Field service hits the road:

pages 9–13
So you're not feeling too good. And it's only Tuesday. You're overweight. And short of breath. Your muscles ache. And you got a stiff neck watching TV. You cough quite often. You're tense. And after a shopping trip your feet are killing you. Lift anything heavier than a dining-room chair? Forget it.

For those afflicted with the foregoing conditions, there are two kinds of news.

First, the comforting news: Relax. Why worry? You're a fair-to-average physical specimen—pretty much representative of your fellow members of the affluent industrial society.

And now for the good news: You don't have to stay that way. You can overcome many common health problems. You can improve your image of yourself. You can feel better, look better, and enjoy life more.

The people who bring you this news have never written health articles for Reader's Digest. Nor are they freaks or zealots for any particular "positivist" school of life-style thinking. They are, in fact, HP people who have had their share of the common physical ailments and limitations but who have fought back successfully. How did they do it? Most important, how were they motivated? Because all of them say that you have to want to change before it can happen:
Rich McCurdy
stockroom manager, Colorado Springs

“It’s hard for me to believe it, but just a few months ago I was always tired and out of sorts. Yet I exercised and ate plenty of food.

“But the lack of energy got to me, so I saw a doctor. He told me I had ‘functional hypoglycemia. That’s a fancy word for a condition brought on by a poor diet. I’m single, and I was doing a lot of eating on the run—cafeteria and restaurant foods, particularly foods with a lot of ‘free’ sugar and starches. My system reacted by zooming to a high blood-sugar count then dropping below normal. My hands shook. Vitamins did nothing for me. Along with feeling tired I frequently felt hungry. Consequently I ate too much of the wrong foods.

“My new diet is built around protein foods and foods with natural sugar. In two months I feel my best in years. My stamina’s back. That constant hunger has gone. I enjoy running again, and soccer. Frankly, I enjoy everything.

“My guess is that a lot of people don’t appreciate how their diet affects them—and how easy it is to change.”

(continued)
“Rusty” Johnson
nurse, San Diego Division

“After 16 years as an industrial psychologist and nurse, I’m convinced that many accidents are symptoms of something else. Let’s just say we know that people who are happy in their personal lives have fewer problems on the job—fewer accidents, lower absenteeism, and probably greater productivity.

“The same sort of thing is true in the area of health and appearance. People who feel O.K. about themselves generally don’t overdo things. On the other hand, for example, we find many young girls with a weight problem have never had much success with men. They’ve developed a negative image of themselves—and they live up to that image.

“For people to lose weight, give up smoking or whatever, they need an incentive. A little success and encouragement can go a long way.”

Kent Simcoe
Calculator Marketing, Loveland

“I was brought up to eat everything on the plate. That was the way to please mother. About age four I began taking on extra weight. By the time I got to graduate school I was up to 265 pounds. Eating was a way of easing tensions. It was an emotional out.

“Then I began to develop back problems and also foot problems. A doctor told me I wouldn’t experience these if I lost about 50 pounds. So I really became serious about a diet. Mainly I cut out starchy foods and substituted protein and vegetables. Today, after a ton of broccoli and spinach, I’m down to 180—aiming for 160. My back and foot problems are gone. I do a lot of bicycling, skiing and hiking with the family—and do it much better.

“And at meals we tell our three children they can eat whatever else they want as long as they eat the protein dish too.

“My advice to other ‘heavies’ is to first figure out what you eat for—why you overeat. When you’re clear on that subject, you should be able to do something about it.”

Janna Ackerman
mail girl, Loveland Division

“What’s a physical education teacher doing pushing a mail cart? Well, there aren’t too many teaching jobs going these days. But I’m very pleased to have a job that entails some physical activity. It’s not that I’m a great athlete. As a matter of fact, I went into phys ed at college because I had a tough time with sports. They didn’t come easy to me. My feeling is that teachers neglect the average student when it comes to athletics. They concentrate on the stars, the varsity sports. Yet I always loved physical activity. I believe I walk about five or six miles a day around here. That definitely has a beneficial effect on the cardio-vascular system. So does riding horses, which my husband and I enjoy. I’d like to keep doing that all my life. Actually, that suggests my basic motivation—to retain the ability to do the things I want to do in the future.”
June Tatten  
*switchboard operator,  
*Medical Electronics Division*

"Some people think I'm a pain in the neck because cigarette smoke bothers me. I began smoking back in the Depression. It kept me awake to study. Later I went from one and a half packs to two a day, and I'd wake up with a throat that was sore right down to the tubes.

