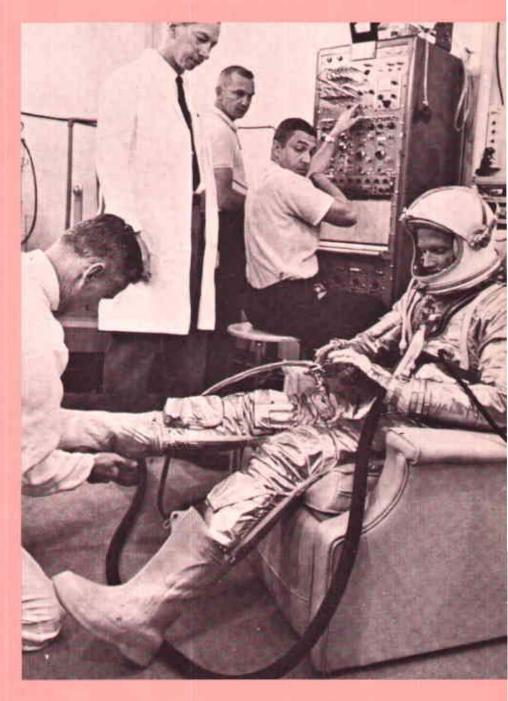
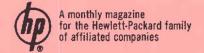
July 1963









from our president's desk

SINCE THIS is the first issue of our new employee magazine, it seems appropriate to point out how the magazine originated and what we expect it to do.

All of us, I'm sure, are aware of the importance of communication in our everyday lives. Whether we're on the job, at home with our families, or engaged in some outside activity, our effectiveness as individuals is helped immeasurably by the free and frequent exchange of information and ideas among ourselves and those around us.

The best communication, of course, is personal and informal. This is why Bill Hewlett and I, throughout the history of the company, have avoided setting up rigid channels of communication and instead have attempted to foster group meetings, coffee breaks, and other informal gatherings where people can get things done through face-to-face, personal contact.

When our operations comprised a few hundred people in Palo Alto, this concept of informal communication was relatively easy to implement. If there was something important to talk about, we just got everybody together and talked about it.

Today, however, this is no longer feasible. With some 6,000 people scattered throughout the United States and overseas, we must rely on broader, more sophisticated communication devices to keep everyone in the corporate family informed of company plans and policies, and to keep abreast of important developments in each of our far-flung operating groups. This is the goal of MEASURE—to serve as a regular, effective medium of communication among all our people.

Like any responsible news and feature article publication, the primary objective of MEASURE is to inform. But we also want the magazine to be interesting and entertaining. We want it to be the type of publication that you will take home and share with your family and friends. This means that the magazine, unlike the local publications issued by our various divisions and affiliates, must be extremely broad in scope, featuring articles and photos of interest to people in Palo Alto, in Bedford, in Dallas, in Waltham, in Geneva—anywhere we have a laboratory, a plant, or a sales office.

How well the magazine fulfills its task will depend to a large extent on the cooperation and support it receives from everyone in the corporate family. On page 11 of this issue you'll find a list of reporters who represent each of our major locations throughout the world. These people have been asked to contribute information and pictures describing the important events and activities of their respective divisions and affiliates. The reporters share a common responsibility with our central editorial staff to keep us all posted on what's going on in every corner of our global operation.

We hope you'll become acquainted with your reporter—and that you'll work closely with him or her to see that your particular plant or office is represented periodically in the magazine. We hope, too, that you'll frequently express your opinions and suggestions regarding MEASURE to our editorial staff in Palo Alto. This will assure that the magazine is attuned to the needs and interests of all our people.

I am confident that with your help, MEASURE will be as dynamic, as varied, and as interesting as the world-wide activities of the HP corporate family.

David Packard



A SANBORN "350" HELPS MAKE SPACE HISTORY

The Medical Team at Cape Canaveral Knew That Gordo Survived His Journey A-OK, and Have The Records to Prove It.

