings had elements which HPites will find very familiar.

"I'm more proud of our intangible assets," he said. "We are a thoroughly professional organization; what we do, we do well. We are dedicated to excellence. And most important, we have maintained the personal touch, the intimacy of a small company, the sense of belonging. This feeling of camaraderie amongst our employees, of all working toward a common purpose, is our most precious asset."

M. T. Advani died in 1974, and his brother and early associate in Blue Star, B. T. Advani, became chief executive.

Airconditioning and refrigeration remains one of the company's main lines of business. Blue Star installs systems in major commercial and industrial facilities throughout India, and exports complete air conditioning plants. It also distributes the products of 40 leading foreign and Indian manufacturers. Product lines represented include heavy electricals, electronics equipment, instrumentation systems, material testing machines, machine tools, business machines and computers, electronic test/measuring/analytical/medical instruments, and power plant equipment.

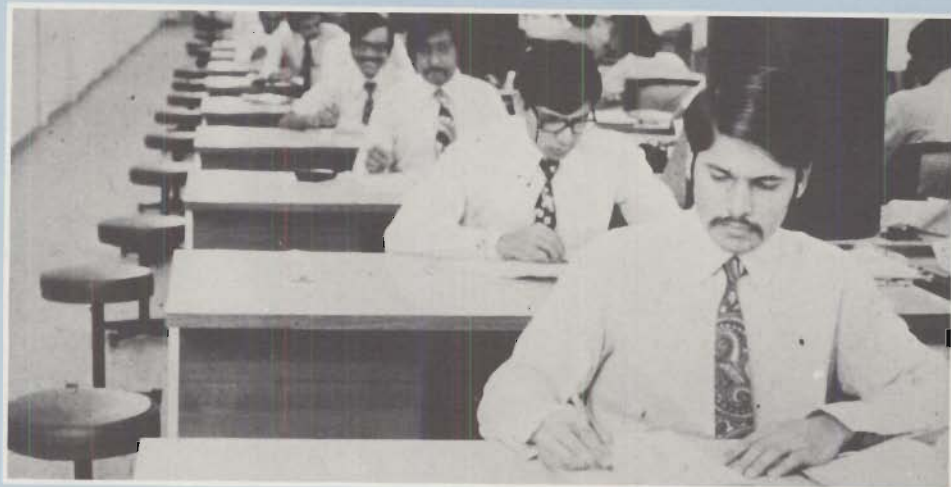
Hewlett-Packard's relationship with Blue Star began in 1970. All HP product lines except personal calculators are handled by two of the company's eight divisions (Electronics and Data Systems), and they get a "fantastic reception in India," according to I. P. Irani, vice president of the Electronics and Data Systems divisions. Sales have grown at a phenomenal rate, and this year are expected to increase nearly 25 percent over FY77.



Flora Fountain in busy downtown Bombay.



Intercontinental Director Alan Bickell (second from left) meets with Blue Star personnel on a recent visit to India. Left to right are Executive Director Gulab Ramchandani; Satish Mathur, all-India analytical manager; I. P. Irani, divisional vice president, Electronics and Data Systems; Mehrn Mansukham, divisional vice president, Medical Electronics and Machinery; Ani Ghosh, all-India manager, Test and Measuring Instruments.



Blue Star's western region headquarters at Band Box House in Bombay.

HONG KONG

PHILIPPINES

An old trading firm enjoys new success

Recognize these "people policies"?



Guenther Buchholtz presents a prize to Michael Siu, manager of Schmidt's Electronics Department.

Hong Kong is that point in the world where east really meets west, and the business generated by that contact is phenomenal. Last year total trade reached nearly \$10 billion, and the figure is expected to rise in 1978.

Schmidt and Co., HP's Hong Kong distributor for the past 14 years, is part of the Hong Kong success story. The 82-year-old firm, which represents manufacturers from all over the world and also exports locally-made electronic equipment, chalked up \$14 million in sales last year. Annual sales growth has averaged 25-30 percent.

The Schmidt group of companies has a long and checkered history in Asia. Founder Paul Schmidt, who went to Japan as a representative of a German company, opened his own office in Tokyo in 1890 to sell German medical and scientific instruments.

In 1911, an office was opened in Peking, and eventually the group had branches throughout the Far East. The group changed form and hands during the turmoil of World Wars I, II and the Chinese revolution, and in 1953, Schmidt & Co. (Hong Kong) was founded with a staff of five. Today Schmidt has subsidiaries in Singapore, Malaysia, Taiwan and South Korea with 250 employees.

"Our policy is to represent only those companies who are recognized to be amongst the world leaders in their particular field," says Guenther Buchholtz, managing director in Hong Kong. "We represent suppliers not only based in Germany and Europe, but also from the United States and many other countries."

Hewlett-Packard is one of Schmidt's largest suppliers, and the firm handles all HP product lines, with instruments the top sellers.

At least two written corporate policies of Online Advanced Systems Corporation will seem familiar to HP employees. Conceived when the firm began in 1975, the policies pledge:

- to recognize, develop, utilize and equitably compensate the skills and abilities of employees.
- to fulfill, as corporate citizens, the company's socio-economic responsibilities to the Filipino nation and people.

Joey Yujuico, Onlines' president, insists the guidelines were developed independently and not modeled on HP's corporate objectives.

"But now that I've been in this distributor seminar and learned more about HP's corporate objectives, we may incorporate some of them in ours!" he laughs.

Joey became familiar with HP while he was studying for his B.S. in electrical engineering at the University of California at Berkeley. He later obtained his M.S.B.A. from the Berkeley Business School.

"I used HP instruments in the lab when I was an undergraduate, and I also learned about HP's fine reputation while I was in the Bay Area."

Online was incorporated in 1975 to market HP computers and programmable calculators, and now handles all product lines except personal calculators. The firm has some 20 employees, and services HP products as well as equipment from other firms.

