

intercom

HP Intercontinental Operations News

FY 1988 – Second Quarter



Blue skies forecast for HP's ASEAN

"We're committed to growing business . . . at a r



Where will HP's growth come from in the future?

Victor Ang does not hesitate with his answer. "The ASEAN countries," he states, "should show a growth rate of 20 to 30 percent per annum over the next 10 years."

Victor, general manager of sales and support activities in HP Singapore, assumed responsibility for those same activities in Intercon's ASEAN area two years ago. Part of Intercon's Far East region, ASEAN corresponds to the geographic territory represented by the Association of South East Asian Nations established by six countries primarily for trading purposes. They are Singapore, Malaysia, the Philippines, Brunei, Thailand and Indonesia. Although not part of the original trade organization, Pakistan is included in HP's ASEAN. The company has subsidiaries in the first two countries and distributors in each of the other five.

"These five are developing countries," Victor says. "In the past two years, we've doubled our volume of business with major, multi-million dollar deals. Many of these nations are in the same place Singapore was 15 years ago. But in two decades, they, too, will be major markets."

There are a few obstacles in the way of this transformation and at least one of them didn't loom so large when Taiwan, for example, was experiencing its growth spurt. "There weren't as many competitors around 20 years ago," Victor admits. "We have a harder job today. Fortunately HP has a preemptive position because of our strong base in Singapore. A regional response center and parts center are both located there and major ASEAN hubs are no more than three and a half hours away. We can leverage the skills of our people in Singapore for the benefit of all of our customers in the ASEAN."

Operating in a region that encompasses seven countries in a geographical area and with a population greater than the U.S. presents unique challenges. For instance, markets are fragmented and HP has to contend with a variety of laws, customs and practices.

ON THE COVER Bangkok, Thailand, one of Intercon's developing markets in the ASEAN, is the home of the royal palace.

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farther than any region"

And that's just the start of diversity. HP managers have to be foreign exchange experts to cope with the multitude of currencies. Distributors and customers have their own problems with money. They might receive one price from HP in U.S. dollars and then have to find extra money should a devaluation occur when the equipment is ready for delivery.

Then there are import duties which vary from country to country. Power supplies may differ within one country. In the Philippines, for example, sales reps have to identify specific locations before configuring equipment because power supplies and voltages are not necessarily the same even within a city.

Transportation to remote locations can be a hindrance in itself. One customer's order could be filled only by floating the equipment on a barge to the final installation site. There were no access roads for standard delivery.

In spite of these "opportunities for creative problem solving," Victor Ang is very optimistic. Today ASEAN distributor sales roughly equal the sales of HP's Malaysia subsidiary. Today five countries are

doing one-third of Singapore's business. In the next five years, according to Victor, ASEAN distributor sales should triple.

"Distributors are essential to HP's future success," he points out. "They play a very important role in countries where we would find it initially difficult to have our own operation because of language, size and government restrictions. As sales volume increases, we then start looking at establishing our own operation or a joint venture.

"We have a grass roots opportunity to start value-added programs such as our current collaborations in the Philippines, Indonesia and Thailand. (See stories on the following pages).

In the past two years, we've had a lot of success," says Victor, "and we intend to become even more actively involved in the development of our business in these countries. The time is now. We are committed to growing business in these large-population, high-potential markets at a rate faster than that of any region in HP." ■

Key operations located in Singapore

Headquarters for HP's ASEAN organization is Singapore, which is aggressively exploring information technology to improve its national competitive advantage. The country intends to be a regional center for software and computer services.

Previously, the ASEAN and other Far East countries were under HP's Far East region headquarters' umbrella in Hong Kong, with the exception of HP sales Malaysia. Two years ago, HP's ASEAN joined Malaysia in reporting to Singapore in keeping with the company's overall strategy of decentralizing authority, as much as possible, to the operating entities.

Four keys operations are located in Singapore. The regional response center backs up individual country response centers with computer-based tracking. Customers phone in with questions or problems and usually they receive answers over

the phone. Remote or tele-diagnosis identifies the cause of the difficulties, providing speedy resolutions and reducing the need for systems or customer engineers to visit customer sites. When site visits are needed, HP representatives are armed with the right information and tools to ensure quick problem solving.

The regional parts center backs up each country's inventory of spare parts. With efficient freight and forwarding services, the delivery time for "hot line" orders, previously filled from the U.S., has been decidedly shortened.

Singapore's Far East Distribution Center aims at meeting customer needs as quickly as possible. Its off-the-shelf inventory concept is designed to fill a customer's order within one day with delivery made in two to 13 days, depending on the destination. The center stocks a broad range of HP's most popular

products.

In December, an Information Networks R&D Center was established in Singapore. This center, the first for HP in the Asia Pacific region, focuses on designing and marketing of networks software products to the region's customer base. (See Far East Newsmakers, page 13.)