WHEN GORDON COOPER finally got home to the wife and kids after his 590,000-mile trip, he probably held the distinction of being the most weighed, measured, poked-at, and looked-into man on earth. A crack team of physicians and medical technicians wouldn't let him out of "sight" for a moment.

The fact that they could check and record his temperature and heart beat, and practically give him a complete physical while he was in orbit at 17,500 miles an hour, is one of the more remarkable aspects of the flight. A wonderfully complicated and sophisticated array of electronic equipment made it possible.

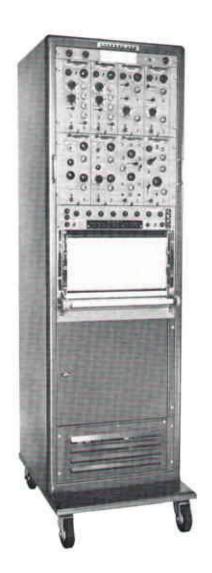
Among that equipment was a Sanborn "350" 8-channel recording system. The cover photo shows Cooper suited-up in Hangar S at Cape Canaveral and in the background a technician is seen operating the recorder. For several hours prior to the May 15 flight, information was gathered on a multitude of his body functions. A check was made of his temperature at several points on his body, and respiration, pulse, heart rate, and blood pressure norms were determined so that all changes occurring in orbit could be recorded.

Instruments such as the Sanborn "350" provided permanent visual records of all these data for future study by experts in the field of space medicine. The vital nature of such information cannot be overemphasized. The success of future space flights and the safety of the heroic astronauts may depend on its quantity and its accuracy.

Something About the "350" Family

Sanborn "350" systems were developed to provide biophysical researchers with oscillographic recorders with great accuracy, compactness, and a broad range of capabilities. They are 6- and 8-channel direct-writing systems which instantaneously record biophysical phenomena by the use of interchangeable plug-in preamplifiers.

The exact use of an 8-channel system in the Project Mercury space effort is classified information. However, it could have been employed to record many aspects of Gordon Cooper's physical condition. Depending on the pre-amps installed, these systems are also used in chemical and gas analysis and for other testing purposes.



OUR INTERNATIONAL OUTLOOK

In a recent special interview with the editorial staff of MEASURE, Bill Hewlett, HP's executive vice president, talked about the company's international plans and activities. He had just returned from a globe-circling trip including visits to Japan, England, Sweden, Germany, Switzerland, and France. Bill Doolittle, vice president of international operations, accompanied him throughout the journey, except for a trip to Stockholm where Mr. Hewlett spoke at an international business seminar. On opposite page—in question and answer form—are some of his observations on HP overseas.



A Brief History of International Operations

Early in 1959, Hewlett-Packard established its first European subsidiary, Hewlett-Packard SA. Headquartered in Geneva, this organization supervises and coordinates the company's sales activities in Europe. In July, 1959, another subsidiary (Hewlett-Packard VmbH) was set up in Frankfurt to provide sales and service to West German customers, and in 1961, the Electronic Marketing Company, a partially owned subsidiary, was established in Brussels to serve customers in the Benelux countries.

HP's initial manufacturing operations in Europe began in September, 1959, when the company rented a small plant in Boeblingen, West Germany. It has since built a new and larger plant in Boeblingen, and has also established a manufacturing facility in Bedford, England, under the supervision of Hewlett-Packard Ltd.

In January, 1962, the company created a Canadian sales subsidiary. Headquartered in Montreal, it is known as Hewlett-Packard (Canada) Ltd. More recently, HP has completed an agreement with a Japanese firm, Yokogawa Electric Works, to form a jointly owned manufacturing company in Tokyo. The agreement is currently awaiting approval from the Japanese government.

Altogether, HP has some 400 full-time employees in Europe and Canada, and distributes its products in more than 70 foreign countries.