"One time I gave it up for a year. After that it was on again, off again. Then I stayed away for five years after an illness. But it wasn't until the Surgeon General's report showed what smoking was doing to people that I decided that was it!"

"You really have to want to give them up—and I wanted to! It's been seven years since my last smoke, and I've gone as far as lighting one then throwing it away unsmoked. It hasn't been easy. I've had to get by from hour to hour, day by day. I even had to talk to myself. Now I've gotten to where I can't stand smoke—it's obnoxious.

"What's more, I feel very healthy—haven't had a cold in two years."

Pete Pizzino  
*Santa Clara Division*

"My case is a little different. I'm recovering from a heart attack. The thing is, I always took good care of myself. I was even a preferred insurance risk.

"At the same time I have always felt it wise to be aware of the things that can happen—the likely symptoms—affecting my physical condition.

"It's hard to know what would have happened to me if I hadn't done this. For some time last year I was feeling some work-associated tensions and was seeing my doctor regarding this. I went home on December 28 feeling pain in my chest and sweating heavily. My blood pressure was way below normal.

"In recognizing the symptoms I may well have saved my life. What if I had decided to stay in bed and not see the doctor?"

"The point, as I see it, is to take steps so that you are adequately informed when you have any reason to question your condition. Ask your doctor to explain things openly. Ask the county medical association, or the local Heart Association, for literature. There's some very good information available to the layman."

Ed Root  
*Colorado Springs*

(and all those other HP people who have tried valiantly to give up smoking, lose weight, or whatever else is afflicting them, but so far without final success. Long may they wane.)
A superstar
is born!

What's giving chief executive officers new status? What kind of machine is it that could cause an otherwise stable engineer to become "insanely jealous"? Why are highly skilled technical people saying things like "fabulous," and "fantastic," and "gee whiz!" or—"the design accomplishment of the century?" Why are HP phones so extraordinarily busy at Cupertino, and Rockville, and Houston, and Paris? Why is HP receiving fan letters from science-fiction clubs? What's the talk of the campus at California Institute of Technology and Princeton? And what could prompt a field engineer to say, "Any statement you care to make about it in the way of praise will probably be an understatement!"

So...welcome to the wonderful world of the HP-35 pocket calculator. For a company that has always dealt soberly with the business of its business, albeit with style and invention, Hewlett-Packard has discovered a whole new kind of machine that could cause an otherwise stable engineer to become "insanely jealous"? Why are HP phones so extraordinarily busy at Cupertino, and Rockville, and Houston, and Paris? Why is HP receiving fan letters from science-fiction clubs? What's the talk of the campus at California Institute of Technology and Princeton? And what could prompt a field engineer to say, "Any statement you care to make about it in the way of praise will probably be an understatement!"

Consider this situation: When the marketing strategy for the 35 was conceived last year, it was decided that the main tactic would be a direct-mail program. Makes sense. But except for a small test mailing, that program has not been put into effect—because, so far it has not been needed. In fact, from the moment the super slide rule was introduced on January 4, the world has beaten a path to its door.

Is this the "better mousetrap" syndrome in action? A product that "sells itself"? Not really. Press conferences, publicity, salesmanship, and some "image" advertising have all contributed significantly to getting the word out and around the world. But when the word is received there's no doubt that it falls on very receptive ears.

Take the case of the "image" advertising. This consisted of a corporate ad in the May issue of Scientific American. The ad presented material on three HP product areas and was designed as part of an ad series to inform and impress skilled technical people saying things like "fabulous," and "fantastic," and "gee whiz!" or—"the design accomplishment of the century?" Why are HP phones so extraordinarily busy at Cupertino, and Rockville, and Houston, and Paris? Why is HP receiving fan letters from science-fiction clubs? What's the talk of the campus at California Institute of Technology and Princeton? And what could prompt a field engineer to say, "Any statement you care to make about it in the way of praise will probably be an understatement!"