Along with general manager Victor Ang, Jimmy Tan, marketing, sales and support manager for ASEAN distributors, spearheads the efforts from Singapore. Says Jimmy, "Our major mission in the distributor countries is as a trainer and developer of people. We support our distributors with excellent products, marketing programs and back up services." ■

Online exemplifies HP values and practices

HP's distributor in the Philippines prides itself on retaining the values of the company it represents. Pick up a brochure about Online Advanced Systems Corp. in Manila and you find yourself reading about customer satisfaction, contribution to the customer, management by objectives, respect for the individual and investment in training and development.

In the 13 years that Online has represented HP, first for desktop computers and then a year later for the full HP line, the distributor's approach has been finding answers to specific problems rather than just focusing on hardware.

For the past 10 years, Online, headed by Joey Yujuico, has been successful in introducing and marketing the HP 3000. Its first customers continue to use their original computer or an upgrade today.

Taking a page from Singapore, Online hosted its own Senior Executive Seminar last year and this year plans a second event in Singapore for chief executives from Philippine companies.

HP's analytical business in the Philippines is handled by another firm, Analytical Technology and Research Corp.

With the return of a more stable government, the country's economy has experienced an upturn. Local and foreign businesses are expressing optimism by increased investment.

The present administration is emphasizing the importance of information technology with assistance from businesses such as HP. The company works closely with the Philippine National Computer Center to promote computer literacy and the use of office automation tools within the government. ■



A statue of Gabriel Silang, heroine of the first Philippine revolution, is a focal point in the business sector of Makati in Manila.



Joey Yujuico has been Online president for the past 10 years.



A visitor's first impression of HP's Philippine distributor is formed in the lobby of Online Advanced Systems Corp. in Makati.

Brunei avoids aftermath of oil collapse

While most of the countries comprising the ASEAN suffered setbacks from the oil price collapse two years ago, Brunei was an exception, even though 99 percent of its export earnings come from oil and natural gas. The country's relatively small population — approximately one-quarter of a million — and highest per capita income in the world left it relatively unscathed.

Brunei Darussalam, as it became known when it achieved full independence from Great Britain in 1983, is located on the northwest coast of the island of Borneo. It has one of the few remaining strong monarchies in the world. Duli Pengiran Muda Mahkota Hassanal Bolkiah succeeded his father as sultan in 1967 and is often described by the media as "the wealthiest man in the world."

Just one indication of Brunei's potential for growth is the youth of its people. Those under 20 years old comprise 48 percent of the population and another 35 percent are between 20 and 40. More people are Malay than anything else and English is spoken in the cities, although the official country language is Malay.

It's not surprising that talk in Brunei, no matter what the language, often centers on the oil industry which began in the early 1900s. Competition reduced the number of exploration companies to one — Shell — by 1918, but it was 1929 before commercial quantities of oil were found. In 1954, the search for oil moved offshore and by 1980, overall production was about 240,000 barrels a day. Because of a world oil surplus and a desire to conserve resources, production has been reduced.

The major part of Brunei's industry is concerned with either government projects or servicing the oil industry. For example, HP's dis-

tributor, Komputer Wisman S Bhd. was originally appointed to service Shell in Brunei in 1982. Three years later, it began marketing HP instruments and business computers as well as being responsible for sales and support.

Komputer Wisman, established in 1972 and chaired by Sulaiman Laji Ahai, is the first local company to venture into CAD both on main-frame and micro computers. It employs local computer professionals and has an ongoing scholar-

ship program for Brunei citizens to study computers and take related courses overseas.

While oil, natural gas and petroleum products will continue to be Brunei's main export (Japan is the principal market), efforts are being made to encourage the development of agriculture. The government, too, is beginning to seriously computerize its ministries, thereby providing a developing market for HP. ■

HP supports Malaysian economic policy

During the last 10 years, HP's sales operation in Malaysia has grown from a US\$826,000 business with seven employees to a US\$11.5 million company with a staff of 95, representing a compounded revenue growth rate of 39 percent.

Today HPSM is one of the major vendors of measurement and computation products in the country, guided by general manager Paul Chan. Major customers include the Malaysian Rubber Development Corp., which uses the HP 3000 to manage information for the country's premier natural resource, and the Standard Chartered Bank, which uses a full scale office automation system connecting 35 branches. The Institute Technology of MARA has two HP 9000s in the engineering school.

HP test instruments have helped such companies as Syarikat Telecoms and Motorola in their quest for better product quality and service. One of the weapons in the government's war against drugs is

HP's analytical equipment. A year ago, the firm of Jebesen and Jessen was named a distributor for HP's medical products.

A driving force in the economy of the country is its New Economic Policy (NEP). The NEP calls for eradication of poverty and an equitable distribution of economic wealth to the indigenous Malay population known as Bumiputra. In supporting this policy, HPSM's staff approaches the target of 30 percent Bumiputra. Working with software suppliers, the company is helping the Bumiputra community gain experience in the information technology sector. In fact, HP's executive committee has approved a 20 percent equity share in Solsis Sdn. Bhd., a major software house in Malaysia.

