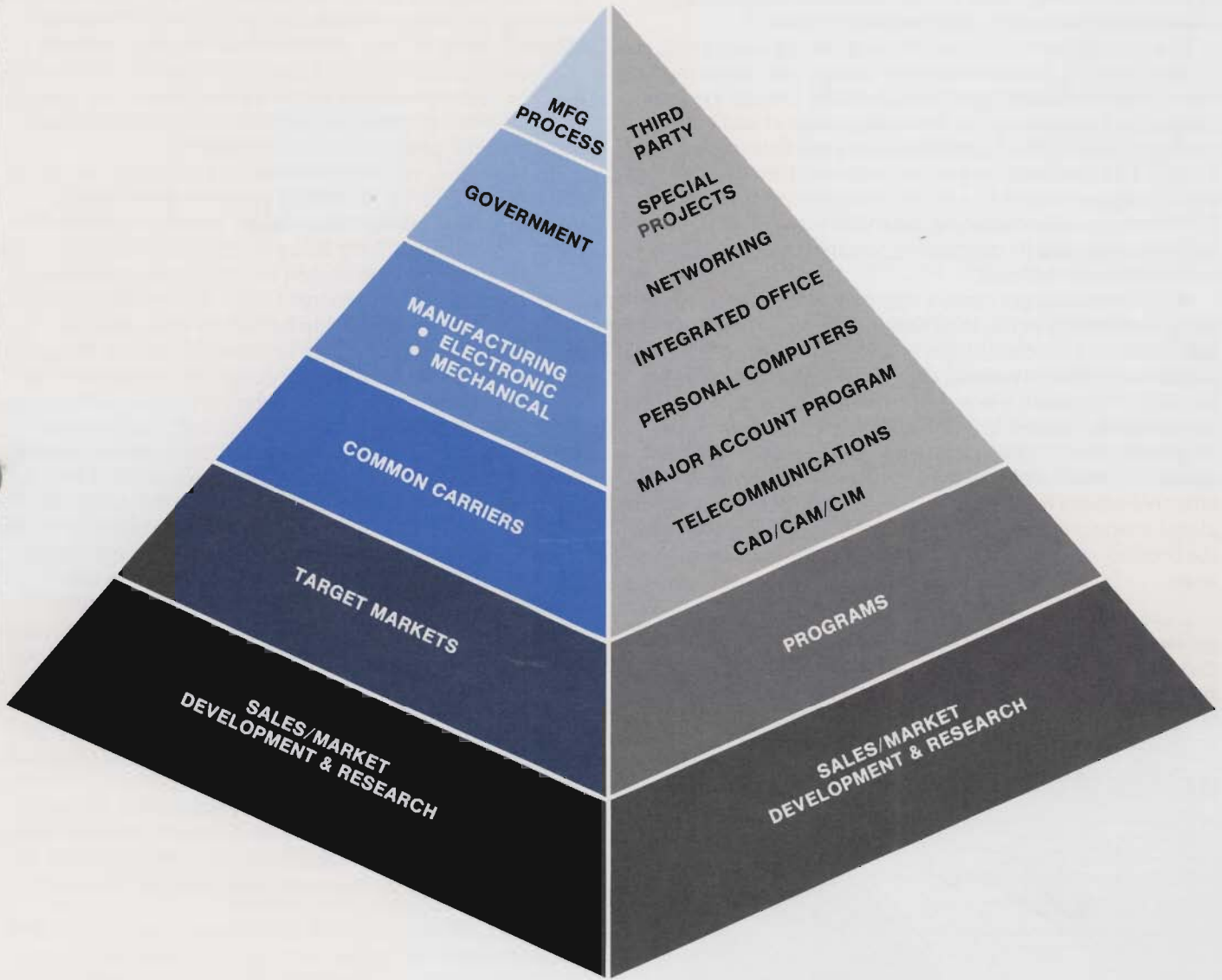


intercom

HP Intercontinental Operations News

FY 1986 — First Quarter

CHANGING THE SHAPE OF MARKETING



"Market-driven" HP is the goal; new marketing structure puts it within reach

by Dick Warmington

Just over a year ago, we began implementing a major organizational change within HP. The intent is to adopt a more market-focused structure, placing greater emphasis on integrated solutions and positioning us to more effectively relate our products and marketing programs to our customers and their requirements.

The change involved restructuring the previous product-focused groups, Instruments and Computers, into a number of market-focused groups such as the Design Systems Group, and separating the field sales, support and marketing organization into a new Marketing and International Sector. The field sales organizational structure moved from a product group focus to a more industry/customer focus: government, manufacturing, financial services, etc., as well as continuing its orientation toward major accounts and third party channels.

With these changes came a major challenge for us in the field, particularly in the international arena. It was to establish effective communication links between more than 50 product-oriented divisions, organized into eight market-focused groups with a separate industry-focused field sales organization, located in over 40 countries, organized into 15 geographical regions. Complex as it appeared, this task actually created a real opportunity for us: to provide a more effective means for manufacturing divisions, who have a global product and marketing charter, to better understand the product and solution needs of our customers worldwide.

ON THE COVER As part of its new marketing direction, HP Canada developed this strategic market model as a vehicle to communicate key markets. Marketing manager Alan Holdway tells you more about it on page four.

I can best describe this new structure as a geographically-distributed group and division marketing organization, instead of the old one involving centralized division/group marketing without an international presence. Essentially we have established a structure in which divisions and groups have their marketing representatives located within our major regions worldwide. Much more effective product planning can be accomplished now than when divisions received much of their market needs information from periodic field sales inputs. This division/group representation has been established in the form of marketing centers and group-oriented/region-located market development managers and program market managers.

In this issue, you will find articles describing the role of these managers; let me briefly describe the emerging marketing and product knowledge, transferred from dividers established in Hong Kong for the Information Systems and Network Sector managed by Gary Gujral; the Design System Group under George Carey, and the Microwave and Communication Group headed by Russ Johnson. In addition, similar centers are in the works for the Manufacturing Systems Group and Electronic Instrument Group.

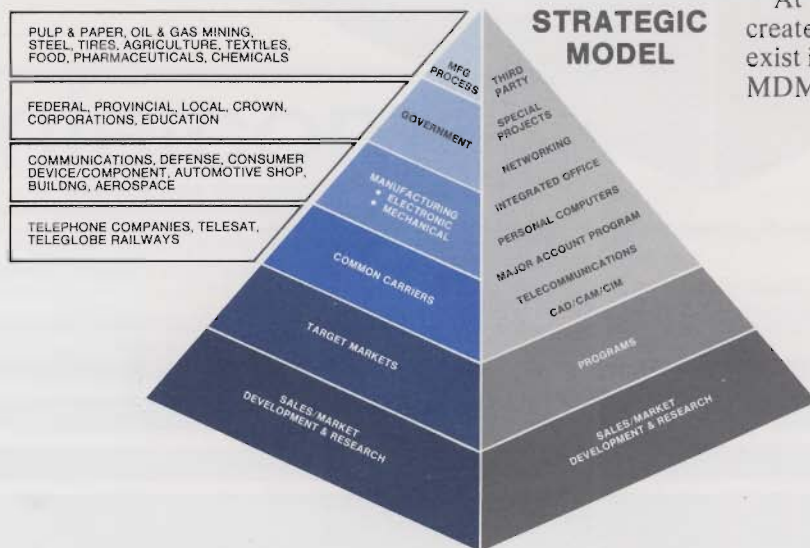
The primary role of these centers is to serve as an extension of the particular sector or group and the divisions within, to understand and communicate customer needs, market opportunities and competitive position as well as to manage all group marketing programs in the geography.

There will be a number of people with substantial factory marketing and product knowledge, transferred from divisions to these centers to provide that very important linkage between their divisions and the field organizations. These will be rotational assignments that will help develop an improved understanding and knowledge of our global market needs within the product divisions.

The Information Systems and Network Marketing Center in Hong Kong will focus only on the Far East Region while the other two marketing centers will support both the Far East and Australasia Regions.

At YHP, marketing centers already exist for all groups created at the beginning of FY85. Marketing centers do not exist in Canada, Latin America and Australasia so the MDMs and program managers serve this function and

MARKET SEGMENTS



HP Computer Museum
www.hpmuseum.net

For research and education purposes only.



work closely with Juan Montermoso and Bob Payne at headquarters to assure close linkage with the groups.

The worldwide distributed factory marketing organization will allow HP to be much more globally oriented with respect to product planning as well as the planning and implementation of major marketing programs in support of our field sales efforts.

The articles in this issue of *Intercom* should give you an understanding and flavor of the job being performed by our marketing organization. New words such as "market segmentation" are popping up in our vocabulary, clearly signaling an increased orientation toward marketing and understanding of how to use these new marketing tools. A lot of effort has been put into providing marketing training for both divisional as well as our field-located marketing personnel. A new training program for Intercon marketing personnel will be available early in FY86 for implementation in each region. These and other programs underway should move us forward in establishing a reputation as a "market-driven" company to the same degree as we are known for our technological product innovation excellence.