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Take the case of the "image" advertising. This consisted of a corporate ad in the May issue of Scientific American. The ad presented material on three HP product areas and was designed as part of an ad series to inform and impress readers as to HP's total capabilities as well as to interest them in specific products. Based on all prior experiences, advertising experts predicted X number of responses to the Model 35 information. Instead, the ad drew X times 4 inquiries. Actually, that's about the way the whole Model 35 program has been going—quadrupled the expectations and projections based on expert independent market analysis and testing.

Such soaring success is a happy problem, but nonetheless is a problem, for Alex Sozonoff and the Advanced Products Department at Cupertino where the 35 is headquartered and assembled. Delivery schedules have had to be stretched, production schedules accelerated, and marketing plans revised. As things stand, deliveries are now 12 weeks from receipt of orders, production at Cupertino has been doubled, and further production increases are planned.

How, then, did HP get caught in this particular "short" position, to borrow a stock-market phrase? Ron Stevenson, customer service manager for APD, says there's no doubt that marketing was approached with some conservatism: With so many unknowns involved as a result of being a first of kind, it would have been very risky to go all out and invest heavily the other way. In addition, vendors of some critical components were limited in their abilities to expand production as fast as we might now desire.

What no one could possibly have known in advance was the degree to which the Model 35 has taken on star status. To the realist it may be "just" a super electronic slide rule; but to others it is a technological status symbol, an instrument with soul, a science-fiction dream come true (see customer comments, page 8). In addition, there are evidently far more teachers and students—not to mention business and professional people of all kinds—able and very willing to pay the $395 (plus handling) than anyone had reason to expect.

The Model 35 has been an exhilarating experience for HP's field sales engineers. One unidentified Neely salesman was reported to have booked three dozen orders for the 35 at a cocktail party. Another sold several to fellow passengers on a 747. Others report being ushered all the way inside corporate inner sanctums to demonstrate the pocket calculator's wizardry. As far as most HP field men are concerned, it's the greatest door opener and conversation piece ever.

To Joe Wilbanks of the Houston sales office, it seems that "everybody wants one. At almost every call we make, especially at bigger organizations, people crowd around for a demo. We also get a score of phone calls and visits every day. So we've trained our secretaries to give simple demonstrations in the lobby!"

Mike Paul, calculator salesman out of the Neely Palo Alto office, says that as a result of publicity he has been able to hold work seminars for as many as 30 people at a time—and sold 20 of them.

Ugo Assi, manager of HP Italia, reports many calls from women who see in the 35 an ideal engagement, wedding or anniversary present. The Museum of Sciences in Milan, he said, wants a unit to add to exhibits of technology that date from Leonardo Da Vinci.

Hughes Aircraft Co. engineers who installed the communications satellite ground station at Peking during President Nixon's visit to mainland China reported the "total fascination" of Chinese engineers with the HP-35. The Hughes team took along two units as the prime example of modern U.S. technology.

And so it goes. Everybody wants one. Everyone's fascinated. Esquire magazine (circulation 1,100,000) this month featured the 35 along with a number of other products having futuristic appeal. The title was "Father's Day, 2001" Not so. The 35 is available now. Well, the month after next, for sure.

(continued)
**A superstar is born!**

**Dear Hewlett-Packard:**

"The HP-35 is by far the most fascinating piece of electronic gear I've ever owned, and I call it a 'Gee-Whiz!' machine because that is the comment most of the hundreds of persons I have shown it to usually make."

T.A.P.
Kokomo, Indiana

"It is a very rare event when one finds a product so well conceived, of such excellent electronic and industrial design, and so matched to user needs that it rises head and shoulders above anything like it, both in relative and absolute terms. I believe your HP-35 calculator . . . is such a product!"

D.S., Ph.D.
Potomac, Maryland

"I'm saying 'thanks' to Hewlett-Packard and applaud a great service to technical people as well as society!"

T.M.C., Jr.
Sacramento, California

"Science fiction put satellites in space and men on the moon. It will be interesting to see how closely they've come to your hand calculator!"

M.I.T. Science
Fiction Society

"This is without doubt one of the most remarkable devices I have ever seen—or even dreamed of!"

E.F., Jr.
Carrolton, Georgia

"Congratulations on what has to be the most perfect product design accomplishment of the century. After one month of flawless performance I can only say I am increasingly in awe and more enthusiastic than ever . . ."

R.C.B.
Hot Springs, Arkansas

"You don't have to convince us that you have 'the finest little hand-held calculator now available.' The HP-35 is currently the talk of the campus!"