SINCE your first stopover was Tokyo, we assume you were ironing out details on our joint venture with Yokogawa Electric Works. How do we stand on this venture?

Things are moving very well. We've worked out a mutually satisfactory agreement with Yokogawa, and have submitted this to the Japanese government for approval. We can't pinpoint when the final OK will be given, but would estimate six months to a year.

HOW will HP benefit from this venture, and what will be its effect on our exports to Japan?

With a manufacturing operation in Tokyo, we'll have much better access to the large and expanding Japanese market for electronic test equipment. As for its effect on our exports, we fully expect—contrary to what most people might think—that our exports will increase. We base this on our European experience, where we found that by having a plant in Germany, for example, we gained greater customer acceptance for all our products in Germany. So we'll definitely continue shipping instruments and components from the United States to Japan—and hopefully in greater quantities.



WHERE did you go from Japan?

Bill Doolittle and I flew over the Pole and landed in London for the first leg of our European tour.

HOW did you find things in Europe?

In general, I think you could say that we're over our teething period and are moving ahead on a sound, healthy basis. For the past five years our sales in Europe have grown about two-and-a-half times faster than in the United States. We've had an annual growth there of about 48 percent compared to 18 to 20 percent in this country. Part of this growth is due, of course, to the fact that the over-all European market for electronic instruments is expanding rapidly. But much credit should also go to our top-flight sales effort.

WHAT are we doing from a sales standpoint that has helped us gain a bigger share of the European market?

Basically we're doing what we do at home—providing first-rate customer service, stepping up our technical seminars and training programs, broadening our mobile lab coverage, and applying several other techniques which have proved effective in the United States. Our European customers find these programs refreshingly new and helpful. To further strengthen our sales effort, we're setting up our own sales organizations in certain major markets—and for much the same reason we've done this in the United States. We now have our own sales arms in Germany and Belgium, and, with the cooperation of our representatives in England and France, are in the process of setting up affiliates in those two important countries.

HOW has our business in Europe been affected by the growth of the Common Market?

This is hard to pin down. We know for a fact that the Common Market has stimulated a tremendous surge of industrial activity and this, in turn, has created new demands for quality test equipment. This expanding market, coupled with our broad product line and emphasis on customer service, has put us in the right spot at the right time with a full wagon.

HOW are our manufacturing operations going?

They're rolling right along. We've just authorized Fred Schroeder's group at Bocblingen to expand their plant to 75,000 square feet. This will nearly triple their capacity. We're also stepping up our production at Bedford and expanding the product line.

WHAT are some of our problems in Europe?

I guess I've been sounding like everything is a bed of roses. Of course we've got problems, or challenges, or whatever you want to call them. There's plenty of competition everywhere, but we think we're staying out front because of our strong sales



effort and our steady flow of new products. We've been getting good R&D support from our various companies in the United States.

As for specific problems, each company presents a different situation. In Germany, for example, there's an acute shortage of housing for employees. In England, any plant expansion over 5,000 square feet has to be approved by the Board of Trade. This can complicate and delay things when you're trying to forge ahead. And in all countries we're faced with varying government regulations, taxes, and duty policies. These are somewhat like a new pair of shoes—they hurt for awhile, but you soon get used to them.

Speaking of duties, we've found that it's a big advantage to have a manufacturing plant within the Common Market. Since the formation of the market, tariffs among participating countries have been reduced about 50 percent—with more cuts in the offing. This enables us to ship products from Boeblingen to many European customers at more competitive prices.

WE'VE been talking a lot about Japan, England, and the Common Market countries. Are there any other nations or areas which look promising from a test instrument sales standpoint?

Spain, for one, is looking more interesting all the time. They have some internal problems, but once these are squared away,



the market there should expand. Canada is a growing market, and Australia presents a bright picture. On the other hand, Latin America is still predominantly agricultural, and it will be many years before a large market can be developed.

WHAT about our people in Europe? How are their abilities and skills compared to HP employees in this country?