Bob Waterman, author of "In Search of Excellence," indicates that HP will reach this successful positioning as being market-driven when we get to the point of achieving recognition for doing an excellent job in the areas indicated at the right. At Intercon, we have made significant progress in FY85 and have an FY86 plan to continue moving us forward. ■

How to recognize a "market-driven" HP

- **Excellent knowledge of customers and market place**
- **Systematic use of marketing data, analysis, metrics**
 - Market share
 - Competitive analysis
 - Advertising effectiveness
- **Skill and creativity in segmenting markets/ formulating strategy**
- **Active use of "awareness, initial trial, repeat business" framework**
- **Explicit, written short- and long-range marketing plans**
- **Market-based business concept**
 - Provide unique value to customer
 - Treat customer perception as reality
- **Motivated distribution channels and responsive service program**
- **Understanding pricing as function of cost + market**
- **"Everybody talks marketing" — everyone's responsibility**

Dick Warmington is Intercontinental marketing manager.

Marketing managers set strategy

In the Far East

by Gary Gujral

The multi-country and diverse geographic nature of the Far East Region provides a challenge to insuring that a good communication channel is in place between the countries' sales programs and the divisions/groups. Establishing that channel was one of the key objectives of the region marketing group in FY85.

We recognized this potential roadblock in the formative stages of the marketing group and so we took several steps to establish an effective communication passageway.

First, our marketing group is structured in a fashion similar to HP group alignment which allows for exchange on a group-by-group basis. Marketing development and program managers were positioned in the Far East to act as extensions of the groups.

A simple, easy-to-read one-page newsletter called "Marketing Communique" is published several times a month or as needed, making marketing information avail-

able to both the countries and the divisions.

In addition, comprehensive feedback on business potential, competition, pricing and group-related issues is provided by marketing field reports. These are prepared by the MDMs and sent to groups and divisions twice a year.

A basic one-page quarterly report, our Program Communicator, summarizes group strategy and the Far East Region implementation of this strategy and associated tactical plans. The "pink sheet" has been very effective in communicating Far East Region goals for programs such as office automation, design systems and board test systems and for publicizing key strategies to achieve these goals. It also identifies sales and marketing employees in various countries who are "peaked" and serve as region resources for specific programs.

A key role of marketing in this region is to provide effective communications between divisions, groups and the field sales organization. The programs described here have gone a long way toward helping us perform that role. ■

In Latin America

by Rui da Costa

Despite a sometimes discouraging economic picture, the Latin America Region continues to offer real opportunities for international companies. To capitalize on one such opportunity, the HP office automation solution was recently introduced to the region.

"HP in the Office" provides the company with the opportunity to capture a market not yet fully exploited by the competition, as no other office automation supplier has established its products in a leadership position in Latin America.

HP's office automation solution encompasses all the traditional office needs, such as word processing, financial analysis, graphics and electronic mail. The primary objective is to establish HP as a leading office automation vendor with comprehensive Spanish solutions. To achieve this goal, both HP Mexico and Venezuela have done an outstanding job in localizing products. In addition, third party software and peripherals are also being promoted in order to present all the alternatives available for office needs.

While HP's office automation solution fulfills the needs of a broad horizontal base and will address all market sectors, each country has developed its own strategy to address the most significant areas of opportunity.

HP enters the office market with several strengths. The HP 150 Touchscreen personal computer is already among the top three personal computers of choice in the Latin America market. In countries such as Mexico, the HP 3000 is considered first choice after IBM. This, combined with HP's traditional strengths in the technical and graphics areas, strong reputation for reliability and support, manufacturing capabilities in Mexico, and our ability to offer a complete Spanish solution gives HP a strong position in the market.

In spite of an excellent product offering, HP to date is generally unknown as an office automation supplier. To reverse this situation, the office program is fully supported by a region-wide advertising campaign. Also, all primary sales promotion tools such as literature and overheads have been localized.

Mexico was the first country to introduce "HP in the Office" with a press conference in August. Other countries plan press briefings as well as trade show introductions. Marketing emphasis on office automation solutions will continue throughout FY86. ■

In Canada

by Alan Holdway

With more than 9,000 products from more than 50 manufacturing divisions meeting the needs of numerous markets, HP Canada was faced with a question: do we want to be all things to all people and all markets?

After much discussion, we chose to develop a strategic market model which addresses specific target markets. These key markets are where we have the right match in products, knowledge and expertise, where we have earned the respect of our customers, and where, in many cases, we are recognized as market leaders. For example, HP's reputation as a leader in the RF, microwave and communications area is well-established in the common carrier market-telephone companies. However there are many opportunities for us to expand our sales within this market in such areas as integrated products, personal computers and remote access test systems.

Our strategy is to leverage from our established base within these markets and continue to earn the right to enjoy their business.

Having identified our target markets and the segments within, we next put together a number of programs operating within these markets, to take full advantage of our opportunities. These programs require that we muster all of our resources in a way in which the whole is greater than the sum of its parts.

Our strategy does not ignore new market opportunities. Approved "SWAT" teams are working toward opening up new markets for HP. For example, in Toronto, Bob Miller and his sales district have an objective to penetrate the financial marketplace, specifically banks. We need to better understand their business and develop expertise to address their specific needs in areas where we can make a contribution. Once we do that, Bob and his team will then have the recipe for us to enter this new market and replicate this success across Canada. The idea is for us to shape our future strategic model rather than allowing it to shape us.

Once we have formulated our marketing strategy, the objectives established form the basis for designing our advertising and promotion programs to implement this strategy. Market research provides the information to ensure that we fully capitalize on our opportunities and better share our future.

The primary objective of our marketing organization is to deliver our target markets while laying the foundation, as in the bank example, for us to successfully enter new markets. Our ultimate goal is to achieve recognition for HP as a company with marketing excellence. ■

In Australasia

by Roger Kane

Perhaps the best word to describe the HP Australasia Region marketing program for FY86 is focus.

For example, beginning in mid-1985, we began to focus on a specific, high potential customer segment with a program called Target 500. It concentrated on the top 500 organizations in Australia and was initiated by a direct mailing to senior executives. Through the use of creative response incentives, an outstanding 38 percent response rate gave the office automation program, described in detail on page seven, a flying start.

Our major thrust in OA is based on an advertising campaign aimed at raising awareness of and preference for HP as an integrated OA supplier. Several months of testing resulted in a campaign featuring a ballerina and the headline "One step at a time." The dancer conveys the image of excellence and the theme addresses the idea that with HP, a user can build up a system gradually rather than having to make sudden changes and install a large system all at once. User research had shown that this is one of the most critical decision factors for target OA customers and it fits well with our OA offering.

Our OA activities are also supported by a trial software and hardware bundle offer to our installed base and Target 500 customers so they can get low-cost, no-risk, hands-on experience with HP integrated office automation products. Increasingly, we are using direct mail to offer solutions to customers' specific needs.

The competitive situation in Australia is strong with all major U.S., European and Japanese vendors present. The Japanese use Australia as a test market prior to entering other markets and many U.S. competitors take special pricing action in Australia to counter this. For example, an IBM System 36 is less expensive in Australia than it is in the U.S. As a result, it has been important to emphasize our marketing efforts on such programs as our OA market thrust where we have a good opportunity for substantial growth. Other market-focused programs exist in each of the major business segments. In both New Zealand and Australia, we have been rated number one in overall customer satisfaction. That is HP's major competitive advantage.

From a marketing point of view, we are fortunate to have a team with a combination of long HP experience and good marketing credentials. We are enthusiastic about the direction we are taking to give HP a strong marketing orientation in Australia and New Zealand. ■

In Japan

by Masao Terazawa

A revolution in the infrastructure of Japan's electronics industries has been occurring over the past couple of decades, presenting a major opportunity for HP in that country. Today, consumer electronics and electronics components production occupy two-thirds of the total electronic industries' production in Japan. This majority is the result of the rapid expansion of broadcasting as well as the development of telephone and telegraphic networks and analog communication system technologies. This move to a highly developed information-oriented society is providing us with significant openings in the areas of computers, optical fiber measurement and semi-conductor test.

To provide some perspective on the size of the electronics industries in Japan, an FY84 government report places their production at \$69 billion or almost six percent of the country's GNP. In addition, the compounded growth rate since FY78 is 17 percent, making electronics one of the highest growth industries in Japan.

In establishing our five-year marketing plan, we have targeted the electronics industry and electronic manufacturers. YHP's goals are to confirm itself as a well-recognized computer system and application supplier in these markets, to expand our share of the measurement instrument and systems market to 25 percent, and to achieve a higher-than-market growth rate by becoming known as a "solution supplier" rather than a supplier of individual products.

Achieving these goals will involve several marketing strategies. Japanese Kanji language capability on new computer systems will reinforce our application-oriented computer system sales. We look forward to cementing partnerships with machinery and precision machinery companies to penetrate the computer-integrated manufacturing market. A gain of more than 20 percent market share in the memory, linear IC and logic testing business should be reached by enhancing our accuracy, reliability, high-cost performance, superior software and network capability.