H.C.M.
California Institute of Technology

"If I were a grade-school math teacher I would want one just so the kids could play with it"

G.E.T.
VP-Engineering
Palo Alto, California

"After seeing a demo I can truly say that I am not the least envious. Nay, insanely jealous would be the more proper mood feelings. I have never been so impressed by a single piece of merchandise in my life . . ."

A.E.K.
Hollywood, Florida

". . . your HP-35 has to be one of the outstanding technical developments of my lifetime!"

F.W.K.
Rochester, New York

"In a world moving so fast one often becomes apathetic toward new developments, it is difficult to explain the actual excitement I felt when I first saw the HP-35, truly a remarkable device!"

J.A.M.
Berkeley, California

"I feel very privileged to have lived long enough to see such a tool come into existence!"

F.L.M.
Altadena, California

"I cannot recall ever before having written a manufacturer to compliment him on a product, but . . . I felt compelled to share with you some of my ecstasy. Thank you for causing this amazing contribution to happen!"

P.A. McC.
Mountain View, California

"What a fantastic . . . machine!! This will probably make the slide rule obsolete!"

D.B.F.
Santa Maria, California

"You've done it. This is just exactly what I've been looking for . . . I've been like a kid with a new toy . . ."

J.W.B.
Program Manager
Ridgecrest, California
Give me an F
Give me an I
And an E
Give me an L
Give me an D

Now Give me an S
Give me an E
Give me an R
Give me an V
Give me an E

And an I
Give me an C
Give me an E

□ Cheers are for the salesman who makes big deals. Cheers are for the R&D guys who invent successful new products. Cheers are for the production team that sets new records. But cheers for F/i/eld S/erv/i-c-e? The guys who maintain instruments and make repairs? The men who live by the screw driver?
In Denver it's go, go, go...

For Al Willett the day begins by checking out a calculator at the repair bench. Then he helps Mattie Flory of Order Processing look up a parts number requested by a customer. Al spends about 50 percent of his time calling on calculator customers, the remainder on the complete line: "You run into all kinds of people. We take good care of them. Generally if they call in the morning we'll have the machine running again by evening."
Frankly, the people in HP's field service organization—both the on-site and bench-repair men—aren't really looking for cheers. In fact, the avoidance of dramatic crises is a major cornerstone of their professional activity; they much prefer periodic calibration and routine maintenance than having to perform a dramatic repair job made necessary by lack of scheduled service.

The key, according to Tom Yarnall, service manager for Electronics Products Group, is service contracts with customers—on-site service complemented by bench repair work. "Customer service," he says, "is becoming big business—with all the characteristics of big business. Worldwide, the company has more than 800 service people in the field, and we'll almost be double that sometime during 1975. Customer service income is also going to double to around $50-million (not including more than $30-million in replacement parts and supplies sold directly to customers).

"A significant increase is going to come from on-site business, that is, from the servicing of computer-based systems. The requirements for on-site service are going to become more stringent, particularly as we get further into on-line applications where our instrument systems control major production lines. You just can't let a production line stay shut down very long, if at all. So service in the area of systems—and this includes medical and analytical as well as instrumentation and data systems—is becoming more and more a part of our customers' purchasing decisions.

"In some cases they're going to want full-time resident service. In others they will expect no less than immediate service—within the hour any hour of the day or night!"

Tom and Ernie Matlock (former Data Products service manager who recently became service manager for Intercon), say they have their work cut out for them in staffing the field with well-trained service people.

Meanwhile, back at Denver's Industrial Laboratories, Ted Allen (also shown on cover) maneuvers himself out of a tight corner after checking 7600A gas chromatograph system. Paul Ochs, chief chemist at the commercial testing lab, noted that "If we can't use the system every day, we're in trouble. So we're very reluctant to send it in for repairs. That would shut us down for days. Our customers, who are in pesticide and pollution studies, food analysis and fatty acids, and drug abuse research would be very unhappy." Ted also covers medical clients, diagnoses many repair problems over the phone.
At Colorado Medical Center in Denver, "Roosy" Boyer observes Nurse Joan Budlong operate newly serviced Model 1520 vector cardiogram system. (The system is used to transmit data to Mayo Clinic as part of a special six-hospital natural-history study of the heart.) Roosy got his start in electronics with the Air Force plus attendance at New Mexico State University. He makes about three maintenance and calibration calls a day on medical customers: "We are really on call 24 hours per day, 7 days a week. I've even had to cancel weekend fishing trips. Doctors are unlike other customers. They don't care to understand the electronics; they just want it fixed now. But we keep trying to get them to look at the operating manuals and do their own PVM — preventive maintenance."