My observation is that our overseas people are top-grade. In Bedford, for instance, I toured the production lines and talked to many of our people. They learn quickly, and have great enthusiasm and pride in their work. In Germany, I couldn't carry on much of a conversation with employees because of the language barrier, but it wasn't hard to see that they have the same spirit.

When the people join us, they are often relatively unskilled in the work we want them to do. Our training programs, however, change all that in a very short time. Larry and Nita Miller did a marvelous job for us in Bedford setting up production techniques and teaching skills to our new personnel.

(Editor's note: The Millers are a husband and wife team from the Stanford plant who recently spent a year and a half in Bedford.)

WHAT about plans to transfer or rotate people to overseas facilities?

In a few instances, as in the past, we may send certain people overseas when their particular specialty or experience is vitally necessary. But generally speaking, our policy is to hire people locally. We feel that our overseas companies should become good corporate citizens. People who are native to the country are in a better position to adapt the company to this concept, because they are familiar with the country's traditions and customs. It's a lot easier to teach a man HP policy and philosophy than it is to teach him a new language and, in some cases, almost a new way of life.

AS a final question, how does 1963 stack up?

For the first six months of our fiscal year, 18 percent of the corporation's total orders came from foreign customers. This compares with 14 percent for the same period last year, so you can see we're making progress. Some of our divisions and affiliates are planning to make a push into foreign markets, and this should add considerably to our overseas volume. Dymec's Bob Grimm and Bill Gross recently visited Europe, for example, to check on the market potential and on possible distribution and sales outlets for their equipment. Francis Moseley and Ed Austin have also spent some time at HP GmbH, investigating the possibility of manufacturing some Moseley instruments in Boeblingen.

All in all, I think '63 will be another good year for our international operations, and that this phase of our corporate activity will continue to grow steadily in the years to come.

AR UND THE CIRCUIT



BY NOEL E PORTER, Vice President, Operations

ALTHOUGH WE'RE NOT exactly dancing in the streets, we're increasingly bullish about the corporate-wide business picture. Total orders were up in May and, at the time of this writing, were maintaining good strength in June. If this keeps up, we'll exceed our revised targets and can reasonably expect a total volume of orders of about \$120 million for fiscal 1963.

Turning the spotlight on some specific areas, here in Palo Alto we're continuing to develop corporate programs which will benefit all our operations. In previous columns we've mentioned a few of these, such as communication analysis, stock numbering system, corporate purchasing, and methods of reducing packaging costs. We'll be giving you more detail on these and other programs as they get further down the road.

Down in Pasadena, the Moseley people are optimistic over their joint project with GmbH in Germany to develop an industrial recorder for the European market. Speaking of Europe, both GmbH and HP Ltd. demonstrated new products at the Geneva seminar in May. GmbH showed the first unit of a European version of a Harrison power supply, and HP Ltd. introduced their new Droitwich receiver (200-kc frequency standard). This is just the beginning of what we expect will be a substantial output of new products by our European companies.

Swinging to the East Coast, Harrison has its new plant under way (see page 11) and is recruiting people to strengthen its

transformer activity. Boonton is changing over to the corporate stock numbering system and making good progress on this project. Sanborn is maintaining an improved order level and, as a consequence, has been able to reduce its inventories substantially.

Loveland's component section is growing rapidly and is just about ready to handle all of the transformer requirements of Loveland and Colorado Springs. They're also stepping up their knob and hardware output. At Colorado Springs, the recently acquired 6,000-square-foot leased facility is now ready for occupancy by an engineering group working on high-frequency oscilloscopes.

The operations at Loveland and Colorado Springs will work closely together and complement each other in many specialized areas. Loveland, for example, will make transformers for the Springs plant and the Springs will supply printed circuit boards to Loveland. This type of coordinated effort, similar to our operations in the Palo Alto complex, keeps duplication of capital equipment and manufacturing activity to a minimum.