Online's sister company, The Online Corporation (TOC), has played a role in the firm's development. Organized in 1974 as a data processing consultancy firm, TOC was Online's first customer for an HP 2000 computer and is now an HP OEM. Other Online family-owned affiliates include a management consultancy firm, a timber and lumber company in the southern Philippines, a marble products corporation and a securities brokerage firm.

NEW ZEALAND

The news is good from New Zealand



Keith Stevens (seated) poses with major staff members handling HP products. They include (l-r) John Foong, analytical; Mary Anne Wilbrama, HP order processing; Owen Tough, senior service engineer; and Jan Brommer, HP order processing.



Medical Supplies Ltd.'s accounting office in Porirua.

Keith Stevens, managing director of Medical Supplies New Zealand Limited, hates to hear his country lumped into the term "Australasia."

"Calling New Zealand and Australia 'Australasia' is a little like calling the U.S.A. 'Texas, etc.," he asserts. "You wouldn't find that flattering or accurate, and we don't either."

Keith speaks with great pride of the beauty of New Zealand ("The whole country is a national park") and the character of its hard-working people.

He is equally proud when he talks about Medical Supplies N.Z. which distributes medical and analytical product lines for HP.

"We are a major national wholesale distributor to pharmacies, and also do a substantial business in medical, pharmaceutical, dental, surgical and scientific and laboratory equipment and supplies. Along with Hewlett-Packard, we represent some of the world-famous names in those fields," he says.

Medical Supplies is a result of a 1972 merger of three major medical and pharmaceutical supply houses. The firm has a total staff of 300 people in 10 warehouses and branches throughout the country. It also maintains a small pharmaceutical manu-



The company's brand new head office in Porirua.

facturing/packaging facility in Auckland. Sales turnover last year was \$22 million.

Doing business in New Zealand is hampered somewhat by the fact a very small population (3.2 billion) is spread over a country 1000 miles long, says Keith.

"That presents problems in sales and service coverage," he notes, "but we are fortunate in the quality of our technical people. Also, in selling HP products we are helped by the HP image. Hewlett-Packard products are the standard in New Zealand by which others are judged."

ICON's Han Park confers with (left) I. S. Jun, Samsung Electronics' Computer Systems Department manager, and Kisok Sim, manager for all HP instruments.



Samsung Electronics Systems Engineer H. C. Park, explains HP equipment to company officials at a recent HP3000 computer show in Seoul. Left to right are I. S. Jun, Computer Systems Department manager; Jaeun Chung, executive director in charge of all HP products; President Jin Ku Kang (seated); and two unidentified Samsung executives.



KOREA

Samsung Electronics shares in country's 'economic miracle'

When Jaeun Chung was studying engineering at Columbia University, most of the lab equipment he used came from HP. Some years later he became executive director of Samsung Electronics Co., Ltd. in Korea, and was immediately interested in setting up a distributor relationship with the company.

"Not only was most of the laboratory equipment from HP, but a number of students had HP scholarship support," recalls Jaeun. "I knew a lot about HP and its policies by the time I graduated."

The HP-Samsung Electronics alliance became a reality in late 1976. Samsung handles all HP product lines and sales are booming. Twenty-three Samsung people work with HP instruments, analytical and medical lines, and desktop and consumer calculators. Another 40 people handle computer systems, terminals and peripher-

als. The company's aggressive sales policies have helped HP products make quick inroads into the Korean electronics and commercial markets, and sales are expected to quadruple in the next year.

Established in 1969, Samsung Electronics is the leading electronics equipment manufacturer and exporter in Korea. The firm mainly produces consumer electronic and electrical home appliances. It has 12,000 employees and an impressive 50 percent per year growth rate.

The company is part of the Samsung conglomerate, Korea's oldest and largest consolidated trading operation. The Samsung Group incorporates 26 companies and businesses, has 45,000 employees, and total sales in 1976 went over the \$1 billion mark. The group accounts for 3.8 percent of Korea's gross national product, and 5.5 percent of the country's exports.

NIGERIA

A whole different ballgame



Sam Solarin in native attire.

In Nigeria, you need "know-who" as well as "know-how" if you're going to be successful in the sales game, says Sam Solarin, managing director of TEIL (The Electronics Instrumentations Ltd.).

"Perhaps more so than in most other countries, selling is based on contacts and friendships with people in the position to buy," he notes. "You can have the most wonderful product in the world, and if the customer doesn't know you, you'll have little chance of selling."

There are also other differences between doing business in Nigeria and the U.S., according to Sam. One of the most critical is the time taken to collect accounts receivable and the attitude toward overdue accounts.

"In the U.S., after an account is overdue 90 days, you turn it over to a debt collector," he states. "Here things may go on six months, nine months, or more. It is the greatest of insults to intimate a customer won't pay just because he's late."

This difference in perspective can be a big stumbling block in doing business with foreign companies, Sam observes. *(Continued on page 13)*

(Continued from page 12)

"Foreigners get very impatient with us. If they could just remember that it takes time, but it will happen. Your American system is so developed that you can usually predict when things are going to happen. Nigeria is still a developing economy and we have a slow bureaucracy. We're trying to do so much so fast that to keep pace with commitments takes time."

Sam, who has a B.S. in engineering from the University of California at Berkeley, founded TEIL with five partners in 1970 after a visit to Hewlett-Packard headquarters in Palo Alto. The firm currently has six sales and service people, and handles HP electronic instruments, components, medical, analytical, desktop computers and personal calculators. HP products are respected in Nigeria, says Sam, and some 50 percent of the equipment for the country's external telecommunications network bears the HP label.

INDONESIA

Aggressive approach pays off for Berca



Murdaya W. Poo, president director of Berca.

Persistence won out when Berca Indonesia P.T. sought to become their country's distributor for HP products.

Berca President Murdaya Poo and Sales Director Benny Gunawan were attending a trade exhibition in Singapore in 1973 and stopped by the HP booth. Impressed with what they saw, they asked booth attendant Loh Ah Sze if they could meet his

THAILAND

UNIMESA is part of modern Thailand

Say "Thailand," and you conjure up a host of romantic images of ancient cities, splendid temples and exotic people. These days, however, the former "Kingdom of Siam" is moving rapidly toward being a modern industrial economy.