Other marketing strategies being employed call for providing the same high quality and coverage of sales and support everywhere in Japan, including the more remote areas. We are clarifying our different sales channels and establishing a more specialized sales force, providing each member with the most effective tools to increase productivity. And we have established a marketing reorganization that provides not only well-defined business and marketing plans for our major market thrusts, but also the marketing support required by the field sales organization. ■

Making our sales force more productive

The development of sales professionals generates a lot of interest and discussion at HP. Among those who hold opinions about how it could be done better is Margaret Jones, field development manager for Intercon marketing. Her view differs from the one held by many people who equate development with training.

"Although training is part of the process," she contends, "unless the trainees transfer what they learn to the workplace and improve their day-to-day performance, the development will be incomplete."

There are four parts to the development process, according to Margaret: a preparation program, training, tools and resources to transfer learning to business methods, feedback, and reinforcement on the job. Development should occur continuously for all professionals, not just when they join the company, begin a new job, or take some training.

As field development manager, Margaret sees her primary responsibility as providing the overall philosophy and definition to the program and the leadership in establishing the process to ensure its successful implementation in each one of our regions. "What I feel we need to provide is a defined process for setting measurable standards, assessing needs based on those standards, and then determining the proper development plan based upon those needs.

"To make the program work, the regions and headquarters must work

closely together, each with defined responsibilities. The field sales and marketing development program at the Intercon operations level is an umbrella under which all the region programs reside. The regions best understand the structure and goals of their organization, the environment surrounding their sales force, and the needs, motivation, feedback and incentives appropriate for that environment. Plus each region has its own management techniques to plan, implement and monitor an effective sales effort.

"It's my job to provide the overall framework for the successful development of field sales and marketing people and to monitor the entire process as well as be a communications link to the rest of HP."

How will all of this come about? Personnel training managers and field marketing managers, acting in partnership as resources for each other, will be an important ingredient. On the sales side, Margaret is working with each country to select field development managers who will be responsible for all aspects of sales development programs. In the short term, there will also be an emphasis on the development of the district managers who are responsible for the day-to-day coaching of a large number of sales professionals.

Margaret also suggests the establishment of regional training councils composed of representation from sales, support, marketing and personnel. Meetings would not be frequent, but often enough to be a communication forum and an instrument for defining, prioritizing and assessing all region training and development.

"A consistent framework is needed for all Intercon programs," says Margaret, "and that process starts with a basic model. The first step is to determine standards we would like our sales force to achieve; then we have to decide on a schedule for meeting them. Standards, remember, are minimum requirements, not goals. They are the skills that sales reps need to function adequately in their jobs.

"Once the standards are in place, development plans can be defined by country or region. To set priorities for each program requires a sales performance audit. Based on this analysis, we will be able to implement a program that addresses identified needs rather than 'gut feel' responses."

Margaret views the process as straightforward, but stresses that implementation is a long-term, continual effort requiring hard work, support, feedback and commitment from all levels of management. To this end, she has designed an action plan for Intercon Operations sales regions development that began in mid-1985 with a study of HP European development standards and should continue through the end of 1987. From that point on, execution will include quarterly assessment, an annual sales performance audit and development program assessment, along with an action plan for the next year.

"It's important that we put as much effort into this process as we do the day-to-day running of our sales training," Margaret concludes. "Only then will we make the sales force more productive in the long term." ■

Planning and evaluation are keys to marketing communications

by Mona Foley

An important new product, part of the Office Systems/PPC marketing strategy has just been launched. The introduction, and the marketing communications programs supporting it, have been four months in planning and implementation. And during the first nine weeks after the introduction, \$300,000 has been committed for print advertising, product publicity and direct marketing.

The press conference went even better than planned and the first print ad has appeared. The managing director has just paid a personal visit to the marcom department to say that this has been one of the most successful introductions he has seen.

At last the marcom department can breathe a collective sigh of relief. Right? Well, just a quick one. While attention has been focused on preparing for the launch, stacks of correspondence have been piling up, evaluation of the effectiveness of current promotional programs must continue, and there is yet another major promotion in support of the CAE/CAD market, scheduled to occur in two months.

Four months ago a communications plan for this event was developed, defining the marketplace and articulating the strengths and weakness of HP and the competition. It also defined the target audience, communications objectives and goals, communication strategies, and the tactics to be employed in the implementation of the strategy. Finally, the plan outlined measurement criteria which would allow for the evaluation of the effectiveness of the promotional program after its completion.

More and more examples of well-developed plans, executions and evaluations of communications programs are emerging. Recently in HP Australia, an aggressive marketing and sales program called TARGET 500 was launched. The basic objective of the program was "to penetrate 500 of the largest companies in Australia to achieve short- and long-term sales goals." The initial strategy was to use

the Integrated Office System (IOS) as the entrée into the companies and to provide a focused approach for the initial sales call. Studies indicated that the OA market was the growth area of the future and would represent a significant portion of HP Australia's business by 1990. Also, research showed HP as having the largest installed base of IOS in Australia.

Direct marketing was determined to be the most effective tactical approach for promotion, and a mailing list with names and titles of the five top executives in each of the target companies was compiled. The first mail package, CONCORDE, was designed to establish awareness of HP as an excellent business partner, explain the benefits of an Integrated Automation System, and show how HP has the solutions in the IOS area. An incentive holiday including travel on the Concorde and the Orient Express was offered in an effort to pique busy senior executives' interest and to encourage them to reply.



The response rate to the mailing was an impressive 38 percent, with two-thirds of the respondents requesting more information. Qualification of the accounts was done by the sales representatives, and in Sydney alone, 15 key accounts were identified for short term sales potential. Additional direct mail packages have been developed to send to this select audience and keep HP's name prominent.

In Singapore, manufacturing was identified as a major market thrust for FY85, as the manufacturing sector is a key contributor to Singapore's eco-

nommic growth. In 1984 it accounted for a significant 24.2 percent of the GNP.

HP Singapore's overall objective was to close U.S. \$2.3 million worth of manufacturing business orders from new leads by the end of the year. The major vehicle used to generate these leads was a Computer Integrated Manufacturing (CIM) seminar and exhibition. The CIM event was designed to educate, inform and demonstrate applications.

Planning for the CIM show, held earlier this year, began as early as the previous November. The marcom department, as part of a task force, handled the coordination of the seminar program and speakers, promotion packages, booth design and layout, literature handouts and distribution, and a press conference.

As with HP Australia's Target 500 program, direct marketing was chosen as the primary promotional vehicle for the CIM show. Twelve thousand mail pieces were sent to the existing Singapore customer base, members of the manufacturing community and related associations. In addition, 200 invitations were mailed to top customers in industry and government, inviting them to attend an executive seminar.

Print media was also used to promote the CIM show, with ads running in the daily newspapers prior to the event. The grand opening was attended by 150 top executives and customers. A series of 13 seminars was conducted during the course of the CIM event, with an average attendance of 70 people each.

HP Singapore's attention to CIM didn't end after the three-day event. Specific measurement standards were built into the program, including evaluation of seminar quality, profile of attendees, and quality of leads generated. Overall, the show laid the groundwork for establishing HP as the number one CIM vendor in Singapore. ■

Mona Foley is the marketing communications manager for Intercontinental Operations.

Ken Koo

As program manager for HP's Design Systems Group in the Far East Region, Ken Koo has felt like the lone ranger for the past year. Help has arrived, however, in the form of the just-opened Asia-Pacific DSG Marketing Center, headquartered in Hong Kong and supporting sales, marketing and service in Australia and the Far East.



Ken's background, both academic and professional, seems tailored to his present position which calls for a balance in technical application expertise and business management. His 10 years with HP have been split between factory marketing and field sales, with three consecutive years in the top 10 percent of HP computer sales. He has master's degrees in both electrical engineering and business.

"At the very beginning, I went through a crash course in learning all DSG products and other aspects of its business," Ken recalls. "I developed a strategic marketing plan that included such areas as market analysis, target market entries, field staffing and training, and implementation schedules. Initially a lot of my time was spent communicating strategies and product plans to the countries and assisting them in developing their own marketing plans."

The Far East was actually one of the first sales regions within HP to establish a marketing organization; its mission is to develop and implement country-sensitive marketing programs

to meet the region's objectives of growth, increased market share and a better correlation between sales effectiveness and cost efficiency.

Currently Korea and Taiwan have DSG program managers and others have assigned peaked district managers. "Often we view ourselves as entrepreneurs," Ken observes, "in driving DSG business in the region. The job demands a balance of short- and long-term projects. The former includes events that ensure current year sales quota performance and the latter are such projects as market planning, staffing, training."

Many tasks still need to be done, but Ken expresses satisfaction with the region's performance for the past year: an expected finish of 22 percent plus growth in DSG business over last year in a difficult economic climate and prior to the launching of major new products.