Back at Palo Alto, the Frequency & Time and Microwave Divisions are making good progress, and Dymec continues to ride high, buoyed by enthusiastic customer reaction to its standardized digital data acquisition systems.

All in all, things are looking up and we've got a busy summer ahead of us.

Geneva Seminar Draws 65



THE WEEK-LONG technical seminar held in Geneva, Switzerland, in mid-May was a truly international gathering. The seminar drew 65 engineers from HP's European sales representative firms, and these engineers represented 19 different countries (including Israel and South Africa) and 10 different languages.

Working sessions were held daily at the Hotel du Rhone from 8 a.m. to 6 p.m. As in the four previous Geneva seminars, the meetings were focused on discussions and demonstrations involving a particular line of products. This year Dymee instruments and systems were in the spotlight.

Other HP divisions and affiliates also had a chance to get in their licks. The group pictured on the left, for example, is watching a demonstration led by Don Summers, development engineer for HP Ltd. in Bedford.



Pete Lahana wields a mean shovel as he officially launches construction of the new Lahana & Company building. Assisting in the ground breaking are (left to right) Marvin King, HP plant engineer at Loveland; Lee Stoner, Lahana field engineer; and A. J. "Mick" Spano, Lahana field engineer.

With Lots of Land to Travel and Tall Mountains to Climb, Lahana & Company Is Showing Some . . .

SMOOTH SELLING IN THE ROCKIES

BREAKING GROUND is getting to be a specialty with Pete Lahana and his staff of stalwarts at Denver and Salt Lake City.

Just a little over six years ago, Pete moved into the big Rocky Mountain territory, formed his own company, and began breaking new ground saleswise as an HP representative. Since then, sales of HP instruments in the area have increased by 400 percent and the number of active accounts has doubled.

Just a month ago Pete turned some more of that good mountain soil—this time in a ceremony to kick off construction of a new headquarters building for Lahana & Company.

The contemporary-styled, brick and glass curtain wall structure will provide the eleven-man Denver staff with more than 5,000 square feet of working space. The location in the new Denver Technological Center is just about as choice as you could find nowadays in or near the Mile High City.

HP purchased 2½ acres in the 50-acre Center and the Lahana building will have the distinction of being the first structure erected there when it is completed by mid-fall. The Denver Technological Center is another of those carefully planned and controlled suburban areas which are bringing technologically oriented companies together in a park-like atmosphere.

No one at Lahana & Company will appreciate the new quarters more than Jesse Peters, who heads up the customer service activities. Company growth has put the squeeze on his instrument service and storage space. Soon he will have about three times as much elbow room as at present.

In the meantime, Lahana & Company is continuing to serve one of the largest territories covered by any of HP's sales groups. The Denver staff and two people at Salt Lake City operate throughout Colorado, Utah, Wyoming, and eastern Montana. Fortunately, most customers are located within 100 miles of the two cities, but nevertheless, calls have to be made to outlying accounts, one of which is 600 air miles away.

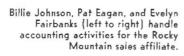
Principal customers served from the Denver office include a large Dow Chemical-AEC facility, the Air Force Academy, Martin-Denver, and the National Bureau of Standards at Boulder. Sperry Utah, Hercules Powder Company, and Thiokol Chemical are handled out of Salt Lake City.

Scores of new firms have been attracted to the Rocky Mountain area in recent years, generally for the same reasons HP established operations at Loveland and Colorado Springs—high productivity, climate, fine everyday living, and educational features. Colorado now boasts over 100 research and development companies. A similar growth around Salt Lake City is partly because of the Minuteman missile program with its requirements for manufacturing and test sites.

With their feet already well planted in this growing territory and a brand new building scheduled for delivery November 1, the Lahana people still figure they've just begun to break ground.



In the company's present wellequipped but crowded customer service quarters, Ted Allen, Jesse Peters, and Brent Hellend (left to right) analyze a circuit diagram. The new building will triple customer service facilities.