Last year, the University of Malaysia received an AI workstation based on the HP 9000 as part of HP's active grants program. Current projects there include translating textbooks from English into Bahasa Malaysia. ■

Pakistan joins ASEAN . . . unofficially

Although not part of the official trade organization, long-time distributor Mushko and Co., Ltd. in Pakistan has joined HP's ASEAN network. Established in 1947, coinciding with the birth of Pakistan itself, Mushko began as a trading house for commercial radios, tape recorders and domestic electric appliances.

Gradually the company diversified into motion picture equipment, industrial air conditioning and defense electronics. Twenty-five years ago, that diversification included HP electronic test equipment.

Recently, a separate company called Mushko Electronics Ltd. was formed to sell and market the full HP product line more effectively. Today Mushko sells test and measurement equipment and Sales Force 12 products (handheld calculators, personal computers, peripherals and printers). Later this year, the HP 9000 and the HP 3000 will be introduced to capitalize on the growing computer market.

General manager is Ali Jafari and managing director is Asfar Ali, son of Mushko's founder, the late S. Mushtaq Ali. Mushko is headquartered in Karachi and has an office in the capital city of Islamabad. ■

Service Executive Program

For the third consecutive year, ASEAN will host the Senior Executive Seminar in Singapore in June. A maximum of 25 chief executives from major corporations in the Far East region are invited to meet, talk and listen to speakers on quality, manufacturing and how to increase the competitive edge through information technology. Not coincidentally, it also showcases HP products for current and potential customers. ■



Victor Ang does double duty as general manager of sales and support activities for both HP Singapore and HP's ASEAN.

Learning center sought in Indonesia

As its major exports are oil and oil products, Indonesia suffered a massive revenue decline in 1986. Today, however, the situation is changing for the better and the country has an ever-increasing need for developed telecommunications and an information technology infrastructure.

In one of the collaborations which typify HP's efforts to advance technology in the ASEAN, the company works with the University of Indonesia to promote the application of computer-aided design and computer-aided engineering tools. The goal of both partners is to create a learning center for computer-integrated manufacturing.

Agus Hendrosusanto has managed the HP distributorship, BERCA Indonesia P.T., for over 13 years. He has a degree in electronic engineering from the Institute of Technology there and directs the efforts of 70 employees in enhancing HP's position. Major markets for all of HP products are telecommunications, defense, finance, education, government, hospitals and the tobacco industry. ■

HP Singapore's Virginia Sipiery contributed information and photos for this series of articles about HP's ASEAN.

Changing business environment results in new strategy

In Thailand, HP has been represented by the Unimesa Company Ltd. for the past 16 years. The company was formed to market and support HP products exclusively.

At first, the focus was on electronic test equipment and medical instruments, but other product lines were added later. Then, seven years ago, a separate sales and support group was formed to market the HP 3000. Since receiving intensive training in Singapore, Unimesa's team has been highly successful in selling its products. In 1983, for example, Thai Airways International selected HP for its field office computerization project. The result was multiple sales of HP 3000s and multiuser Xenix Vectra systems worth over US\$1.3 million.

Since its beginning, Unimesa has been owned and managed by members of the Jira family. Current president is Gowit Jira. About a year and a half ago, however, the changing business environment prompted Unimesa to talk with HP about additional management, financial and technical assistance to provide a foundation for future growth.



Gowit Jira

Here's what happened. Since early last year, many multinationals have set up manufacturing operations in Thailand. The trend is actually accelerating this year, due to economic conditions and major promotional efforts by the government. In addition, the Thai administration has invested heavily in upstream and downstream petrochemical projects since discovery of oil and natural gas in the kingdom.

To make the most of these new developments, Unimesa and

ASEAN management formulated a new strategy. One focus is on providing top quality support for the multinationals by quickly building up CE and SE capability. Unimesa personnel will spend up to six months in Singapore to improve their diagnostic support and office automation by the end of FY88.

Growing accounts that will provide long-term business is another effort. One of those accounts, the Ministry of Science, Technology and Energy, recently received a desktop publishing workstation from Unimesa and HP. This is the company's first attempt to facilitate language localization and the outlook is to develop other applications.

Penetrating the manufacturing market by focusing on MAP/3000

is just another element in the plan designed to increase business in Thailand.

In mid-1988, Unimesa will move to the Elcom Research factory compound where a large area has already been designated for customer demonstrations and training. MAP/3000, CAT and CAD/CAM will be implemented at Elcom Research so that potential customers can see how HP products are used in manufacturing. OA products will operate at both Unimesa and Elcom, with HP Desk and order processing connected to ASEAN headquarters in Singapore.

Unimesa and HP have forged a successful relationship, no doubt due to a spirit of flexibility and cooperation on the part of both partners. ■



Elephants trained for battle now limit their appearances to ceremonies and exhibitions in Thailand.

Top Asia/Pacific sales reps went for the gold and got

by Hans Kuendig

In the spirit of the Olympics, the Business Systems Sector (BSS) borrowed "Go for the Gold" as the slogan for its sales conference held in Hong Kong last December. And, as is the case with most Olympic events, there were many firsts.