UNIMESA, HP's Thai distributor, is a participant in that modernization process. Formed in 1972 to market HP equipment, the firm's sales have increased eight-fold over the past six years, according to Executive Vice President Athivas Jira. UNIMESA handles all HP product lines except computer systems.

UNIMESA is a subsidiary of G. Simon Radio, a company which dates



Bangkok temples and wats.

back to 1949. Gowit Jira, the University of California-educated son of the founder of G. Simon Radio, manages UNIMESA's service activity, and also another G. Simon Radio subsidiary, Elcom Research.

UNIMESA's ties with these two sister companies help assure the product reliability and after-sales service which both HP and our Thai distributor emphasize. G. Simon Radio began as an importer of radio transceivers, but moved into manufacturing their own transceivers. Elcom Research was founded in 1963 to design and manufacture high-quality communications equipment.



Loro Jonggrang, the largest temple in Prambanan.

manager. Guessing their intentions, Loh told them HP already had an agent in Indonesia.

Benny persisted, however, and eventually ended up talking with Far Eastern Area Manager Lee Ting. Benny presented his case, assuring Lee that Berca could do a better job than the present Indonesian distributor, and finally Lee agreed to visit Indonesia.

(Continued on page 14)



Berca's booth at a recent Hospital Expo in Jakarta.



Benny Gunawan, Berca director and general manager.

(Continued from page 13)

The rest, of course, is history.

Such perseverance is typical of Berca Indonesia's aggressive approach to business. Founded in 1970 by Murdaya, Benny, and Budi Airstanto, the firm has grown rapidly. It has a staff of 240 (15 directly involved in handling HP products), and turnover last year was \$24 million.

Berca handles all HP product lines (with the exception of computer systems), as well as product lines from several other American companies.

One of the major impediments to doing business in Indonesia, says Benny, is geography. The country's

3,000 mountainous islands (with 350 different dialects and cultures) are spread across an area of the ocean wider than the continental U.S. Operating out of offices in Djakarta and Surabaya, Berca seems to be well on the way to circumventing the problem.

CHILE Calcagni and Metcalfe go over the top



Jorge Calcagni



John Metcalfe



How's this for a view? Calmet's entire staff poses on the office terrace.

FY 1977 was a red-letter year for Calcagni and Metcalfe Ltda. of Chile. Despite the Chilean economy's massive problems with inflation, the firm managed for the first time to sell more than \$1 million in HP products.

"HP products are well-received in Chile," notes Manager Jorge A. Calcagni, "mainly because of the quality of the products and because of the support our company gives them."

The firm, which handles HP lines exclusively, was founded in 1958 when the late Hector Calcagni (Jorge's father) visited Palo Alto and was appointed HP's first representative in Chile. The distributorship was a one-man operation for several years, and then in 1968 Hector and Jorge organized Hector Calcagni y Cia Ltda.

Jorge left the organization in 1972 to go to Venezuela where he worked as a calculator field engineer, and

later calculator line manager, for HP Venezuela. His father joined with John Metcalfe, HP's medical line representative in Chile, to form Calcagni & Metcalfe Ltda.

When his father died in 1974, Jorge returned to Chile to become partner and manager of the firm, along with John Metcalfe. Currently there are ten employees, including John's son, Robert Metcalfe, who joined the company a year ago.

COSTA RICA

Misfortune brought success to family-owned firm

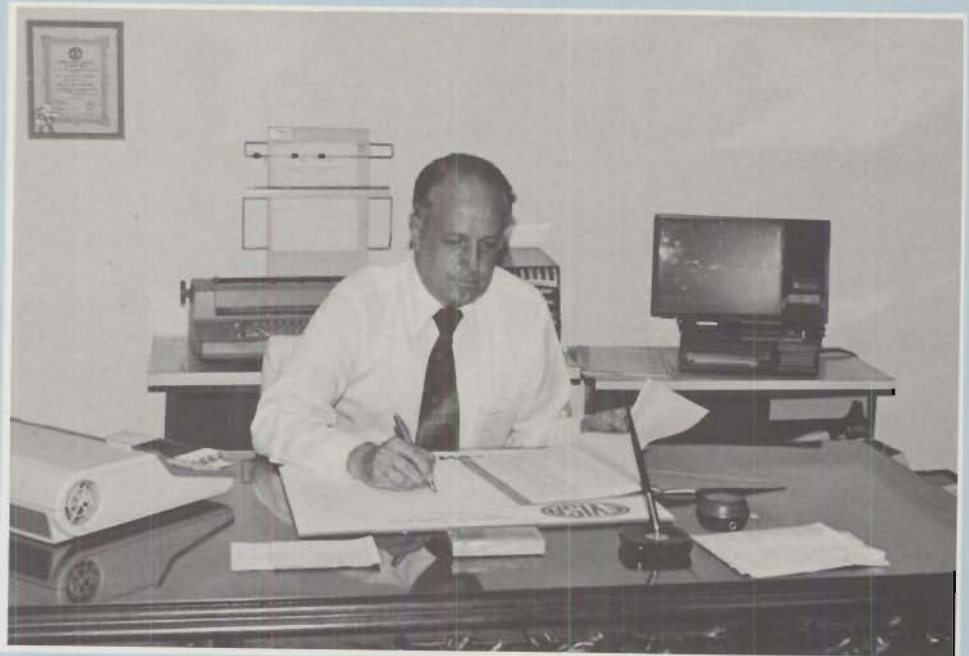
When the Irazu Volcano erupted in Costa Rica in 1963, one of its side effects was to "encourage" Alfredo Gallegos Gurdian, general manager of Cientifica Costarricense S.A., to abandon farming and return to the medical instruments distribution business he had founded in 1949.