"I'm very bullish in my outlook. With the focused marketing and sales resources, the caliber of people we have in the countries, and the introduction of significant new CAD (computer-aided design) solutions, HP will quickly become the leading supplier of design solutions in the region." ■

Wes Wickham

Although he doesn't think of himself that way, you might call Wes Wickham one of the old timers at HP. He has spent over 30 years with the company at Intercon and Latin America headquarters and on international assignments. Recently he spent two years in sales management in Korea during the conception and birth of the joint venture, Samsung Hewlett-Packard.

Wes, currently responsible for the four groups involved with the ex-Instruments products in Latin America, has two primary marketing



responsibilities: promoting the Instruments, Design Systems, Manufacturing Systems and Microwave Communications plans and helping the groups understand the region so that their marketing plans coincide with region needs. "In other words, I see myself as a facilitator in the communication between these two diverse groups," he says. "This arrangement encourages creativity and implementation of some new ideas to improve HP's marketing efforts."

It is interesting to observe changes in HP's marketing efforts over the years, according to Wes. In the 60s, the company was recognized as a marketing progressive. While electronic products were typically sold through distributors in those days, HP had its own sales force. Even more creative were the HP Flying Demo and the Latin Americas Demo Ship. The former was a DC-6, outfitted with test equipment and staff, that served in 1969 as the base for a traveling trade show held at airports throughout the Intercon region. Some of the product demonstrators were Lee Ting, Dick Warmington and Wes Wickham. Later, in the early 70s, a seagoing version stopped at Latin American ports.

"In the 70s, we seemed to put marketing on the back burner," Wes recalls. "Of course, we were awakened in the 80s to the hard realities that other companies were doing a much better job of marketing. Now HP is starting to make some refreshing changes that are certainly helping us

regain the initiative not only as an extremely well-managed and respected engineering company, but also as a top marketing company and a valued partner to our customers." ■

Ken Sugimoto

How do you respond when local competition in your market area becomes increasingly strong each year? If you are Ken Sugimoto, you carefully monitor local Japanese market needs and competitive actions, and you maintain close contacts with the divisions in the development of Microwave and Communications Group strategies and plans, including new product developments and improvements to meet local customer requirements.



Ken has been the market development manager for MCG in the YHP region for a year. As the primary communication link between the group and field sales, he is responsible for maximizing sales of MCG products in Japan by developing and managing local sales promotion and market development programs.

He took on these responsibilities after two years as area Instruments

sales manager, four years as an R&D engineer, and 14 as a marketing engineer and manager for Instrument products. Ken was the first marketing taskman for the old Microwave Division and consequently is very familiar with MCG products and people.

"It's very exciting when new products designed for the Japanese market as a result of our efforts are introduced and well accepted," Ken says. "The 8970A noise figure meter from Stanford Park Division is just one example of how the YHP marketing group contributed greatly in defining a product through hundreds of information exchanges with the division."

In many instances, Ken's group has been inputting valuable information to make the first version of products better. Many "B" or second versions have been introduced reflecting market needs, and divisions have found the information from Japan very worthwhile.

"I'm very proud of our groups' efforts," Ken says. "Close communications with customers, field sales and groups and divisions is the key to our success in the future." ■

Tex Schenckan

Tex Schenckan joined Intercon a year ago as the office systems market manager, coming from a consulting firm where he'd worked both here and in Japan helping companies to develop business and market strategies. It was while in Japan doing work for the American Electronics Association that he first heard of HP.

"Some time later, right about the time I decided on a career in marketing and set my sights on HP," Tex recalls, "the company reorganized to increase its focus on marketing and created new positions to sharpen that focus. Perfect timing for me as it turned out."



What Intercon was looking for was someone to step into one of the new roles of "markets manager." In Tex's case, this was a person who could serve as a communications link between the Intercon regions and factory involved in HP's new office systems business as well as to work with each region in developing the appropriate strategy and market development program.

"Intercon wanted someone with a marketing orientation and a fresh perspective, and I wanted an opportunity to bring to bear from inside a company the marketing tools I'd learned as a Stanford Business School student and had applied from outside as a consultant. It seemed like a good fit."

Tex doesn't agree with those who believe that marketing should be the central activity of every company. That's as wrong, he says, as assuming that R&D and product development should be the central activity.

"Properly carried out, marketing helps define the areas in which the company's other resources — R&D, manufacturing, distribution, administration and support — can achieve the greatest effectiveness at the least cost. Marketing achieves this goal by identifying the highest potential customer groups — target segments, thoroughly understanding their needs, then working with R&D to develop products

Continued on page 12

MARKETING/SALES/SUPPORT
Alan Bickell (Acting)

MARKETING
Dick Warmington

MARKET DEVELOPMENT
(Meas/Design/Mfg Systems)
Bob Payne

MARKET DEVELOPMENT
(Info Systems/Networks)
Juan Monterroso

MARCOM
Mona Foley

PRODUCT DEVELOPMENT
Frank Hublou

TRAINING/DEVELOPMENT
Margaret Jones

CUSTOMER SUPPORT
Paul Balnys

CEO
Paul Balnys

AEO
John Maydonovitch

SUPPORT ADMINISTRATION
Jon Cretarolo

MAJOR ACCOUNTS
Larry Amsden

THIRD PARTY PROGRAMS
John Kohler

PERSONAL COMPUTERS
John Chua

MEDICAL
Tom Bailey (at MPG)

ANALYTICAL
Mike Muller

COMPONENTS
Jan Black

CANADA
Malcolm Gissing

MARKETING/SALES/SUPPORT
Sherif Alaily

MARKETING
Alan Holdway

WESTERN AREA (Edmonton)
Steve Salkeld (Acting)

EASTERN AREA (Montreal)
Jeremy Beatty

CENTRAL AREA (Mississauga)
Steve Salkeld

CUSTOMER SUPPORT
Jeff Shook

CEO
Jeff Shook (Acting)

AEO
Jeff Shook (Acting)

DISTRIBUTION CENTER
John Cross

PROJECT CENTER
Rick Schwartz

MEDICAL
tba

ANALYTICAL
Arnie Nicholson

COMPONENTS
Pat Belluscio

ADMINISTRATION
Gordon McLean

PERSONNEL
Ross Marsden

PUBLIC RELATIONS
Bob McDevitt

QUALITY
Gary Cooper

TRAINING/DEVELOPMENT
Tony Johnson

PANACOM OPERATION
Chuck Bonza

LATIN AMERICA
Don Rowe

SALES/MARKETING
Rui da Costa

DISTRIBUTOR DEVELOPMENT
Dick Hornor

CEO
Vicente Garcia

AEO
Filiberto Arredondo

MEDICAL
Dennis Sabin

ANALYTICAL
Jelson Ghigonetto (Brazil)

COMPONENTS
Jan Black (Acting)

CORPORATE DEVELOPMENT
Ophir Toledo

ADMINISTRATION
Waldir Storino

PERSONNEL
Tom Lowden (Acting)

MEXICO
Manuel Diaz

VENEZUELA
Ernesto Kolster

BRAZIL
Luiz Barata

ARGENTINA
Juan Miguel Parodi

STRATEGIC MARKETING COUNCIL
Dick Warmington

JAPAN
Kenzo Sasaoka
Toshio Muraoka

MARKETING/SALES/SUPPORT
Toshiteru Suwa

MARKETING
Masao Terazawa

CEO
Masakazu Imahori

AEO
Yasuo Karakisawa

SOFTWARE OPERATION
Shigeru Ando

MAJOR ACCOUNTS
Yukio Horie

EASTERN AREA (Takaiddo)
Tsugio Kataoka

WESTERN AREA (Osaka)
Ken Ueminami

YOKOHAMA AREA
Matsuji Tezuka

TOKYO AREA
Gi Nakatsukasa

MEDICAL/ANALYTICAL/COMPONENTS
Katsuto Kohtani

ADMINISTRATION and PERSONNEL
Shu Asai

QUALITY
Katsumi Yoshimoto

HACHIOJI FACILITY
Mitsutoshi Mori

K...
Georg

MAR...
S. S.

FIELD O...
Bill
I. H.

C...
D. S.

A...
K. S.

FIELD M...
Y. H.

