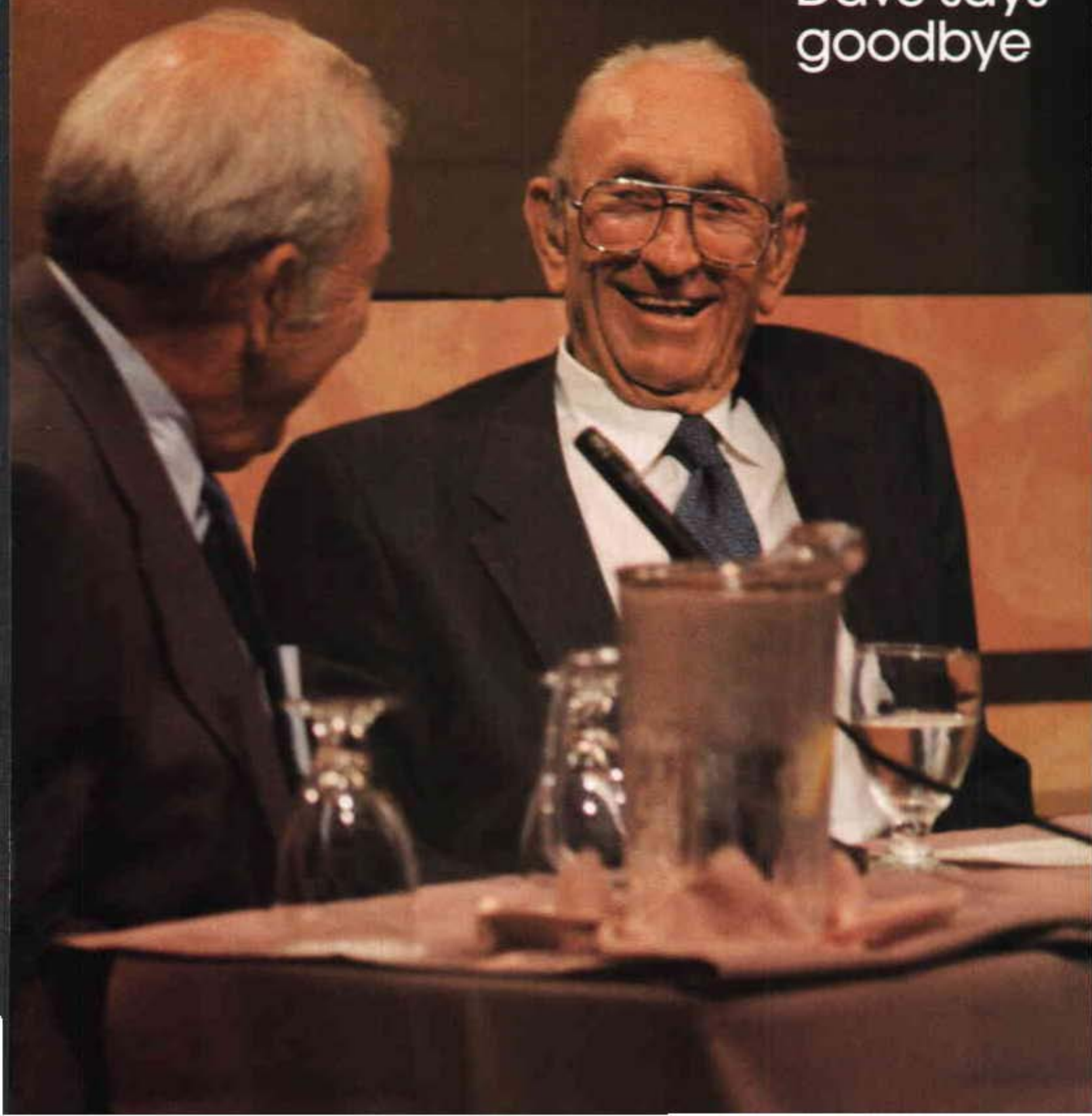


For the people of Hewlett-Packard

November-December 1993

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Dave says
goodbye





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MEASURE is published six times a year for employees and associates of Hewlett-Packard Company. It is produced by Corporate Communications, Employee Communications Department, Mary Anne Easley, manager. Address correspondence to *MEASURE*, Hewlett-Packard Company, 20BR, P.O. Box 10301, Palo Alto, California 94304-1181 USA. The telephone number is (415) 857-4144; the fax number is (415) 857-7299.

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Hewlett-Packard Company is an international manufacturer of measurement and computation products and systems recognized for excellence in quality and support. HP employs 94,900 people worldwide and had revenue of \$16.4 billion in its 1992 fiscal year.

 *MEASURE* magazine is printed on recycled paper with vegetable-based ink



Dave Packard (left) and Bill Hewlett (center) meet with newly named Chairman, President and CEO Lew Platt.

The end of an era

HP co-founder Dave Packard reflects on a half century of HP memories and his retirement plans.

The September 17 announcement caught most people by surprise: 81-year-old Hewlett-Packard co-founder Dave Packard was retiring as chairman of the board. For the first time in its 54-year history, HP will operate without the continuous involvement of one or both co-founders (Bill Hewlett retired from the board in 1978).