Back in the office, Roosy Boyer consults with Service secretary Sheri Wicoff. Subject is instrument repair bill being prepared for customer. Generally customers are billed by the hour; portal-to-portal. Repairs to instruments under warranty are billed to the appropriate HP division.

field service

Various formulae can be used in determining the need for service manpower. One is based on dollar volume — so many dollars worth of service contracts requires one new field service person. Another says that a data systems field sales engineer can create a demand for at least one new field service man each year up to a limit of about five or six years. Either way the prospect is for a sharply rising curve of demand in service personnel.

"The requirements are tough," says Ernie. "Field service calls for a man who is not only technically competent and trained but who also likes to work with people. He's a broad-band, dynamic guy—part technician and part salesman—and he is not easy to find!"

One program that has been initiated by HP offers specialist training to qualified technicians. Based on forecasts of future needs, candidates for field service are given intensive training at a number of divisional locations for up to 10 months. It's a pay-for-itself program because the trainee works as he earns, and vice versa. But since there aren't enough on-the-job training locations available, other programs will be employed, including training in the field.

One effect of growth and growth prospects is that the field service organization now can successfully offer a variety of career paths. "Now," says Tom Yarnall, "we have positions for service managers, field specialists and systems analysts. Or they can go on to division jobs and sales positions. Because if he is good, a service person can also do well elsewhere!"

But what does all this mean at the field level? To get some feeling for that, MEASURE stopped in for a day with the service organization at the Englewood (Denver), Colorado, sales office. It turned out to be a busy—typical—day for service manager Bob Victor and his team:
Service manager Bob Victor discusses project with Betty Parrent, Demo Sales secretary on temporary loan to the service department. Bob came to the Neely-Denver office recently from Loveland Division where he was a test-line leader. Prior to HP he was with the Navy, worked on the DEW line, and once had 120 women assembling television sets under his supervision. At Denver he has to be concerned with service problems covering most of five states.

Max Ellis (lower) and Gary Cole operate as a team in servicing giant Western Electric manufacturing plant outside of Denver. Here they use customer's HP scope to check an HP line printer. The one-million square foot WE Denver works has a wide variety of HP systems requiring routine preventive maintenance. Max has basic responsibility for the AMD products; Gary is a Data Products specialist. Both have strong sense of salesmanship in dealing with the service clients.

Last of the day's instruments arriving for service are checked in by Mike Wadsworth who takes care of demo stock and deliveries. The boom in sales and service activities at the Denver office has finally caught up with available floor space; plan is to build larger quarters just down the street in the same Denver technology park.
Santa Rosa — Hewlett-Packard last month began manufacturing operations in Santa Rosa, California. Doug Scribner is manager of the company's leased interim plant.

Initially, a representative instrument product line will be produced at the 50,000 square-foot engineering/manufacturing facility. Ultimately, the company expects to operate out of facilities it will build on nearby property still being negotiated.

Palo Alto — The company has reported a 24 percent increase in sales and a 58 percent increase in earnings for the second quarter of the 1972 fiscal year.

Sales for the second quarter ended April 30 totaled $116,572,000, compared with $94,260,000 for the corresponding quarter of fiscal 1971. Net earnings amounted to $8,573,000, equal to 33 cents per share on 26,265,484 shares of common stock outstanding. This compares with earnings of $5,423,000, equal to 21 cents a share on 25,866,946 shares, during last year's second quarter.

President Bill Hewlett said incoming orders for the quarter amounted to $127,920,000, a gain of 30 percent over orders of $98,008,000 booked in the corresponding period of 1971. For the six-month period ended April 30, orders totaled $237,772,000, up 25 percent from a year ago.

Sales for the six months amounted to $214,536,000, a 20 percent increase over the first half of 1971. Net earnings rose 49 percent to $15,202,000, equal to 58 cents a share. This compares with earnings of $10,220,000, equal to 40 cents a share, during last year's first half. Mr. Hewlett noted that 1972 first-half earnings include an amount equal to about one cent a share due to currency revaluations.