"I left the distributorship in 1959 to run a 2000-acre dairy farm," he explains. "When the volcano erupted, my farm was covered with 20 inches of volcanic sand and ash, and I had no choice but to return to my business."

What seemed like a great misfortune at the time has turned out happily. Cientifica Costarricense has grown from a one-room operation in Alfredo's home, to a firm which owns its own building and employs a staff of 10.

The firm is well-known throughout Costa Rica. It installed the first intensive care unit in Central America (in Children's National Hospital), and since then has also provided 97 percent of the electrocardiographs in the country's hospitals and equipped all of the intensive care units.

The company received massive media coverage in February of this year when it provided an HP 9845 desktop computer to compute votes and analyze voting patterns during the Costa Rican presidential election



Alfredo Gallegos Gurdian

Cientifica Costarricense became HP's distributor in 1964. It had also handled Sanborn medical instruments (now HP), and currently distributes a number of other companies' product

lines. It became a family business several years ago when Alfredo's son, Gonzalo, joined the firm after graduation from the University of Costa Rica.

PERU Pioneer distributor continues to prosper



Fred Wakeham Sr.



Fred J. Wakeham

Business at Compania Electro Medica S.A. in Peru is something of a family affair."

Founder Fred D. Wakeham is president and managing director of the firm; son Fred J. handles sales

and service of HP analytical equipment, consumer calculators and desktop computers; wife Carmela is a shareholder; and daughter Jeanie Arbocco works part-time in the office.

Fred Sr. has been a pioneer in the

sales of medical electronics equipment in Peru for nearly three decades. In 1946, he helped establish the partnership of Kohler and Wakeham S.R. to import x-ray and medical equipment into Peru. His familiarity

(Continued on page 16)

PERU (Continued from page 15)



Jeannie Arbocco



Al Pereyra



Downtown Lima

with HP indirectly goes back to those early days when his firm represented Picker X-ray of Canada, which was associated with Sanborn Company (later absorbed by HP in 1961.)

Total employment of Electro Medica is 14 persons. One of the firm's key people is Alfonso Pereyra, who handles HP computer systems and supports instrument sales. A graduate of Universidad de Ingenieria in Lima, Alfonso spent several years at ICON headquarters in Palo Alto, and also handled HP computer systems in Venezuela.

HP products represent over half the firm's sales, although it also

handles instruments and medical equipment for a variety of other companies. Recently HP computer systems were added to its product lines.

Peru's economic situation presents a problem for Electro Medica and other Peruvian businesses at this point. The country is plagued by runaway inflation and unemployment. Investment is at a standstill as observers wait to see what will happen in 1980 when the current military socialist government hands the reins of power to a popularly-elected civilian government.

PANAMA

A small investment



Electronico Balboa's headquarters

In 1959, four young Americans living in Panama each put up \$750 to buy a radio and TV repair shop. Over the years, that small initial investment has burgeoned into Electronico Balboa S.A., a \$1.5 million sales operation, and four other related companies.

C. Arthur Sherry, Balboa manager and the only remaining original partner, describes the genesis of the "conglomerate."

"We started as a part-time operation servicing radio/radar systems and marine electronic equipment for ships that transited the Canal," he notes. "Then in 1963, we began distributing Motorola Communications systems, and also acted as service reps for a number of marine-oriented equipment companies. The thing just grew and grew."

Electronico Balboa's relationship with HP began in 1965. It was an "off again on again" situation and had been dormant for some time when Art took over the firm in 1976. Electronico Balboa now handles all HP lines except computer systems, with personal calculators as the top selling item.

Electronico Balboa has 13 employees, and another 80 people in four associated companies. Two of the sister companies—Jerart Corporation and Technical Services—also service HP products.

comes big business

BOLIVIA

Making the switch — cameras to components



Willy Haftel



Arthur Sherry

Arthur predicts the newly-signed Panama Canal Treaty will have considerable impact on business in that country.

"We expect business with the U.S. government to increase initially, but then to slowly decrease," he says. "As for the overall outlook, it will depend on the Panamanian government and the attitude it takes toward private business."

Casa Kavlin, HP's Bolivian distributor, is one of the oldest businesses in that country. Founder Alejandro Kavlin established the firm as a photographic studio in 1918, shortly after he arrived in La Paz as a refugee from the Russian Revolution.

With the arrival of Alejandro's three brothers in 1921, the business expanded and began distributing Agfa and Eastman Kodak products. Later it distributed Swiss watches, and in 1934, the brothers formed Compañia Industrial De Tabaco, now the largest cigarette factory in Bolivia. In 1956, they became representatives for Westinghouse lighting and industrial products.

Today, Casa Kavlin has 68 employees and did \$2.5 million in sales last year (60 percent of that figure was photographic products). HP product lines, which it took on last year, represent something of a departure for the company, according to Co-Manager Willy Haftel.

"HP products are different from those we've been distributing before, but we are confident we will be successful," he states. "We have three engineers—one in service, two in sales—handling HP lines, and we are

currently studying the market carefully and mapping out strategies."

Bolivian-born Willy is a bio-medical engineer trained at Boston University. He returned to Bolivia in 1972 where he spent three years doing high altitude research at the Institute of High Altitude Biology. He left the Institute to join Casa Kavlin, and is now co-manager of the firm, along with David Kavlin, a relative of the original founder.

Bolivia does not provide one of the easiest economic/political climates for business, notes Willy.

"In its 153 years of existence, Bolivia has had something like 180 revolutions," he says. "With a population of 4 million, we have 38 political parties, which makes for considerable political fragmentation." (One of the local jokes, according to a recent issue of the *Financial Times*, is that the Presidential palace is like a hotel with a revolving door!)

Since 1971, however, the military government has maintained order and the economic situation has improved considerably. Popular elections are planned for July 9 this year, and many people, says Willy, are taking a "wait and see" position.

GUATEMALA

Computer coups are common

Guatemala has special significance for HP as the scene of several "computer coups."