Joanne Nelson is in good position to watch Lahana & Company's business grow. She works in order handling section.



Dixie Clark and Bob Christiansen seem happy with HP's new catalogue. They handle the expanding activities at Lahana's Salt Lake City branch.

Henry Burr, parts department manager, keeps both hands busy as he chats with a customer.





ROBINSON'S MOBILE LAB

ROBINSON Sales Division's new "Lecture Lab" is a unique customer service which promises to pay for itself many times over in its first year of operation. The mobile lab seats 8 to 10 people comfortably, and carries its own gasoline-driven generator as a power source. Sales Manager Rick Weaver and Service Manager Don Robson did most of the planning for the lab, which is completely air-conditioned. The vehicle enables Robinson engineers to bring a broad array of instruments and systems to a customer's doorstep for demonstrations and talks. RIGHT: Division Manager Ivan Robinson and Rick Weaver were all smiles on the day the lab was delivered. ABOVE: Rick Weaver gives a presentation of a Dymec 2010 system. Van may also be used as a "walk-through" display vehicle when the division wants to show a variety of instruments.



Sales, Earnings Up

SALES AND EARNINGS of HP for the six-month period ended April 30 were up slightly over the first six months of fiscal 1962, according to figures released to the press June 4.

Total sales, including all divisions and subsidiaries, amounted to \$54,777,000, an increase of 4 percent over sales of \$52,884,000 for the first six months of 1962.

Net earnings totaled \$3,522,000, up 2 percent over the \$3,446,000 earned during the corresponding period last year. Earnings allocated to common stock, after provision for payment of preferred dividends, amounted to \$3,320,000. This was equivalent to 29.7 cents a share on 11,162,314 shares outstanding, compared with 29.5 cents a share on 10,992,267 shares for the first six months of 1962.

The 1962 figures have been adjusted upward to reflect the acquisition of five field sales organizations by HP on November 1, 1962, the beginning of the current fiscal year.

Boonton Q. Contest

BOONTON RADIO'S increasingly popular Q estimating contest, held annually at the IEEE show, was won this year by Seymour Krevsky of the RCA Surfcom Laboratory. As a prize, Boonton's Bill Myers presented him with a Model 160-A Q Meter.

Both Mr. Krevsky and E. A. Zizzo of the Polytechnic Institute of Brooklyn estimated the Q of the coil displayed at the show to be 313. A subsequent drawing resolved the tie in Mr. Krevsky's favor.

Q is a standard symbol denoting "figure of merit" of coils. Each year, Boonton displays a special coil and invites show visitors to give their estimate of the Q. This time nearly 1,000 estimates were submitted. In addition to the two men who hit it on the nose, ten others came within 1 percent.

Mr. Krevsky is proving a perennial threat in the competition, having been as close as a cat's whisker in 1957 and 1959.



People on the move

PALO ALTO

John Cage, managing director, Hewlett-Packard Ltd., Bedford—to manager, advanced technical planning, Palo Alto.

Ed Truitt, supervisor of metal finishing, process engineering, Palo Alto—to process engineer, cathode ray tube lab, Palo Alto.

George Bower, manufacturing engineering staff, Palo Alto—to materials evaluation engineering, materials management, Palo Alto.

LOVELAND

Peter Kertesz, engineer, Advanced R&D, Palo Alto—to engineering staff, Loveland Division.

COLORADO SPRINGS

Rodger Earley, supervisor, procurement and stock, Oscilloscope Division, Palo Alto—to manager, materials management, Oscilloscope Division, Colorado Springs.

HEWLETT-PACKARD SA

Doug Herdt, staff engineer, Hewlett-Packard VmbH—to advertising and sales promotion manager, Geneva.

SANBORN

Ralph Hanson, assistant sales manager, Industrial Division—to sales manager, Medical Division.

Kenneth Byrne, assistant to works manager, Morse Twist Drill and Machine Company to supervisor, production planning and control, Transducer Division.