This was the first time that sales people from all three Asia/Pacific regions attended one overall sales conference. It was also the first time that seminars for the press and consultants were held simultaneously with a sales meeting. And . . . it was almost certainly the first time that an HP executive vice president assumed the role of emperor.

The purpose of the conference was to recognize HP's top sales people in the Asia/Pacific region, to review last year's results, and to launch the FY88 campaign.

Doug Chance, executive vice president and BSS general manager, praised the sales pros who received checks of US\$1,000 and \$2,000 as well as a standing ovation from conference participants. The winners were designated as either Fighters, Aces or Top Guns. Fighters are those who have competed with and beaten a DEC or IBM salesperson in a one-on-one "dogfight." Aces are those who have won two accounts from DEC or IBM. And Top Gun is reserved for the elite few with three or more wins notched on their briefcases.

Two special awards were also presented at the conference. I.K. Yer of Samsung Hewlett-Packard in Korea accepted the "Country of the Year" award for the highest HP 3000 order growth in 1987. Terry Cheng of HP Taiwan accepted the award for the first country in Asia to exceed annual sales of 100 HP 3000s.



Dressed as an ancient Chinese emperor, Doug Chance ordered a dancing lion to do battle with IBM and DEC.

Winning is serious business, but sometimes fun and games can help get the point across too. Dressed up as an ancient Chinese emperor, Doug ordered two spirited dancing lions to shred the IBM and DEC logo plates into pieces. Then he presented the lions with gold medals.

Borrowing from the entertainment world, the conference also featured video presentations including Garfield slides, Muppet videos and motivating film clips from "Rocky," "Chariots of Fire," and "Top Gun."

In addition to high-spirited sales meetings and seminars, the event included a product showcase, which introduced several new HP products — NewWave, LaserROM, Asian Desk, an Asian line printer and the HP Vectra RS/20.

The NewWave software environment, which received much attention from the press, allows users to

"I thought the event was extremely successful and received innumerable positive inputs from the field. . ."—Bill Murphy

easily move in and out of different programs and systems while moving text and graphics with them. HP's LaserROM, a new support service that places technical HP product information on a CD-ROM disc, also received considerable mention from trade publications spanning the Pacific Rim countries.

Other speakers at the conference included Bill Murphy, marketing manager for BSS, HP Taiwan general manager Wen Ko, and Alan Nonnenberg, Intercon's Business Systems sales manager. "The sharing both in formal sessions and at informal luncheons was an excellent by-product of the event," says Alan.

BSS Hong Kong conference



Outstanding sales reps in the Asia/Pacific region were applauded by their co-workers. At each level they are, from the left: Fighters Jimmy Fong, China, Chi-Leung Chan, China, and Robert Leong, Malaysia; Top Guns Chang-Sun Kim and Tae-Sool Kim, both from Korea; Aces Won Sik Yoo, Korea, Hong-Sheng Xu, China, and Victor Cheng, Singapore.



The audience at "Go for the Gold" appreciated the lion's aggressive and determined approach to HP's competitors.

Although the atmosphere was festive, the message to all sales representatives was clear: HP is taking its business straight at DEC and IBM with the intention of expanding its share of the business com-

"HP can pull away with NewWave . . . the opportunity is there for HP to separate itself from the pack."—*Asia Computer Weekly.*

puting marketplace.

One objective of the conference, according to Gary Gujral, manager of the Far East BSS marketing center, was to help the sales force win orders. To rally their support in the purchase decision-making process, "influence brokers," key people in government, business, the community, etc., were invited to strategy presentations and a product showcase featuring HP's Business Systems products.

Participants applauded HP's commitment to product development and its localized marketing strategy geared to the needs of the Asia/Pacific marketplace.

Closing the loop, the BSS marketing center is now working on follow-up activities, which will incorporate the information requested by conference participants during the workshop sessions. ■

Hans Kuendig is a public relations representative for Intercontinental Operations.

"Let's keep the momentum going!"

by Alan Bickell

Welcome to the Year of the Dragon! The Chinese calendar is based on a cycle of twelve years. Each year is identified by an animal and has associated with it certain characteristics which are believed to strongly influence the events of that year, and people born in that year. February 17 was New Year's Day in the Chinese calendar and ushered in the Year of the Dragon. According to one source, here is what we can expect.

"... The Dragon is known as one of the greatest of all the astrological animals. It represents life and growth and brings forth blessings of wealth, longevity, virtue and harmony. One of the myths associated with the Dragon is as follows:

When mists still wreathed the world and serpents swam in the sea, Dragons played off the coast of China. They played hard, as Dragons do, so hard that their swirling tails tossed up the island of Taiwan. In fact, the city of Kowloon in the colony of Hong Kong means 'Nine Dragons.' If you view Kowloon from Victoria Peak, you will see nine distinct mountains which are said to be resting Dragons."

Nothing could better represent this year than the dragon when one looks at HP's position in the marketplace and the outstanding results that are being achieved throughout the company and particularly in Intercon year to date. Without exception, our manufacturing activities are ahead of their shipment goals, and incoming orders from all of our regions are substantially ahead of quotas.