INI...
arar

PERS...
Don

MANUF...
Bot

F...
Young

INT'L PR...
Bot



TOTAL OPERATIONS
Bickell

ASIA PACIFIC OPERATIONS
Alan Bickell

CIL

MANUFACTURING and PROCUREMENT COUNCIL
Walt Sousa

AREA
e Cobbe

MARKETING
am Yu

OPERATIONS
Rumold
L. Yer

EO
S. Lim

EO
Hwang

MARKETING
l. Kim

STR
d Ju

PERSONNEL
Strom

FACTURING
Flint

R&D
Dae Kim

PROCUREMENT
Flint

AUSTRALASIA
Malcolm Kerr

**MARKETING/SALES/
SUPPORT**
John Bieske

MARKETING
Roger Kane

CEO
tba

AEO
Dennis Malseed

MEDICAL
Bob Cattell

ANALYTICAL
Jim Watson

NORTHERN AREA (Sydney)
Richard Vincent

SOUTHERN AREA (Melbourne)
Bruce Marsh

CORPORATE DEVELOPMENT
Bruce Graham

SOFTWARE OPERATION
John Cromie

ADMINISTRATION
Bruce Thompson

PERSONNEL
Geoff Windsor

QUALITY
Hans Neilson

NEW ZEALAND
Wayne Squires

FAR EAST OPERATIONS
Walt Sousa

FAR EAST SALES REGION
Walt Sousa

**MARKETING/SALES/
SUPPORT**
Suresh Rajpal

MARKETING
Suresh Rajpal (Acting)

CEO
Sken Chao

AEO
Jansen Ek

MEDICAL
Mike Blomeyer

ANALYTICAL
John Hussey

ADMINISTRATION
Steve Cakebread

PERSONNEL
Tom Pierson

QUALITY
Soim Singh

KOREA
George Cobbe

TAIWAN
Wen Ko

CHINA
Chi-ning Liu

HONG KONG
Clive Ainsworth

SINGAPORE/MALAYSIA
Victor Ang

**DISTRIBUTOR
DEVELOPMENT**
ASEAN
Victor Ang

INDIA
Rhada Basu

**SINGAPORE
MANUFACTURING
OPERATIONS**
Koh Boon Hwee

COMPUTER OPERATION
Koh Boon Hwee

IC OPERATION
Ali Hussain

COMPONENTS OPERATION
Tan Bian Ee

CONTROLLER
Alex Chan

PERSONNEL
Sunny Chan

**MALAYSIA
COMPONENTS DIVISION**
Steve Cooper

ASIA PROCUREMENT
Dick Locke (Palo Alto)

FACILITIES
Dinesh Chandio

**GROUP MARKETING
CENTERS**
MCG/EIG
Russ Johnson

DESIGN SYSTEMS
George Carey

INFO SYSTEMS
Gary Gujral

**CORPORATE DEVELOPMENT
and MANUFACTURING**
Lee Ting

**MANUFACTURING
PLANNING**
Ophir Toledo

PUBLIC RELATIONS
Sy Corenson

**MANUFACTURING
OPERATIONS:**

PUERTO RICO
Mike Forster

MEXICO
GCO
Jose Grapa

MHP
Jorge Martinez

PROCUREMENT
Dan Simin

**BRAZIL
CAMPINAS**
Odmair Almeida

**FINANCE and
ADMINISTRATION**
Larry Tomlinson

CONTROLLER
Doug Thompson

TREASURY
Bruce Tomberg

LEGAL COUNSEL
Don Drumright

INFORMATION SYSTEMS
Andrea Johnston

**MARKETING
ADMINISTRATION**
Walt Reichert

PERSONNEL
Tom Lowden

HEADQUARTERS
Gerry Tillman

SYSTEMS
Mariam Lim

TRAINING/STAFFING
Bob Coultis

QUALITY
Julie Ferderber

that best satisfy those needs. Marcom and the field sales organization are essential to communicate the features of products and to consult with customers in the application of products.

"Marketing, at its best, is the eyes and ears of the company, providing the right information at the right time both to other departments and to customers."

A good start's been made in establishing Intercon's marketing of office systems, according to Tex, who thinks his most important contribution has been in helping to bring this marketing perspective to HP. "When our marketing reputation matches our product reputation, I'll consider it a job well done." ■

Rick Marmur

An early stint handling merchandising and advertising activities for Australia's largest department store chain led Rick Marmur, 10 years later, to HP marketing. For the last three years, he has been the office automation (OA) product manager responsible for all aspects of the program in Australia and New Zealand. During that time, software sales of \$112,000 have grown to a total OA business approaching \$10 million in FY85.

The start of FY85 marked a turning point in Australasia's operations with the formation of the marketing group, but much of the preliminary OA work for the year began in June, 1984 when two Australian market studies were commissioned. A New Zealand marketing study was completed in August.

Much of 1985 has been spent in developing a full marketing plan for HPA's OA business. In January, the first draft of the plan, prepared with the assistance of Sue Wadsworth, was published. Then in May, the first of two segmentation studies was conducted. It looked at the overall market, identified areas HP could attack, examined predicted market growth, and the contribution OA



would make to HPA's computer business. The second, published in August, identified segments by industry and state for organizations with revenues in excess of \$100 million or more than 500 employees.

"In this study, we've been able to identify which industries the sales managers should concentrate on," Rick notes, "and what level of return they should expect from those industries. The going hasn't been easy. But the results in terms of trained sales representatives, aggressive promotional programs and rapidly growing orders clearly indicate the success of this program."

Besides planning, there's been participation in the OA85 exhibition and conference which generated a contact list of over 500 names. And sales and marketing teams have run seminars for HPA people as well as potential customers.

"One of the positive aspects of the year has been the great teamwork that has developed between sales and marketing in the OA area," Rick says. "On the other hand, one of the major obstacles we have had to overcome is the lack of market awareness that HP is in the OA business. We've tried to address this with an advertising campaign that has taken over five months to develop." (See Roger Kane's comments on page five.)

What, Rick enjoys most about his job are the ability to build a new business segment for HPA and the internal and external promotion of this segment.

"I think the office automation area of HP's business is the most exciting place to be at the moment. There are so many opportunities to make a real contribution to HP's future in this area, whether in marketing, sales or support." ■

Group councils provi

by Juan Monterroso

Dick Alberding's call for a renewed emphasis on marketing has encouraged new approaches and methods throughout the company. One such initiative has been Intercon's representation in the group marketing councils.

Each council is composed primarily of division marketing managers and is chaired by the group marketing manager. Additional managers representing group marketing communications or group training may also attend the meetings, usually held monthly. Currently, marketing councils exist for these groups: Electronic Instruments, Microwave and Communications, Design Systems, Manufacturing Systems, Information Systems, Personal Computer, Peripherals, Information Networks, and Information Technology.

The major objective of the councils is to provide effective, integrated strategies for the marketplaces the group products address. This year, through the market development managers (MDMs), Intercon has been able to contribute through both active involvement with the councils and periodic reports to the region MDMs on the results of these council meetings.

The contributions can take many forms. Intercon's MDMs may help frame the optimal product introduction strategy and subsequently formulate the implementation tactics for such an introduction. The handling of the Touchscreen II and the HP9000 Series 300 "Bobcat" were instances of this cooperation.

Sometimes MDMs need to coordinate specific product issues among the divisions involved before bringing it out to the field. The positioning of the Power Plus products for the Information Systems Group is a case in point. The marketing councils also look to the Intercon MDMs for feedback on such key issues as pricing and packaging of solutions.

Localization issues are another instance where Intercon participation in the councils provides an important

element of visibility for our needs. The longer-range planning efforts focused on strategy and business plans for something like AdvanceNet, HP's data communication program, also benefit from Intercon participation in the councils. In these and other cases, personal attendance at U.S.-based meetings, representing inputs from regional MDMs, has made a real contribution to assuring that plans address Intercon market needs.

The benefits of this link with the marketing councils have been multiple. First, Intercon marketing gains better insights into the evolving strategic thrusts of the group. This allows marketing to be better prepared to tailor these thrusts for the specific Intercon markets.

Second, these councils have provided a forum for Intercon to offer feedback on both programs and products directly to the key marketing contacts in the divisions. This feedback leads to a third benefit.

Intercon participation in the marketing councils affords an opportunity to affect group strategies and plans before they are locked into place. This does not necessarily mean the plans will be 100 percent usable in Intercon, but it does mean that proper consideration has been given and the trade-offs assessed. Then Intercon marketing can proceed with a firmer understanding of where the groups stand.

Continued Intercon involvement in the group marketing councils is a necessity. In particular, the challenge of the upcoming Spectrum program will affect not only the Information Technology Group marketing council but will also ripple through the other groups. Intercon's participation will allow the marketing councils to remain "close to the customer." And as Tom Peters has indicated in "In Search of Excellence", it is those companies "close to the customer" who will ultimately succeed. ■

Juan Monterroso is Intercontinental market development manager for Information Systems/Networks.

by Bob Payne

Marketing has always been a fundamental part of HP's organization. The traditional marketing functions of product management, market research, marketing communications and sales support have been and continue to be an integral part of each manufacturing division. The worldwide charter of these divisions means that their activities are global in nature. Ideas or new products have historically come from the "next bench" with the field and selected customers providing market trend information and product feedback.

These methods have served our needs quite well for a number of years and are still an important part of our program. However, the world HP is competing in has changed over time. European and Japanese manufacturers, for example, have become formidable competitors. At the same time, HP has moved into marketplaces such as personal and business computers which demand marketing programs specifically tailored to compete effectively in the local environment.

HP has changed with the times. The market development function has been established as a field extension of the divisions' programs. The typical market development manager (MDM) is focused on a product group such as the Design Systems Group or Manufacturing Systems Group. The MDM is intimately familiar with the strategy and plans of the group and all of the divisions which are part of the group, in addition to being equally knowledgeable about the unique needs, characteristics and trends of the assigned geography. This melding of field and factory knowledge means that geographically-specific strategies and plans can be developed to maximize HP's success on a worldwide basis.