An HP-2115 sold in 1968 to a firm of civil engineering consultants was the first computer system sold in Latin America. That customer, Alvarez-Guiterrez and Zepeda, eventually joined in 1972 with the electro-engineering consulting firm of Telectro S.A. to form IPESA, thus giving HP a distributor with strong technical and

sales background in both computers and electronics.

Recently, IPESA sold the largest HP3000 Series II computer systems in Latin America. Purchaser was the Guatemalan Institute of Electrification, and the deal netted \$513,000 (details next issue). IPESA also sold one of the first HP 3000 CX systems in Latin America in 1975.

Einar Kländerud, IPESA general manager, says HP computer systems

and other product lines receive an excellent response in Guatemala.

"HP and its products are widely respected here," he notes. "Their high quality and reliability are very well-known."

Hewlett-Packard products constitute nearly 98 percent of IPESA's business. The firm has a staff of three field engineers and six customer engineers, and maintains a branch in El Salvador.



Representatives from IPESA and INDE (Guatemalan Institute of Electrification) sign the contract for the largest HP 3000 Series II computer in Latin America. Left to right are: Einar W. Kländerud, IPESA's general manager; Pablo Gutierrez Serrano, IPESA president; Ricardo Barrios Pena, INDE's president; Luis F. Saenz, INDE's general manager; Jose Luis Contreras, general advisor; Manuel Ponciano, INDE's EDP manager; and Jorge Solis, IPESA's field engineer.

COLOMBIA

Growth despite growing pains

Colombia has grown too rich too soon—a situation that is causing a number of problems for both business and government in that country, according to Henrik Langebaek, director of HP's Colombian distributor, Instrumentacion.

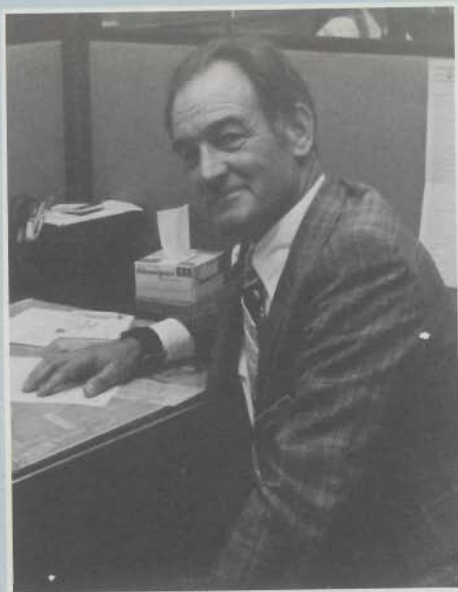
"Thanks to skyrocketing coffee prices and increased demand for other Colombian natural resources and products, in the last year and a half Colombia has moved from being a very poor country with a deficit of \$800 million to a rich country with a surplus of \$2-3 billion," he notes.

The abrupt change has caused a local currency problem because much of the money is in dollars and in private hands, says Henrik.

"The government must spend local money to buy the dollars, and this has resulted in enormous inflation. It must spend so much local money to buy the dollars that it doesn't have much money left for its own development."

The government's problem is passed on to business.

"We end up having less business from the government because it is so occupied buying dollars," says Henrik. "This is a momentary problem, however, which we hope will stabilize soon."



Henrik Langebaek

Despite the difficulty, Instrumentacion is hanging right in there and expects to double its HP product sales this fiscal year.

The company, with a staff of 42 and overall sales figures in the area of \$1 million, has come a long way from its rather humble beginnings.

"I founded the firm in 1950 when I arrived in Colombia from Denmark," notes Henrik. The first office was my

bedroom in a boarding house, and the first secretary was the woman who owned the pension. I began distributing Danish components and instruments, and slowly the business grew."

In the late 1950's, Henrik entered into a partnership with another Dane, and the company took in more partners and reformed several times over the years until it was incorporated in 1971.

"Our relationship with HP began formally in early 1968," Henrik states, "although we had sold some HP products several years before this date."

Today the firm handles a number of product lines besides HP, and also produces ceramic condensers.

Unique HP "brainchild" helps monitor the weather

An HP 1000 (Model 31) computer with specially-designed hardware and software subsystems is playing an important role in improving weather forecasting in Australia.

The \$111,000 "sectorizer computer system" is part of the Australian Bureau of Meteorology's recently-commissioned Medium Data Utilization Station in Melbourne. The new \$350,000 station receives and distributes weather pattern "pictures" from a Japanese meteorological satellite launched last year.

The station is composed of a five-meter antenna on the roof of the Bureau of Meteorology's head office, plus photographic processing and computer equipment. Signals from the satellite are received, translated into images, then "sectorized" or broken into enlarged sections for facsimile dissemination to the Bureau's regional offices in each capital city.

The HP sectorizer computer system is the heart of the station's receiving equipment. It takes a stored image of the earth's disc (produced automatically by signal preprocessing high resolution display equipment triggered by a signal from the satellite) and sections it up. The portions of the picture are magnified and gray scale enhanced, then transmitted to users over a landline facsimile network. The system runs 24 hours per day, and is turned on and off by the computer clock synchronized to satellite transmission.

The sectorizer system includes a complex grouping of various HP components including a 2112A central processing unit, 7905A disc drive, 7970B magnetic tape, 2645A video display unit, 2762B printing terminal, 2748B paper tape reader. In addition, engineers in HP Australia's now defunct Systems Operations Group came up with several other specially-designed components.

The sectorizer system is the brainchild of Ralf Pfisterer, HP Australia computer systems field engineer, and Mike Woodhams, systems engineer. Jenny Reddy and Alan Bult, Bureau of Meteorology systems programmers, played a key role in developing application software for the system.

The Japanese weather satellite is located in fixed orbit 36,000 kilometers above the equator in the region of West Irian. It provides weather pattern images much more frequently than other satellites now aloft, and enables



Jenny Reddy, of the Bureau of Meteorology, checks the HP sectorizer system log printer and systems programmer.

the data utilization station to receive and transmit weather patterns over the Australian region every three hours, and every hour during severe weather disturbances such as tropical cyclones.