At the beginning of FY88, I reported to you that the slogan for this year was "Take the Offensive". I went on to outline our Hoshin plans for the year and challenged everyone to move ahead aggressively toward accomplishment of our goals, capitalizing on unprecedented Hewlett-Packard strengths in terms of products, quality and people. The results so far are really encouraging, particularly in light of John Young's challenge to us to do our share in moving Hewlett-Packard Company across the \$10 billion mark in time for HP's fiftieth anniversary celebration in FY89. John's goal is based on the revenue we report to the public and our shareholders, and includes the sum total of all the goods and services we sell worldwide, including our international mark-ups.

Intercon's share, if we are to do our full part toward achieving this goal, is \$1.6 billion, and would require us to exceed 108 percent of quota for FY88. When we first accepted the challenge, I think all the members of the management team had some reservations. Based on our results for four months year to date, I think we all feel much more confident that, indeed, all of the ingredients are in place to meet this challenge, and perhaps even better it!

In support of this goal, we have approved additional expenditures in the field to accelerate our investments in areas which will allow us to capitalize most effectively on the opportunities now available to us. We are building on a strong foundation, which has been put in place over the last several years through the hard work and dedication of every member of the team. Our organization's cost effectiveness and productivity have never been higher. Add to this the favorable movement of exchange rates in many of our major markets, and it's clear that our competitive position has never been stronger.

When the story of FY88, our "Dragon Year", is finally written, I am sure that many exciting things will have occurred at Intercon. One of these will be the Hewlett-Packard Board of Directors' visit to our Asia Pacific operations in May and June. This is an honor for us, and I think recognizes the significance of Intercon's activities overall and, of course, the importance of our Asia Pacific activities. This is not to say that the results we are achieving in Canada and Latin America are any less important, because they are not. It is rare for our board members to travel and, of course, impossible for them to visit every country. Preparations for this program are well underway throughout the organization, and I am sure that many of you will become directly involved as we host the board's visit. Let the spirit of the dragon guide us in these efforts. The next issue of *Intercom* will give you a full report on the program.

In closing, let me say that our results to date are extremely encouraging. Congratulations to everyone for getting this year off to such a spectacular start. Let's keep the momentum going! ■

Alan Bickell is vice president and managing director of Intercontinental Operations.

Open Line process is ongoing throughout regions

Back in the first quarter of FY85, *Intercom* magazine ran a brief article about something called Open Line. Essentially the story said that another employee survey was about to be taken at HP and this time, for the first time, the company's international operations were going to be included. When the first Open Line was conducted in 1980, only U.S. employees were queried about what was good and what could be better about working at HP.

ISR, the company who designed both Open Lines, initially administered the second version in the U.S., Canada and Puerto Rico. Where English was not the only language and perhaps not even the primary one, the firm faced the challenge of asking the same questions in the same ways in a variety of tongues.

First, ISR representatives visited each location, meeting with management and employee teams to identify special areas of concern. Then there were pre-survey interviews before a draft was prepared in English for management approval. Translations into other languages, when necessary, were done locally and then translated back into English at ISR headquarters in Chicago, Illinois to validate the local translation and insure consistency.

Getting answers to the more than 100 survey questions was just the beginning of the Open Line process which continued over the past two years. Here's what happened in Australasia. It took five months for the consultants in London to process over 10,000 responses from 684 employees in Australia and New Zealand. Australasia analysis groups, a representative 15 percent sample of all employees, studied about 60 core issues.

Recommendations were made to the senior management team who responded in a series of Open Line reports to all employees. Managers then started formal discussions with their teams on issues affecting them. At least one senior manager attended these meetings which continued for three months until everyone had a chance to have issues clarified and to understand them.

Some of the issues that surfaced most frequently throughout the five Intercon regions were pay, first line supervision and general management. That last category was a strong concern in Latin America and Canada, less so in Asia and Japan. Supervision, on the other hand, was a topic for discussion in Asia considerably more often than anywhere else.

Communication and job security were on the minds of employees in Latin America but hardly a concern in Australasia, Japan and Canada. In Asia, the subject of benefits was raised more often than any other.

"The key to the success of our efforts was the commitment and hard work of our survey coordinators at each participating entity," says Bob Coutts, Intercon human resources programs manager. "Our first Open Line survey provided the opportunity for us to learn the importance of extensive planning and follow-up for a survey of this magnitude. We had to set the expectations before the survey was completed so employees' assumptions about the outcome and benefits of their participation would be realistic.

"Overall, reaction to Open Line was extremely favorable. The idea that HP cares about their opinions was well received by employees in all the regions. Management teams generally responded promptly and completely to issues that surfaced as a result of employee analysis of Open Line data. Not all perceived

problem areas could be fixed, but employees seemed to appreciate that management at least considered and then responded to the issues."

An Open Line report issued by HP Singapore sales suggests that the survey data and the feedback sessions provided management with valuable insight into how employees feel about their jobs and how to better team performance. There were criticisms, to be sure, but they were intended to improve the overall organization.