Intercon has implemented the market development function to best serve the needs of our unique mix of regions and countries. Rather than establishing a large headquarters-based

marketing group, Intercon has placed the MDM function in the regions and countries, close to the markets served.

The market development organization in existence at Intercon headquarters is purposely small and will remain so. The role it provides is a U.S.-based link between our regions and groups. In addition, multi-region activity coordination and longer-term strategic planning are the responsibilities of the Intercon team.

The major long-term payoff from the efforts of the market development organization will come in the forms of products that are more suited to our customers' needs worldwide both in features and price and therefore much more competitive on a global basis. Considering the fact that the typical product development cycle is two to three years, it will take time to achieve results. The important thing is that the organization is established, the information flowing, and divisions are factoring the data into their plans.

There are some shorter-term initiatives that have been implemented through the MDM function. Product pricing is now more suited to the different competitive situations existing in our countries. The basis for this has come from specific data supplied by the MDMs. Product marketing programs, such as new product promotion events with enthusiastic division participation, have occurred regularly during the last years, coming as a result of market development efforts.

The MDM role will continue to change as we move into 1986. As HP enters new markets such as semiconductor test and computer-aided engineering and design, new and very aggressive strategies and plans will be defined and executed. Also as marketing centers are initiated in the Pacific Basin, the MDMs in the countries supported by these marketing centers will have much more local divisional representation to work with in developing the programs that best meet their market opportunities. ■

Bob Payne is Intercontinental market development manager for Measurement, Design and Manufacturing Systems.

Kyle Parrish helps launch Total Talk

For disabled people, technology is fast becoming the great equalizer in providing easier access to education and competitiveness in the job market. This is good news for both disabled people and for the overall health of the economy. Using current technology, many previously unemployed handicapped people can make a significant contribution to the work force and society.

Speech technology, for instance, continues to offer new opportunities for the visually impaired. On these pages are stories illustrating technological advances based on the HP 150 Touchscreen. In each instance, there is a special connection with HP Intercontinental. One product originated with the support and assistance of HP Canada and the other was introduced to HP in part because of the efforts of two Intercon headquarters employees.

Visually-impaired people face obstacles in everyday life and the business world is no exception. Fortunately there are companies such as Maryland Computer Services, Inc. (MCS) whose goal is to make innovative use of the most powerful technology available to bring the benefits of computing to those who can't see.

Fortunately, too, there are companies such as HP who encourage employees to seek out better ways to do their jobs and support their efforts to experiment with new equipment. Intercon headquarters programmer analyst Kyle Parrish has experienced this backing ever since he came to HP from the Center for Independent Living in Berkeley, California where he learned to function in spite of visual disability. Optic nerve damage has left him with no sight in one eye and just one percent vision in the other.

As members of HP's visually-impaired task force, Kyle and his supervisor Scott Duncan had been searching for a device Kyle could use in place of the Apple IIe hooked up

to a letter magnifier he'd been using for over a year. They found a "better way" in January when MCS held its west coast introduction of the Total Talk PC, based on the HP 150 Touchscreen, at corporate headquarters. After Kyle had an opportunity to work with a demonstrator model, Scott bought one for him in February, the first Total Talk purchased by HP.

Subsequently, Kyle organized an introductory series of classes at Intercon headquarters for the first employees to have access to Total Talk PCs. At least five of the computers are now being used throughout the company.

Like its predecessor, Total Talk PC speaks information appearing on the screen. However the user can now better control the computer's speech from a speech pad built into the numeric keypad rather than from dials and knobs located off the keyboard. The rate of speech can be adjusted from 45 to 720 words per minute. Probably the most important enhancement is that the user can perform full screen text editing and run block mode applications.

The volume, pitch and length of pauses are all adjustable. There's even a key to help avoid mistakes. Pressing the enunciator key prompts the computer to announce the function chosen before it's actually performed.

Rick Plescia, MCS western regional manager, describes his product as "not difficult to learn, complex but not complicated. Phone support is always available. We use HP equipment exclusively because it is the most durable, the best-made and the best-supported."

Kyle doesn't disagree. "There are very few bugs, considering that this is a relatively new product. It fills my needs as a programmer and I feel fortunate that Scott and HP were willing to make the investment. I'm very happy to have the abilities I have." ■



Kyle Parrish learns the finer points of Total Talk from MCS consultant Mary Al-Hilali during a workshop at Intercon headquarters.

Syntha-Voice teaches Touchscreen to talk . . . with a Canadian accent

When David Kostyshyn lost his sight seven years ago, he continued to attend McMaster University in Canada, received a degree in social work and went to work for the government in Ontario. It soon became apparent that he needed a device for file keeping, recording, and performing the mundane chores most people take for granted. After reviewing the talking computer market, he concluded that there was a huge gap between what was available and what was needed.

His interest in mathematics and science led him to start tinkering in his basement with an idea for improving on existing voice synthesizing technology. The result was the formation in 1982 of Syntha-Voice Computers, Inc., now a research and development corporation that specializes in synthetic speech output.

Syntha-Voice's goal was the development of a clear and powerful voice output system for the visually impaired. The achievement of that goal is known as SAM (for Synthetic Audio Micro), a talking computer that he worked on for over four years with support from HP Canada, Ltd. SAM is a combination of hardware and software added to an HP 150 Touchscreen II computer. Whereas previous voice synthesizing devices were limited in their vocabulary, SAM can pronounce about 70,000 English words, far more than most people. It even speaks with a Canadian accent, including the Canadian "zed" for the American "zee," and reads back what has been typed, flagging errors for correction.

In addition to its high degree of accuracy, SAM is able to determine the proper pronunciation of a word with a double meaning. This is done internally, requiring no input from the user. For example, in the sentence, "I have just read a letter and I will read another one later", SAM knows when to say "read" both ways.

Built-in voice inflection dependant upon sentence structure further clarifies SAM's voice. Its User Vocabulary enables the user to redefine pronunciation of any word or abbreviation. For instance, C.N.I.B. can be heard as Canadian National Institute for the Blind.

Syntha-Voice's innovative computer was introduced at the end of 1984 at HP Canada's booth during the Canadian Computer Show. "They had faith and trust in us," is how David describes the initial response from HP and the subsequent working relationship with his company.

SAM is completely compatible with best selling software packages. Its technology allows swapping of diskettes from any computers that operate with MS-DOS operating systems. Thus a diskette with letters or other documents produced by SAM can be read by an IBM, Compaq or other similar machines. The software is standard and a sighted person using the computer can simply turn off the SAM module.

"Our original application was for the blind," says David, "but it has applications for industrial robots, for vending machines, for automatic tellers, cash registers and more. It's a new technology."

The market for SAM includes the 5,000 Canadians who lose their sight every year and those who have already purchased outmoded talking computers. One Syntha-Voice owner operates his own personnel agency; another is a lawyer. Children's novelist Jean Little has begun writing again thanks to SAM. Almost blind since birth, Jean still managed to produce 11 children's novels and win several writing awards since 1962. Then when she lost an eye to glaucoma, her eyesight deteriorated to the point where writing in the normal way was impossible. With a little help from friends, service clubs and the Ontario government who together provided the funds, Jean has had her talking machine since June. A "whole bunch of things" in her head including a book about her guide dog Zephyr should now have a chance to be heard and read.

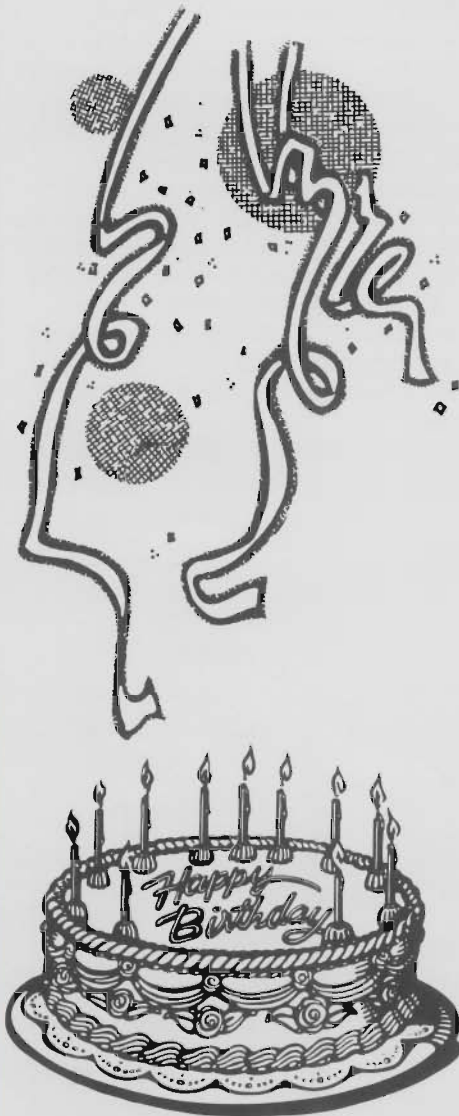
"Everyday we hear stories that computers are taking away jobs," David points out. "But here's something that allows people to work who wouldn't otherwise be able to get a job. Do you realize what a feeling that is? It turns the tables." ■



David Kostyshyn poses with SAM, his talking computer, and Ben, his guide dog.