This increased frequency will not

only improve short and medium-term forecasting around the country, but also will aid in monitoring tropical cyclones like the one which several years ago destroyed the city of Darwin on Australia's east coast.

HP 9830 conducts a concert

If you tend to believe that calculators and classical music don't mix, listen to Ron Lomax's story about the greatest "computaconcert" of them all.

Ron, who is a calculator products field engineer in Adelaide, says it all began when Elyakum Shapirra, conductor of the Adelaide Symphony Orchestra, contacted him. It seems the Maestro wanted to use a computer on stage during a concert to determine the audience's selection of works for the evening.

"I decided an HP 9830A calculator, 9866B printer and 9869A card reader would fill the bill, and made the necessary arrangements," explains Ron.

HP Australia flew in Chris Simpson, Melbourne applications engineer, to design an easy-to-fill-out card, and a program to read the audience's cards and calculate their choice of music.

The evening of the concert, says Ron, HP staff distributed the pre-printed computer cards to the audience, along with an instruction

sheet and musical selections.

On cue, the governor of South Australia strode in to the roll of drums, and the orchestra provided suitable "computer music" while cards were collected and fed into the card reader (with much flashing of displays and beeping of rejects).

The selection results were printed out into envelopes (one per segment of the concert program to heighten anticipation), which were handed when appropriate to the Maestro.

The concert selections ranged from a Mendelssohn violin concerto to a Sousa march. Ron says the audience—about 50 percent children—was wildly enthusiastic.

"Everyone had a great time, including the conductor," notes Ron. "This is the first time something like this has been done in Australia, but I suspect it won't be the last. In all, it was a very entertaining evening, and also an excellent way to let people know about HP and the versatility of our products."

The HP Way: Managers who teach

Training is a management responsibility at HP, says ICON Personnel Manager George Trickel, and he hopes to see more of the division's managers join the teaching ranks.

"Right now I think HP managers, from John Young on down, commit more time to teaching than those in most other companies," notes George. "However, we're always looking for 'new recruits'."

Utilizing managers as trainers has advantages both for the teachers and the taught, according to George and other HP officials.

"Teaching is one of the most developmental experiences that a person can have," says George. "You also learn a lot yourself when you're up in front of a group teaching."

Executive Vice President Dean Morton, who recently helped teach a management seminar in Brazil, couldn't agree more.

"Teaching is very valuable," he states. "A lot of what we take for granted—the HP Way, corporate objectives, new products, etc.—needs some reinforcing in the minds of all of us. Getting up and talking about these things is a way of getting your own thoughts straight."

John Ross, HP Canada's training and employee development administrator, believes teaching keeps a manager up to date.

"It makes them better able to practice what they preach, and keeps their intellectual development challenged and sparked. It forces managers to stay competent with the 'state of the art'."

The "students" benefit, too.

"Managers are the ones who have been through it," says Dean Morton. "They have stories to tell that put meaning behind what might otherwise be just slogans or jargon. For employees, it helps humanize the company for them, and helps provide the free and open atmosphere which has been one of the important reasons for HP successes over the years."

Can every manager be a teacher? George Trickel says yes, with some qualification.

"I think anyone can learn to teach, although I don't think everyone can be an outstanding instructor. Even the person who understands the

subject matter won't be effective unless he/she enjoys getting up in front of a group and presenting the material."

John Ross, who spends 50 percent of his time training, believes that excellent teaching requires both technical competence and a bit of showmanship.

"A certain amount of showmanship is required to provide variety and get and hold the group's attention," he notes. "You don't want to lose the technical side, however."

There are a number of aids available for the manager who teaches.

"Train the trainer courses are offered," explains George, "plus the training programs developed by Corporate Training and Development are very well done and come with complete instructions for leaders. The guide gives key content and even suggests methods of delivery, while still allowing the instructor considerable leeway in deciding the best way to deliver the content."

Ultimately, the practice of using managers as trainers will help preserve and perpetuate the HP Way, says George.



ICON Personnel Manager George Trickel teaches a course.



John Ross, HP Canada's training and employee development administrator, conducts a special training seminar.

Puerto Rico makes switch

To shorten lines of communication, the HP Southern Sales Region has taken over from Intercontinental the day-to-day management of operations in Puerto Rico.

Under the new arrangement, Jose Puras now heads the Puerto Rico facility as office manager, and will also continue to handle analytical sales. Claiborne Smith, who established the Puerto Rico office for ICON in 1975, has returned to the Southern Sales Region to take over a newly-established region training and development role.

According to Latin American Area Manager Jose Grapa, "We decided it was in the best interests of the company to have Puerto Rico report directly to the domestic sales region. The new reporting relationship will enable Puerto Rico to draw more resources from the company and also closer support."

Puerto Rico's environment is very similar to that in the U.S., says Jose, and many industries there are subsidiaries of U.S. companies. Tax and customs regulations are also similar.

Jose adds a special word of thanks to the people who set up the Puerto Rican operation.

"We appreciate their work and involvement during the two years of involvement with ICON, and wish them the best of luck in their new reporting relationship."

INTERCOM

Published quarterly by and for the people of Hewlett Packard Company's Intercontinental Operations.

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NEWS AROUND ICON

Admin managers meet

ICON's ten administrative managers spent two weeks in Palo Alto in February gathering information, exchanging viewpoints and receiving briefings on ICON and HP's future directions.

They attended seminars on major facets of the region's operations, and also traveled to Carmel for several days of workshops on such topics as future directions, administrative organization and personnel management.

During their final days in Palo Alto, they spent time in personalized training assignments designed to fill special needs or interests. The assignments gave the managers a chance to work closely with Headquarters people involved in a specialized area. Training sessions covered 2100 and 3000 computer operations, Consol Group operations, FICS and service management administration.

Taiwan trade show

Some 3500 visitors viewed HP Taiwan's exhibit at a recent electronics trade show in Taipei. Seventy-four vendors exhibited at the show, which was the largest electronics trade exhibition in five years.