In Penang, Malaysia, one employee on a feedback committee regretted having to break for lunch in the middle of heavy discussion and another would have preferred to have an agenda. But the common response to serving on a feedback committee can be summed up by engineer John Ravi, "Most of the problem statements were very well thought out and the recommendations made were realistic and practical. Now that we have played our part, it is up to management to respond to our suggestions."

Australasia managing director Malcolm Kerr takes it one step further. "It's true that some issues were time-framed and appear to have been resolved, for instance, a request to create a new position, acceptance of the recommendation and the appointment of someone to the post.

"But keeping an organization in shape is something like weeding a garden. An honest weekend with hoe and rake gives a glow of satisfaction; at the end there's not a weed in sight; a wearisome job is over and done with.

"But is it? Relax and in no time the job calls to be done again – and again.

"Continued vigilance is a necessary component of Open Line." ■

Malaysia manufacturing has little problem with employees

When HP Malaysia manufacturing celebrated its 15th anniversary last year, 41 employees received 15-year service awards. What makes that figure truly remarkable is that in 1972, the company had a total of 61 employees.

Those who've been around since the early days have witnessed the evolution of a fledgling production line into a major manufacturing operation. Today there are over 2,000 employees and four main production lines manufacturing high quality optoelectronic and microwave components with low and controlled costs.

Established just two years after HP operations in Singapore and Taiwan, HPM started out in a rented building in Penang. In fact, the "official" opening was postponed until the following year when operations moved to a brand new plant in the Bayan Lepas. Today HPM owns a 226,000-square-foot facility, complete with a sports complex, on 37 acres.

HPM also has its own software development group, the EDP section, and is embarking on new product development and manufacturing including such electrophotographic exposure products as Erase Bars and LED Printheads.

About 60 percent of the operation is fully automated, thanks to the manufacturing engineering department's efforts. The team has developed automatic handlers for testing and is involved in designing and implementing automated equipment for assembly and test processes. Two years from now is the target for 100 percent automation which will mean even less rework in the production lines and more efficiency in office systems.

The emphasis on quality is evident in the quality control circle (QCC) program which now boasts 140 teams who choose their own projects and focus on continuous

process improvement. Two years ago at a national convention, HPM was honored for being the best QCC organization in the private sector, one of many awards it has



HPM's plant is located on 37 acres in Penang.



Steve Cooper, HPM's general manager, received appreciation from state health services director Datuk Dr. Lim Keow Kheng for a HPM donation of medical equipment to a local hospital.

received since the QCC program was launched in 1979.

Every year, the company sponsors two plant-wide QCC presentations so that team members can share their projects and learn new techniques and applications from each other. These get-togethers are also opportunities to give well-deserved recognition to outstanding circles.

Speaking of recognition, HPM's success in implementing the QCC program has been applauded and imitated by various government and private sector groups who have solicited guidance from the company. Outside of the workplace, HP has also achieved a different but no less important kind of success. Programs benefitting handicapped children, orphans and older people are supported by employee contributions, supplemented dollar-for-dollar by the company.

Nowhere was this generous and community-minded spirit more in evidence than in the 15th anniversary celebration. A walkathon for employees and their families included residents of five orphanages as well as the 25 foster children from local institutions who have been "adopted" by the employees. To the Penang General and Maternity Hospital, HPM gave a fetal monitor and an ultra-sound telemetry system, a donation valued at \$29,000. Five years earlier, the company donated \$100,000 worth of similar equipment. More than 100 employees gave the gift of life when they participated in a blood drive during the anniversary celebration. ■

Newsbriefs

New name

Intercon field operations is now using the name Country Products Organization (CPO) for localization activities formerly known as Software Products Organizations. The new designation, also used in Europe, more correctly reflects the common approach HP's two international organizations are now taking to provide solutions for local requirements if appropriate products are not available from HP divisions or the value-added channel. Typical examples might be Chinese printers or payroll packages.

To leverage the sales of standard HP products, a CPO is chartered to adapt products, translate the post-sales documentation, evaluate those products available from outside sources, acquire outside products or develop them in-house, and even assemble products in certain countries for market-access reasons. While CPOs focus mainly on localizing software applications into various languages, they also adapt a wide variety of hardware, especially for Asian and Middle Eastern languages which have basic requirements quite different from Latin-based languages.

Intercon had previously merged hardware and software localization activities in each of its countries, with heavy emphasis on hardware adaptation in the Far East and Japan. In some cases, new operations have evolved from local products that became strategically required to sell HP systems. Intercon's CPOs are more regionally managed, with ties to headquarters through the business development office under Lee Ting.

HP's generosity

Worldwide, HP's philanthropic grants totalled \$55.5 million in 1987, \$49 million in equipment (figured at list value) and an additional \$6.5 million in cash. Of the total, \$8 million were in international grants. Among those of special interest was \$213,000 in medical equipment to Mexico City hospitals which were rebuilt after a disastrous earthquake.

Grants outside the U.S. will be increased 10 percent in 1988, according to Rod Carlson, director of corporate grants. Intercontinental grants are overseen by Sy Corenson.