Tardy service award for Intercom

by Sy Corenson



Most of us seem to remember birthdays, especially significant ones of close relatives, friends, colleagues and events. And it is interesting to note that a large percentage of us choose to forget our own birthdays as we get older. Perhaps that's what caused your writer to overlook the 10th anniversary of *Intercom* — which happened one year ago! That means we've been in the business of publishing *Intercom* for just about 11 years.

It all started shortly after Alan Bickell arrived from his European assignment with HP to take the helm of our rapidly growing organization, Intercon. Pre-Bickell, Intercon was an exciting period of nearly uncontrolled growth. We did what was necessary to manage and support Intercon sales using whatever came to mind. We seemed to invent business solutions and techniques for problems as they developed. I like to refer to that period of Intercon as the "Swashbuckle Era".

Alan's arrival quickly served to selectively tie usable and authentic procedures together. Missing elements were also added to permit Intercon to function as a well-lubricated machine capable of living with state-of-the-art business conditions and growth. One of the elements not entirely missing from Intercon but quickly detected by Alan as needing reinforcement was internal communications. Those of you who were around then will recall the establishment of staff meetings at all levels, monthly birthday breaks (at headquarters and some centers) in which important news and events were (and still are) presented, improved and enlarged bulletin boards, increased "wandering around", etc.

At one of our management staff meetings, I made an innocent observation that what seemed to be missing from our employee communications activity was a good quality magazine that would serve all employees around the Intercon territories. All I expected was some consideration of the recommendation but, much to my surprise, as I was not yet familiar with Alan's decisive nature, his response (still ringing in my ears) was "Go for it!"

Well, here we are 11 years, 36 issues, five editors and literally hundreds of pages and photos later, and we're still "going for it". In all that time, we've missed publishing only two issues, once when we were unable to find a qualified editor replacement and most recently, when we elected to cancel an edition to reduce expenditures during our sales slowdown.

How do we know we're being read, appreciated and making a contribution? One method of measure is that we conducted two extensive surveys and responses indicated solid readership. Also, we frequently receive requests for permission to reprint one of our articles in another HP publication, so we're reaching audiences even beyond Intercon.

So although the birthday we missed was not all that important, it gave us reason to look back, evaluate and reflect on the history and value of *Intercom* and to give credit to some of its chief contributors. First and foremost, credit must be given to our current editor, Lynn Schulte. Lynn is a real professional with both academic and experience credentials ideally suited for her job of managing, planning, writing, designing, editing, proofing, printing and distributing. . . and she, as with several of our dedicated past editors, does all of this on a part-time basis.

Next, credit should go to the many contributors of photos and stories we have had over the years. That includes many of you now reading this article. We feel that news and stories of interest, in order to have any value, must originate from their source. A big "thanks" is extended to all contributors.

Those of us directly associated with the production of *Intercom* have enjoyed traveling the same growth path of the organization it represents. We may have missed having a 10th birthday party by one year, but that means we're only nine years away from our 20th! Actually, that's not so long from now, not if the next nine years go as fast as the previous! ■

Sy Corenson is Intercontinental public relations manager.

The Intercon Gallery



IN CAMPINAS HP was flying high in the form of an HP-41CV when Victor Wanderley took the calculator along on his 700th parachute jump. The production engineering supervisor at BPC showed off his companion during a one-minute free fall.



IN PALO ALTO "The Global View," a TV series designed to support China's modernization program, will include a talk with Ray Wilbur, HP's first personnel director. Filmed at Intercon headquarters, the interview was conducted by Doris Wan Cheng, program director and noted Chinese economics instructor. The series is scheduled to air in February in China.



IN BEIJING HP president John Young (second from right) took part in the opening ceremonies for Technology '85, a five-day conference and exhibition of HP's technology and products held in conjunction with the opening of China Hewlett-Packard in June. No other high technology joint venture in China has yet been officially granted HP's marketing, manufacturing and R&D function status. At the right is Chi-ning Liu, CHP general manager.

Newsmakers

Far East

In Kap Yer has joined Bill Rumold in sharing the position of field operations manager for Samsung Hewlett-Packard in Korea. His background includes 11 years with IBM Korea, two years as computer manager for Philips Korea and two as division manager of Samsung NEC division.

At Personal Computers Singapore, **Paul Ow** has been named product assurance manager. For the past two years, he has been with PCS as the product line manager for data cartridge and transports after 10 years in quality assurance management.

Tommy Lau is the new manufacturing manager at the same location. After joining HP in Singapore in 1976, Lau served as quality assurance manager and then product line manager in the former Singapore Peripherals Operation before becoming PCS product line manager of the ThinkJet in 1983.

In China, **Felicia Teo** has moved from field marketing manager and computer sales representative with HP Singapore to training and development manager with CHP. She joined HP Singapore in 1981 and is a graduate of the University of Singapore with a degree in business administration.

Also from Singapore, **Vincent Lee** comes to CHP as district manager for commercial products. He had been Far East Region field marketing manager, distributor sales manager and, most recently, district sales manager for Instruments and Computer Systems in Singapore.

Three appointments have been announced in Taiwan. **Chih-Chung Wang** is the localization center manager, working with marketing and sales development to define and plan the products required locally to promote the sales of HP standard products. He came to HP after serving as managing director at Wang Computer in Taiwan for four years. He received a doctorate in electrical engineering from Cornell University in New York.

Steven Liu now divides his time as corporate development manager, initiating and managing local value-added programs, and manufacturing manager for the Asian PC program. A graduate of National Chiao University in Taiwan, he came to HP from Qume where he was operations manager.

Public and government affairs manager for HP Taiwan is **Andy Yuan** who had been a partner and marketing manager for Excalibur Business Development and Consulting Inc. Andy is a graduate of Soo Chow University in Taiwan.

In the Far East Region, **John Hussey** is the new Analytical sales manager. He came to HP six years ago as a field engineer and was district sales manager

for the southern United Kingdom and Ireland for the past four years. John is a member of the Royal Society of Chemistry and a graduate of the Royal Institute of Chemistry in Manchester.

Also in the Far East Region, **Steve Cakebread** has been named finance and administration manager after having spent two years as controller at the Computer Support Division and a total of nine years with the company. He has a degree in accounting from the University of California at Berkeley and a master's in finance from Indiana University. He replaces Jal Karani who is on a personal leave of absence.

Latin America

At Latin America Headquarters, **Rui da Costa** has taken on the region sales/marketing manager post, expanding on his role as marketing manager. **Dick Horner** assumes the new function of distributor development/headquarters sales manager. Dick's former role as region customer engineering manager has been assumed by **Vicente Garcia** who had been INS market development manager and CE manager for HP Venezuela. Market development manager for the Information Systems Sector is **Gustavo Fernandez**, previously PC sales manager for HP Venezuela.

Palo Alto

Kevin Klustner has joined Intercon as AEO application project center manager, returning from U.S. field operations where he was on the management team that developed and managed the Domestic Project Center Program. He has also worked in HP's European headquarters where he managed sales region planning and economics forecasting. Kevin received a bachelor's degree in economics and a master's in operations research from Stanford University.

Former general manager of marketing and sales for Intercon, **Mike Naggiar** has taken on the new position of director of HP marketing communications, established to consolidate a number of activities such as corporate marcom, strategic marketing, the marketing information center and product publicity service. Prior to joining Intercon headquarters in 1979 as computer marketing manager, Mike was with HP Canada as region sales manager for computer systems. At headquarters, he also chaired the strategic marketing council for Asia Pacific.

Medical marketing

Mike Blomeyer has assumed responsibility for Medical marketing in the Asia Pacific Region formed by combining



Felicia Teo



Vincent Lee



Chih-Chung Wang



Steven Liu



Andy Yuan



John Hussey

Dr. Yoshio Nishi, director of Toshiba's Very Large Scale Integration (VLSI) research laboratory, which



developed the world's first one-megabit dynamic random-access memory (RAM) chip, will join HP Labs in January as part of a continu-

ing engineer exchange program between HP and Toshiba. He will be on a three-year leave of absence.

The engineer exchange program was initiated by John Moll, one of HP's senior engineers, and Yoshio. It began in January of 1981 when Tetsuya Iizuka came to HP Labs from Toshiba. HP's first participant was Skip Rung, who went to Toshiba in November of that same year. Yoshio will be the fourth member from Toshiba to participate in the program, the eighth overall.

John and Yoshio first met when Yoshio came to Stanford University as a research associate in 1968. John was his faculty advisor. Since then, they have maintained their friendship by visiting each other whenever the opportunity arose.

In addition to his responsibilities at HP, Yoshio will serve as a consulting professor at Stanford University.

Australasia, Japan and Far East sales and support. The shifting of management responsibilities closer to customers in the Pacific Basin allows for other adjustments to the organization. **Tom Bailey**, Intercon Medical manager, has moved from Palo Alto to Medical Products Group headquarters in Andover. Plans call for region support manager **Eris Kalkan** to relocate to Andover at mid-year, and for **Dennis Sabin**, Latin America Medical marketing manager, to do the same in early FY87.