Brazil recognizes "winners"

HP Brazil has instituted a Recognition Trophy award for employees who have made outstanding contributions. Recipients so far include Larry Tomlinson, former admin manager who has returned to the U.S.; Luis Corvalan, production specialist; Peter Curtis, senior service technician; and Carlos Ribeiro, junior field engineer for instruments.

Farewell, Marie . . .

Marie Stevens, export documentations supervisor retiring after 18 years with HP, got a rousing send-off recently at a surprise luncheon at the Hyatt House.

Highlight of the afternoon was the presentation of Marie's main going-away gift—a beautiful hand-made quilt. A number of Intercontinental people associated with Marie—including some from as far away as Japan—had embroidered individual squares on the quilt. The quilt took six months to make, and each square had special significance.

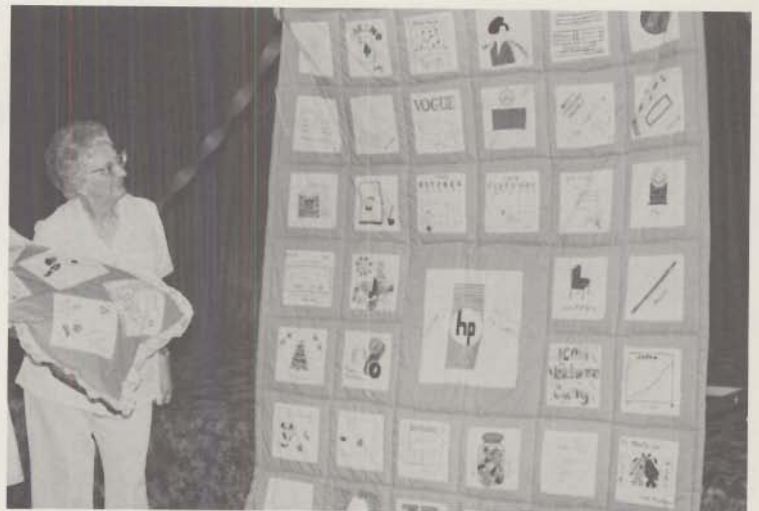
Marie also received a birthstone ring, a remembrance book, and roses. Intercontinental Director Alan Bickell made a special presentation—the chair which has moved with Marie from station to station, building to building over the years!



Jim Huntsberger (seated), FICS program analyst at Bay Area EDP, demonstrates the FICS system for ICON admin managers (l-r) George Dahl, HP Argentina; Margaret Chang, HP Taiwan; and Raul Elizondo, HP Mexico.



F. T. Lu, HP Taiwan's IPG sales manager, talks with Taiwanese and American officials at the recent trade fair. Left to right are U.S. Ambassador Leonard Unger, Taiwan Economics Minister Y. S. Sun; and C. D. Chang, HP Taiwan's instruments field engineer.



Marie Stevens admires her going-away quilt and pillow.

Manifesto to lead HP Argentina



Horacio Manifesto

Horacio Manifesto, currently HP Venezuela country manager, has been named country manager for Argentina following the death of Luis Brennan.

An Argentine citizen, Horacio joined HP Argentina as a computer specialist and field engineer for instruments in

1968, eight months after the subsidiary opened. Two years later he became discipline manager for computer and calculator groups, and in 1973 transferred to Venezuela as country manager.

Horacio holds a Masters degree in electronics from the University of La Plata in Argentina. He also completed a one-year fellowship in University of Chicago's Argonne National Laboratory where he was a research associate. In Argentina, he was a part-time professor of electronics engineering at the University of Buenos Aires. Prior to joining HP he was head of the electronics and research department for the Argentina Atomic Energy Commission.

He is married and has two children.

Arque named country manager



Helenio Arque

Helenio Arque, HP Venezuela computer systems sales manager, will become country manager when Horacio

Manifesto takes up his new post in Argentina.

A citizen of Venezuela, Helenio joined HP Venezuela five years ago as their only computer systems person. A year later he became computer systems manager.

Prior to joining HP he was head of the Electronics Department of the Venezuelan Institute of Scientific Research (IVIC) where he designed and developed instruments.

He holds an electrical engineering degree from Venezuela Central University in Caracas, and received an M.S. degree in electronics from the University of California at Berkeley.

Helenio is married and he and wife Gisela have three children.

Drews is made service manager

It was announced at press time that Tom Drews of Corporate will replace Bill Harper as ICON service manager. Tom is currently manager of field accounting and acting service accounting manager, as well as Corporate marketing administrator.

He joined HP five years ago as regional accounting manager in the Midwest Sales Region (Rolling Meadows). A finance graduate of the University of Colorado at Boulder, Tom has also served as audit manager of a large Chicago company.



IN MEMORIAM

Luis Brennan, 1921-1978

"A valued colleague and friend"

Venezuela bank gets second HP3000

Computacion Especializado CA., a Venezuelan software developer, has ordered HP computer systems worth more than half a million dollars to be installed at the Merida Entidad de Ahorro y Prestamos (E.A.P.), a savings and loan institution.

The \$572,000 order includes an HP 3000 Series II Model 6, 11 HP 1000 systems, 16 HP 2645 CRT terminals, a 200-1pm printers and an HP 2635 printing terminal.

The HP 3000, the second to be installed at E.A.P. headquarters, will be used for economic forecasting, computation of interest and loans, accounting and payroll. The computer software, developed by Computacion Especializado CA., will provide E.A.P. management with up-to-date reports on all facets of the institution's financial operation.

The HP 1000 systems will be installed at branch offices located throughout western Venezuela. When installed by the end of this year, the HP 1000 systems will be used off-line for the maintenance of customer accounts. Initially at the branch offices data will be collected on cartridge tapes and sent to HP 3000 for inclusion in management reports. Future plans are to link the computers into a distributed computer network.