Olympic loan

The use of HP's analytical equipment at the 1988 Olympic Winter Games in Canada received its share of publicity. But not quite so well known is the fact that HP loaned 23 defibrillator/monitors to the 22 advanced cardiac life support (ACLS) facilities strategically placed within the Olympic venues. Each facility had a fully functioning emergency room. The HP equipment allowed clinicians to assess the cardiac activity of patients. They can also be used to apply electrical energy to the heart of the patient in ventricular fibrillation, a lethal condition in which the heart is not pumping blood in a rhythmic manner. ■

Newsmakers

Australasia

The new position of region financial controller has been assumed by **Jal Karani** who began his company career 14 years ago in Spain. He has previously held admin manager positions in Iran, Venezuela, Australia and the Far East region. Last year Jal returned to his native India but he has now decided to settle in Australia.

After a 14-month stint as financial reporting manager at Intercon headquarters, **Colin Byron** has returned as Australia's accounting manager. After joining HP in 1983, he worked on both management and legal reporting for the Australasia region. Colin has a degree in economics from Monash University in Melbourne.

Far East

Dominic Orr has been named to head the new Singapore Networks Operation (SNO) within the Information Networks Group (ING). SNO will include an R&D network products development lab with the charter to design and implement software networking solutions for multivendor network management applications. In addition, SNO has the charter for designing and implementing networking solutions for the Asia/Pacific marketplace. Within three years, the new operation is expected to have 45 employees with degrees in computer science and computer engineering. For initial management staffing, SNO will draw upon the expertise of HP networking managers from all over the world.

Dominic had been the manager of HP's Asia/Pacific Network Marketing

Center, formerly based in Hong Kong and now located in Singapore. He came to HP five years ago at the Information Systems and Networks Marketing Center for the Far East. A native of Macao, China, Dominic received a degree in physics from the City College of New York, a master's in the same subject from the California Institute of Technology and a doctorate from that school in neurobiology.

In Malaysia manufacturing, **Ted Kevranian** has been named controller, replacing **Cheah Kean Huat** who is now manufacturing manager. Ted had been controller for the Optical Communications division for the last four years after working in a variety of finance positions in the Optoelectronics division since 1979. He holds both bachelor and master of business administration degrees from the University of California at Berkeley.

Cheah Kean Huat is a graduate of Yale University where he majored in electrical engineering and economics. He came to HP in 1982 after receiving his MBA from Stanford University.

Palo Alto

Colin Chin is now test and measurement sales program manager at Intercon headquarters after his return from China. There he helped establish the CHP office in Beijing and served as sales, marketing and support manager. He originally joined HP as a design engineer at the Santa Clara division. Colin is a graduate of the University of California at Berkeley.

Also back from China is **Chi-ning Liu** who served as general manager of CHP. He is now Intercon business development manager. Chi-ning joined HP's Waltham, Massachusetts division as a product engineer 20 years ago. In 1979, he began working on the joint venture between HP and the China Electronics Import and Export Corp. He has a degree in electrical engineering from the National Taiwan University, a master's in the same field from the University of Sydney in Australia and a Ph.D. from the Polytechnical Institute of Brooklyn, New York.

Expansion of public relations activities at headquarters has included the appointment of **Karen Gervais** as public relations manager. Karen has been in HP corporate public relations for five years, most recently serving as general press relations manager. Prior to that, she was the news bureau manager for the University of Santa Clara. Karen is a graduate of the University of Missouri.



Jai Karani



Colin Byron



Dominic Orr



Karen Gervais



Carlos Ribeiro



Francisco Jose Rodrigues



Larry Tomlinson

Latin America

Organizational and management changes have been made in Brazil to bring closer together the two companies that handle sales and manufacturing of HP products in Brazil. HP do Brazil, S.A. (HPB), started in 1967 to sell and service most HP product lines, and Tesis Informatica, formed two years ago in an alliance with Brazilian-owned Companhia Iochpe de Participacoes to handle sales and manufacturing of HP computer products in Brazil, are moving forward as one operation while remaining separate legal structures. **Gilberto Dib**, named general manager and president of Tesis in January, is now serving as general manager of HPB as well, adding management responsibility for test and measurement historically handled by HPB to his systems responsibility at Tesis. **Luiz Barata**, HPB general manager since 1975, has left the company to pursue other interests. A combined management team drawn from both companies includes continuing managers **Ary Santos**, test and measurement and adding technical systems; **Octavio Leon**, business systems and calculator sales as well as all sales marketing; **Carlos Falcao**, manufacturing in Campinas; **Carlos Ribeiro**, customer support; and

Renato Pauperio, administration and finance. **Francisco Jose Rodrigues** has been named sales manager for Brazilian operations. Before joining HP, he was sales manager for Medidata Informatica S.A. Francisco has an undergraduate degree in electronics engineering from Catholic University in Rio de Janeiro and a masters in economics engineering from the same school.