Newsbriefs

New venture

Hewlett-Packard FPG Ltd. (HPFPG) is the name of the joint-venture company agreed to in principal by HP and the Formosa Plastics Group in Taiwan. HP will own 65 percent of the new firm with the remainder owned by Nan Ya Plastics Corp., the largest company within the Formosa Plastics Group and Taiwan's largest industrial corporation.

President of the new venture will be **Wen Ko**, who will continue as general manager of HP's sales and support company in Taiwan. The company's focus will be on computer integrated manufacturing systems matched to the market in Taiwan. It will build on the experience gained in Nan Ya Plastics' own use of HP automation throughout all phases of its new printed circuit board facility south of Taipei. Software developed for the facility will be transferred to the new joint venture for worldwide sale as a product to other manufacturers.

Exporting in bulk

HP has won approval for Intercon's first "bulk" export license in the People's Republic of China. This is a breakthrough because the new licenses now permit the company to export HP 3000/37 and HP 9807 integral PCs in quantity. Under certain conditions, these computers and several associated peripherals can be exported without prior governmental approval on each purchase. HP can now provide almost "off the shelf" delivery for these products.

On target

Sales during the Components Group's worldwide Impact '85 were right on target, according to Jan Black, Intercon marketing manager for the group. The fourth quarter marketing program included faster quotes and shipments, more flexible pricing, several new products, a new field incentive program, and 24-hour marketing support.

"I'm proud of the way everyone has contributed"

by Alan Bickell

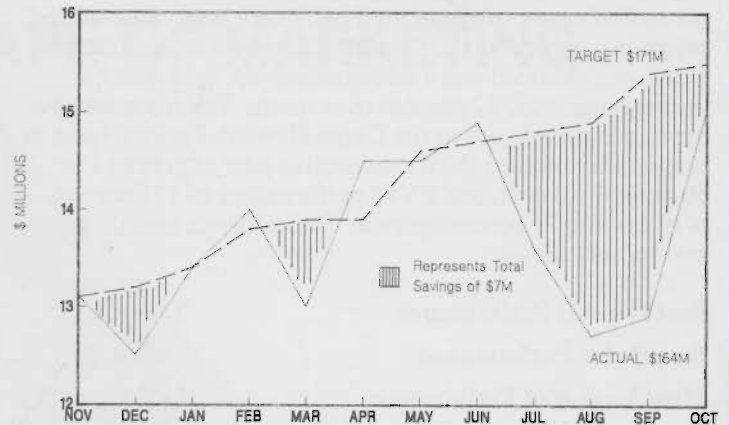
When we started FY85, we all shared the expectation that it was going to follow the pattern set in FY84 and be another record year for Hewlett-Packard and Intercontinental. What happened was substantially different. After four months of above-quota performance, we saw a sudden and dramatic decline in the performance of our sales in Canada, Japan and Australia. This decline also occurred in Europe and was similar to the drop-off in business that occurred in the United States six months earlier. Many factors have been involved, and most have been reported on by various members of the HP management team already. They include the strength of the U.S. dollar which makes our products expensive to our overseas customers, the U.S. economic slowdown which affects export-oriented economies, the decline in oil prices which has an effect on several of our countries, etc. It is our response to this downturn that I want to focus on here.

Naturally, our first set of actions was to reexamine all of our field sales programs and the way in which they are implemented in the field. Our first priority must be to meet quota, and to the extent that we can work harder and smarter to do that, we should. Our second response was to adjust hiring plans and expenditures to meet the realities of a new and lower level of business throughout Intercontinental and Hewlett-Packard. These cost control programs were implemented in the second quarter and showed excellent results in terms of leveling off our field selling and manufacturing costs to be more in line with our orders and shipments. As the decline in worldwide orders continued, the corporation announced a program to reduce salary expense through the adjustment of working schedules. Internationally this program was implemented country by country in a manner appropriate to local conditions. Throughout Intercon the response to this program has been extremely positive, with all entities participating in one way or another to contribute toward an overall reduction in the salary expense category. This program, along with our continuing efforts to carefully manage our operating expenses, has resulted in a significant contribution to the company's profitability.

The chart to the right shows the combined field selling and marketing targets for our five sales regions, actual expenses versus target. It clearly shows the dramatic effect of our programs to reduce expenses. I am particularly proud of the way everyone throughout the organization has contributed to this program. I think we all hold the belief that when times are good at HP, we share in that success. And when times are not so good, we need to share the burden of ensuring that we preserve HP's profitability which is so critical to maintaining our strength in the marketplace and financing our future growth.

Celebrating their achievement of meeting their FY85 quota are Latin America team members Don Rowe, Kristin Stephen and Julio Aidana. Subsequently the poster was changed to read "Quota Chasters" to indicate plans for FY86.

FY85
INTERCONTINENTAL
FIELD SELLING COST
(INCLUDING FIELD MARKETING)



In spite of the difficult economic circumstances, it is important to note that a number of subsidiaries, namely Taiwan, New Zealand, China, Mexico and Brazil, exceeded their quotas for the year. It is no coincidence that these countries are also the ones with the strongest marketing and most aggressive value-added market development programs. In fact, the Latin America Region overall met its quota, and was the only region throughout Hewlett-Packard's worldwide operations to do so.

Continued on page 20



Intercon performance awards announced

Intercontinental's top country performance award goes to HP Taiwan, in recognition of another year of outstanding balanced business management. The team met quota, controlled costs, implemented two major new value-added programs, achieved 100 percent acceptable on the internal audit, etc.! Mexico was a close runner-up, with another outstanding year, 32 percent over quota. The top sales performance award goes to the China Hewlett-Packard team in recognition of their third consecutive year of greater than 50 percent growth, and FY85 performance of 125 percent of quota and 71 percent growth. Performance awards were granted as follows:

Best Overall Performance	Taiwan
Best Order Performance	China
Most Improved Performance	Latin America Region
Best Admin Performance	Taiwan
Best Customer Support Performance	Taiwan
Best Dealer Program Performance	Mexico and Canada
Marketing Program Leadership	Far East Region HQ and YHP
Best Medical Group Performance	Far East Region
Best Analytical Group Performance	Mexico
Best Components Group Performance	Taiwan
Best Third Party Program Performance	Mexico
Best Major Account Program Performance	Taiwan

For FY86 we have set what we believe are realistic order quotas and will start the year with very restrictive targets for expenses and employment increases. There is considerable productivity improvement available to us within our existing organization. Given the very limited order growth experienced in FY85 in many countries and the conservative quota growth expected in FY86, the general expectation is that the FY86 goal can be achieved with our existing organization. There are exceptions, of course, and these have been recognized in our targets. FY86 can be a good year for us. I don't think it is going to be an easy one. We will have to maintain very strict control of our costs throughout the year, and hiring will remain on a case-by-case basis, at least through the first half. We are passing through a significant economic cycle. The important thing to keep in mind is that it is a cycle and as such, it is only a matter of time before we reach the bottom and start moving in an upward direction, reflecting positive growth and returning to a stronger sales environment. Let's look on the positive side and realize that the current economic downturn has forced all of us to review our activities and to manage more carefully. As a result, we have improved many of the things we are doing and the benefit of this will continue into the future.

We learned a lot in FY85 and I think, as a result, we are a lot smarter and certainly a little bit more humble today. FY86 is the challenge now. If we meet our order quotas and cost targets, we will turn in an excellent performance for the company, again contributing significantly to HP's growth and profitability.

I would like to thank each and every member of the Intercontinental team for a fine performance in the year past. I wish you and the members of your family a joyous holiday season and a prosperous new year. ■

Alan Bickell is vice president and director, Intercontinental Operations.

intercom
HP Intercontinental Operations News

A magazine for the people of
Hewlett-Packard Intercontinental

Published at Intercontinental Headquarters
3495 Deer Creek Road
Palo Alto, CA 94304
USA

Alan Bickell, Intercontinental Operations
vice president and director
Sy Corenson, *editorial director*
Lynn Schulte, *editor*
Barbara Beebe, *proofreader*

Member, Public Relations Society
of America
International Association of
Business Communicators

Correspondents: Argentina — Delia Cozzarin, Marcelo Iglesias, Australia — Diane Condon, Brazil — Milton Brusius and Luiz Barata (Sao Paulo), Marlene Simarelli (Campinas), Canada — Linda Johnson, Hong Kong — Derek Fung and Maisie Koo, Japan — Motoko Takeshita and Yutaka Yamaguchi, Korea — Joo-ok Kim, Malaysia — Steve Cooper (Penang), Kok Lee Chin (Kuala Lumpur), Mexico — Jose Grapa (Guadalajara), Jorge Martinez (Mexico City), New Zealand — Cheryl Joseph, Puerto Rico — Alex Solla and Carlos Zambrana, Singapore — Eng Wee Nah, Fatimah Hm and Denise Phua, Taiwan — Susan Liu and Mi-Mi Huang, Venezuela — Ingrid Porras.