Commenting on the first-half operating results, Mr. Hewlett said that although percentage gains over the previous year are impressive, "they should be evaluated in light of the company's relatively weak performance in the first half of 1971.

"During the first six months of last year we were still feeling the effects of the recession and our sales and earnings were at a low level. At mid-year, however, they began to pick up and showed good strength during the second half.

"Consequently, although we expect further improvement in our operations over the next six months, comparisons with the second half of 1971 will likely be far less dramatic than first-half comparisons."

Palo Alto — The company has distributed $4,369,170 to approximately 16,000 eligible employees under HP's cash profit-sharing plan last month.

HP employees eligible to participate receive two profit-sharing checks a year, one at the midpoint and the other at the end of the company's fiscal year.

In making the company-wide announcement on May 18, President Bill Hewlett said, "We have been through a long dry spell as far as profit sharing has been concerned. In the first half of 1970, our profit sharing was 5.2 percent; in the second half, it dropped to 4.1 percent. In the first half of last year, it went down even further to 3.93 percent with only slight recovery to 4.02 percent in the second half of the year.

"It is against this background that I get a great deal of satisfaction from telling you all that for the first half of 1972 our profit sharing will be 6.05 percent—up more than 50 percent from last year, and this is the best performance since 1969.

"In all, we will be distributing slightly less than $4.4 million to our people. In part, this improvement is due to the better business climate—orders help solve a lot of problems, but in the main, it is because you people have done a really great job. This increase in performance is the best example I can think of to demonstrate what happens when we all pull together.

"Congratulations—and have a great summer!"
I was delighted, as I'm sure you were, to see the excellent operating results for the first half of our current fiscal year. In addition to substantial improvements in sales and orders, we had a significant increase in earnings as compared with last year's first half. However, lest we become too enthusiastic we should keep in mind that we had a relatively weak first half in 1971, with sales and earnings still at a low level. Nonetheless, it was a great performance.

It is exactly this improvement in performance, however, which gives rise to a question in some minds about our position in the U.S. relative to the Federal Price Commission and Wage Board limitations established for Phase II of the President's economic program. I have checked with our financial, marketing, and personnel people and can report that we are well within the limits of U.S. government controls on profit margins, pricing, and wages.

The base years for determining our profit margin ceiling include both 1968 and 1969. We are fortunate that the average of our domestic pre-tax margins for these two years, which is taken as our ceiling, was very good indeed. As a result, even though our earnings have finally turned upwards, we have a long way to go to reach the levels we enjoyed in the base years of 1968–1969.

We are also meeting the requirements of the U.S. government with regard to pricing policies. We applied, and received permission, for a small price increase for the period from January through the end of this month. Consequently, we have put some selective price increases into effect but at the same time, as we have done historically, we also lowered prices for a number of our products.

The other area of control in the U.S. under which we are operating is that of the Wage Board. Here again, we are within required U.S. government guidelines. While there are constraints, we are optimistic that we can continue our wage increase strategy for the remainder of the current 12-month control period which started November 13 of last year.

One final word, and that is that I am delighted we’ve got our profit sharing bonus back up over 6 percent. This is the best profit sharing period we have had since 1969. It's due in large part to the individual efforts of HP people throughout the world in improving overall performance and keeping costs in line. My congratulations to each of you.

Bill Hewlett
Happiness is holding an HP-35

Crazy things began to happen the moment Hewlett-Packard introduced its pocket calculator early this year. One of the first was the offer by a customer to trade his old Cadillac for a Model 35. That attempted deal is pictured above right: Neely-Palo Alto salesman Len Leeb at left, Bill Kunz of Watkins-Johnson Company (and his car), with HP fleet manager Stu Kingman checking his automobile “bluebook.” To the south at Cypress, California, Jim Manning of the Fullerton office was inveigled by daughter Victoria into demonstrating the 35 for first graders at Damron School. Later they expressed appreciation by drawing their impressions of the calculator. “It really turned them on,” recalls Jim. “They’d been working all year on how to add and subtract, and now here was something that did it for them. They were even interested in the advanced concepts of multiplying. They got the idea right away. The teacher was amazed.” Other amazing reactions to the 35 are presented on pages 6–8.

Measure

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