Eric Frank, systems programmer, Finance Division—to systems department manager, Finance Division.

David Priddle, assistant office services manager, Finance Division—to office services manager, Finance Division.

Mrs. Evelyn J. Olander retired from Sanborn
June 1 after 28 years of service with the company in
Waltham, Mass. She started her career as a
typist at 35 cents an hour, became a secretary,
and later was assigned various managerial positions.
Most recently she was manager of systems and
office services. As she progressed with the Sanborn
Company, Mrs. Olander participated in community and professional activities, and additionally
found time to win a law degree with honors by
attending night school.



Harrison Expanding

ONSTRUCTION has just commenced on a very modern and much-needed new building for Harrison Laboratories Division in Berkeley Heights, N.J.

The two-story structure will be located three blocks from the present plant on a gently rolling 8½-acre plot. The north facade will be of glass curtain wall design, metal siding will be used for the south wall, and the east and west sides will be stucco. Two of the walls can be easily moved out for future expansion.

Usable area will be in the neighborhood of 45,000 square feet, which is about four times the space available to Harrison Laboratories in the two old buildings now occupied.

The lower level, which has half the area of the top floor because of the plant's hillside location, will be used for offices and R & D. Manufacturing operations will occupy the upper level.

The entire building will be air-conditioned for the year-around comfort of Harrison's 100 employees. A heavy electrical capacity (1300 kva) will be provided for testing large power supplies and other devices.

Scheduled completion date is March, 1964. Total investment for the plant, equipment, and land will be in excess of \$1,000,000.

Harrison's sales have been advancing steadily and in recent months the division's shipments have hit an all-time high.

HP's plant engineering department in Palo Alto is overseeing design and construction of the building. The architect is Drake, Convery, Cueman of Summit, New Jersey, and the contractor is Becker Construction Company of Newark.

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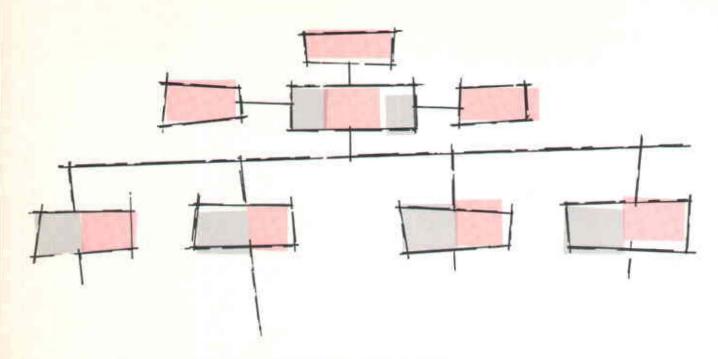
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THE ORGANIZATION CHART

inserted in this first issue of MEASURE was specially prepared to give you an over-all picture of the company's basic corporate structure. It shows the relationship among all branches of the HP corporate family and illustrates general lines of responsibility, authority, and accountability.

As with any publicly held corporation, the company's "boss" is its Board of Directors, which in turn is accountable to the several thousand HP stockholders and to the public at large.

Although organization charts are necessary and useful, they are only temporary phenomena. They reflect the structure of the company at a particular moment (in this case July 1, 1963) and must be modified from time to time to accommodate changing conditions and organizational concepts.

As Dave Packard points out in his column in this issue, HP has always avoided setting up formal, rigid channels of communication. The company encourages, instead, the exercise of common sense and sound judgment in determining the best, most direct channels of contact in getting things done quickly and efficiently.

"Although we are growing rapidly," Dave says, "we never want to reach the point where someone must refer to a chart to determine how he should operate in his job. Nevertheless, the charts are most helpful in defining relationships within the corporation and formulating long-range organizational plans."

The editorial staff of MEASURE sincerely hopes that you will find the chart interesting, illuminating, and useful. Additional copies are available in limited quantity and may be obtained on request to the editor.