HP President John Young presents a plaque to Winsome Norvell, HP South Africa, naming her the company's most outstanding consumer calculators field engineer. Recently Winsome became district manager of consumer calculators in South Africa.

Changes, changes and more changes

There's been a major "musical chairs switch" in the ICON financial section.

Lloyd Taylor, ICON administrative manager for the past four years, will become European Controller beginning in June. An HP employee since 1967, Lloyd has worked in the Finance Department of the Colorado Springs Division, and served as controller of the Santa Clara Division.

Dennis Raney, currently Southeast Asia administrative manager, will replace Lloyd. Dennis has been admin manager for manufacturing in Singapore and Malaysia for the past three years. Previously he had served as controller of the Stanford Park Division.

Replacing Dennis will be Don Schmickrath, current Santa Clara Division controller. Don will take up his new post in June. An HP employee since 1972, Don joined the company as a product line accountant. He became general accounting manager, then cost accounting manager, and finally division controller. A graduate of Fresno State University in accounting, Don has also worked for Price Waterhouse in San Francisco as a C.P.A.

Last issue we reported on the appointment of Steve Lumm as ICON's sales region controller/admin manager. Steve's replacement as financial services manager is Terry Hoffman, an HP employee for the past four years who has served as general accounting manager of the Microwave Semiconductor Division. A Michigan State University honors graduate, Terry recently completed his M.B.A. at San Jose State University.

Replacing George Cobbe as instruments marketing manager is Walt Sousa, who comes from the Neely Sales Region. Walt was formerly area sales manager for instruments in a region that included the northwestern U.S., Alaska and Hawaii. He joined HP as a staff engineer in 1970, and a year later became a field engineer for instruments. He subsequently was named district sales manager for Northern California. In 1977 he was appointed area instrument sales manager.



Don Schmickrath



Dennis Raney



Walt Sousa



Terry Hoffman

Booker heads HP South Africa

Moving from field engineer to country manager within five years is quite a feat, but HP South Africa's David Booker is taking it all in stride.

David recently took over as managing director of the subsidiary, replacing Tienie Steyn who joined Motorola South Africa as manufacturing/marketing managing director.

Although he is just 32 years old, David has had a wide range of experience both inside and outside of HP. He joined HP South Africa five years ago as a field engineer in what was then the Electronics Products Group. When EPG broke up, David moved to Computer Systems, and later to the Instruments Group. In 1976, he became Johannesburg district manager for Instruments, and later group sales manager.

Born and raised in London, David received an honors degree in electrical and electronic engineering from the University of Sheffield, and later a PhD in microwave antennas. Following graduation, he and his wife Diane, who is a physician, moved to South Africa where David worked for the country's postal service on a microwave system.



David Booker

David anticipates a number of challenges in his new position as country manager.

"With the current economic and political pressures on South Africa," he notes, "HP South Africa will have to move away from some of our traditional customers, and look for new opportunities. With the good team that has been built up over the past few years, I am confident we can adapt to our new market."

Another major change in David's life occurred recently with the birth of a son. The latest little Booker joins siblings Allison, five, and Michael, two.

Ops policy manual is ICON's "Bible"

"What is a formalized policy manual doing in an informal MBO-oriented organization like this?"

That seems to be the question most frequently asked when we send out updates or refer to the *Intercontinental Operations Policy Manual*. The very existence of the manual might, to some people, seem inconsistent with our open-ended style, but a clearer understanding of how the document began and its use should help all of us to do our jobs more effectively and, at the same time, avoid unnecessary problems.

BACKGROUND:

When Alan Bickell came aboard as Intercontinental Operations Director in mid-1974, he and other ICON managers sensed the need to document those policies, practices and procedures that had evolved with the organizational and sales volume growth of ICON. Also, it was noted that although we had both corporate and international policies, an extension of those policies was required to cover the sometimes unique and special regional peculiarities of ICON. As such, a major ICON objective in FY74 was to organize and publish our first "bible."

Each major ICON headquarters department, sales subsidiary and manufacturing facility was asked to provide appropriate policies within their areas of responsibility and to review all policies that might affect their areas. The MARCOM Department of that year (Dave Williams, Anita Stohl and Sue Hawkins) were then assigned the job of layout, production and distribution and they did it both professionally and on schedule.

What is it?

Initially, our policy manual was broken down into five major sections:

- General Management
- Marketing
- Distributors
- Manufacturing
- Personnel

and more recently we added Incentive Compensation.

In effect, we now have two volumes, one containing all of the above for internal use and one given to all

distributors. The *Distributor Policies and Guidelines* contain six major sections:

- Sales
- Sales Support
- Service Support
- Administration
- Order Processing
- Physical Distribution

How is it used?

In one respect both volumes might be considered a "how-to-book" for new ICON employees, and a reference manual for more mature ICON employees at all levels. No one is really expected to read the manual from cover to cover. However, it is an invaluable device to use before asking questions on how to get things done. It takes the guess work out of our working lives and can save a lot of time.

Because of the great cost of large scale distribution, we have limited distribution copies to several in each department, sales office and factory. Department and sales heads are expected to share copies with anyone with an interest.

CURRENT AND FUTURE:

As with our activities and organization, the Policy Manual will change and grow. One or more times per year, as necessary, new policy or modifications will occur. Sue Hawkins, our MARCOM coordinator in Public Affairs, is the able manager of production and distribution. While each policy originator is expected to provide final typed copy (following the manual format) to Sue, she provides consultation and overall coordination.

We invite comments and suggestions for improvements and correction of inevitable errors from all sources and especially encourage everyone to become more familiar with specific policies and the benefits of applying them.

Sy



A REAL WINNER. Steve Gildea shows his parents and brother the letter he received notifying him he won a \$1000 HP college scholarship. Winning top honors is not a new experience for Steve. He is also recipient of a National Merit Scholarship, and has garnered a number of high honors in math contests around the state. Steve is the son of Terry Gildea, ICON's computational products sales manager of Latin America. He will use his scholarship at M.I.T. next fall where he will study computer science.