Japan

Intercon finance and administration director **Larry Tomlinson** has been elected auditor on YHP's board of directors. Larry came to HP in 1965 after receiving a bachelor's degree from Rutgers University in New Jersey and an MBA from the University of Santa Clara.

Award winners

Two Intercon employees were honored in the Command Performances in Communication program sponsored by corporate internal communications in March. HP Canada's **Linda Johnson** received an award of excellence for design of the "Commitment to Canada" annual report. A scenic 1988 calendar won an award of merit for Far East headquarters' **Mimi Huang**. ■

Service Awards

PALO ALTO

25 years

Roberta Wilson

20 years

Gary Cunha
Anna Gubatayao
Chi-ning Liu
Dick Warmington

CANADA

25 years

Don Prendergast

20 years

John Cross
Ruby Griffith
Dick Tymko
George Yule
George Dickens
Alan Holdway
Judy Bentley

BRAZIL

20 years

Ary Santos
Fernando Teixeira

Intercon Gallery



DISTINGUISHED VISITOR Samsung Group chairman Lee Kun-Hee (left) had a meeting with Dave Packard (right) scheduled on his March itinerary, but he was pleasantly surprised when Bill Hewlett also stopped by for a chat. The three men talked about separate trips to Korea planned by Bill and Dave later this year.



GREETINGS FROM JAPAN HP president John Young welcomed Kimitaka Kuze, a member of the Japanese Diet, to HP headquarters in January.



BEST PERCENTAGE A 222 percent increase in computer supplies sales netted a special award for HP New Zealand from the Direct Marketing division represented by (left) Jayme Brown and Ernesto China. Accepting the honor for New Zealand is Chris Morrison (right).



GOLDEN CELEBRATION HP executive vice president John Doyle offers his congratulations to Ryuzaburo Kaku, president of Canon Corp., on the company's 50th anniversary last year. HP and Canon of Japan have a strategic alliance involving joint development and sale of laser printing products, development and distribution of small business systems in Japan, and exchange of technology in the area of ink jet printing.

"108 in '88" is Intercon's battle cry

by Rick Justice

By the time you receive this, the fact that HP had an outstanding first quarter throughout the world will be well-known. Orders improved dramatically and profits were up more than 50 percent.

Yet, as you remember, it wasn't too long ago that we were striving to get back on the winning track, trying to achieve quota for the first time in three years. Thanks to your outstanding efforts during October of last year, we reached that quota goal in 1987.

Now it looks like the momentum has carried over into FY88. We have emerged from the first quarter with our "Take the Offensive" campaign in full swing. With Intercon in the lead, HP is well over quota in all field operations. Intercon growth during the first quarter reached 36 percent with overall quota performance of 116 percent. Sales Force 16, which includes technical systems, business systems, test and measurement and the dealer sales force, achieved a quota performance of 119 percent with 39 percent growth.

All of this was accomplished while our currency-adjusted field selling costs were exactly on target.



On a recent trip to Australia, Rick Justice (left) presented the Best Dealer Program performance award for FY87 to Keith Watson, Australasian sales manager for personal computer products.

I'm grateful to everyone throughout Intercon for making this quarter one of the best in the history of our operation.

Last year was a very good year and this year has the potential to be a great one, perhaps our company's greatest year yet. Now it is our turn to put our competitors on the defensive. John Young has challenged us to shoot for a collective goal of \$10 billion in legally reportable trade

orders, i.e., including all trading income.

I cannot think of a more significant gift for our founders Bill Hewlett and Dave Packard than to enter HP's fiftieth year as a \$10 billion company. What a milestone to reach for the company's golden anniversary.

To help achieve this goal, Intercon has committed to achieving 108 percent of our overall quota. Some countries have pledged more, some less. But the individual commitments that have been made will allow us to reach the 108 percent plateau. Each one of these individual pledges is critical to the overall success of the team. We will succeed only if each of us stretches just a little.

Last year, everyone gave a little extra and we achieved our goal. Now we all know how good it feels to be back on top. Winning begets winning and that's a habit we certainly don't want to break. So let's make 1988 another winning year. Our measure of winning is \$10 billion. For Intercon, that translates into "108 in 88." ■

Rick Justice is director of marketing, sales and support for Intercontinental Operations.

intercom


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Lynn Schulte, *editor*

Member, Public Relations Society
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Correspondents: Argentina – Marcelo Iglesias and Ema Martin, Australia – Diane Cummins, Brazil – Marlene Simarelli (Campinas), Canada – Linda Johnson, Hong Kong – Maisie Koo, Japan – Momoko Sekiya and Yutaka Yamaguchi (Palo Alto), Korea – Joo-ok Kim, Malaysia – Steve Cooper (Penang), Kok Lee Chin (Kuala Lumpur), Mexico – Jose Grapa (Guadalajara), Jorge Martinez (Mexico City), New Zealand – Dawn Ewing, Puerto Rico – Luis Calderon and Carlos Zambrana, Singapore – Eng Wee Nah, and Fatimah Hm, Taiwan – Susan Liu and Mi-Mi Huang, Venezuela – Ingrid Porras.

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PACKARD**