About two weeks after Dave's announcement, he talked one-on-one with MEASURE Editor Jay Coleman. Dave talked about the roots of the company and the HP way, the

vast changes in science and technology in the past half-century, the "state" of HP today and his plans for retirement. Here's some of what Dave had to say:

MEASURE: Hewlett-Packard has been known for so many years for its people management and its people practices. And yet, "our people" is one of the three CEO Hoshins for 1994. Could you talk about the importance of HP's people practice—the HP way?

Dave Packard: Well, this question about people has a little bit more background than most people remember. Bill (Hewlett) and I started talking about the company actually while we were still in school in the fall of 1933. We were heavily influenced by the need to plan the company so that we would attract and keep good engineers. And, we were both very concerned about the example of the aircraft industry in Southern California. When one of those companies had a contract, all the best engineers worked for them. If they lost that contract and someone else got it, all the engineers would go somewhere else. So, our initial objective was to plan a program that would help us attract and keep the best engineers.

It turned out that Bill and I had a very close association with our employees during the first several years. Bill was a reserve officer in the Signal Corps and he was called to serve during the war. I was left here to operate the company. It was a very important time because all of us were thinking about what we could do to improve our businesses to help with the war effort. And as I thought about it, I realized that it's not just the engineers that count, but it's everybody that counts. And, fortunately, we put

into effect a program which essentially said that all employees should participate in any improvement in sales.

It really started what has been an egalitarian plan for the company and that plan worked very well throughout the war. That bonus policy was fine for a small organization, but as the company grew larger, we had to go to a little more conventional profit-sharing program, which we did.

That transition had two important effects: It kept us focused on all the people, rather than a small select group, and it included the objective to attract the best people we could.

We were helped by a plan we worked out with Fred Terman that Bill and I would visit the various universities around the country and talk with the best people in the graduating class. The result was that we were able to bring a number of very capable engineers to work for us.

That plan had some problems later on because other companies were looking for good engineers and looked at us because we had some of the best in the country. We lost a lot of engineers along the way, but we

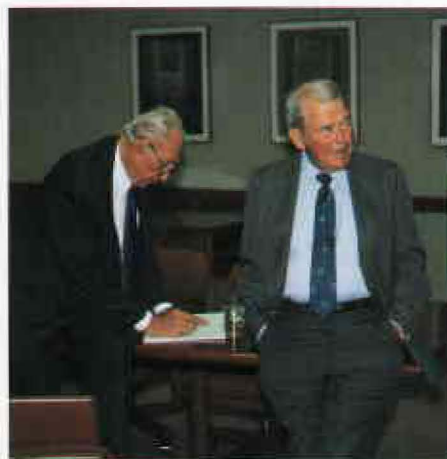
never were particularly concerned about that because it's better to have the kind of engineers that somebody wants than the kind of engineers that nobody wants.

And we found too that sometimes people go out and establish their own companies and remain very loyal to the HP principles—often establishing them in the companies they set up. They became good customers, so it was a generally satisfactory arrangement. We never tried to discourage it, because Bill and I felt they were all free to do what they chose; if we couldn't offer it at HP, then they could go somewhere else.

MEASURE: What is the state of the HP way as we begin 1994?

Dave: There are some things about the HP way that are not talked about very much. One of them was that we had a very strong desire to win and that was probably more important than all the other things. We were determined to do what we had to do to be the best; that was our underlying program. But over a period of time, people have tended to evaluate it in ways that they think will be favorable to them—and it's not necessarily what we intended. So I think some people have some misunderstandings about how it started.

One of the important things we talked about was making a contribution. We talked about that because we didn't want to be a "me-too" company and copy other people. We wanted to make a contribution in terms of technology or in whatever way we thought that we could. And that has become a very important part of our overall program; it's really resulted in our being able to keep a step ahead of the competition in most areas.



Dave prepares a few last-minute notes before the press conference announcing his retirement, while Bill stands by.

MEASURE: When it comes to the HP way, some people seem to have selective memories. People remember the log cabin, but forget about the outhouse.

Dave: Well I don't know if I would put it that way or not. But there were some circumstances that I think made an overall impression. In 1969, I went back to Washington to serve in the Defense Department for three years, and there was a downturn in our business at that time. Bill was in charge, of course, and he decided that rather than firing anybody, we could all take a reduction in time and pay. When the economy picked up again, we could grow along with it. And people have interpreted it that we'd always do that in a similar situation.

The basic difference, of course, was that the situation (in the early 1970s) was, in our best judgment, only a temporary problem. So when it became clear around 1990 that we needed to restructure the company, we had to make some reductions in our work force. That decision generated concern because people thought we would not do that. But the difference was that in the '70s, it was supposed to be a temporary situation; the current situation is not temporary.

And while it's been difficult in many ways to the people who have left, the fact that we have reduced our employee population has put us in a better position than we would have been otherwise. That's one of the reasons that we are ahead of IBM and DEC and the other companies that did not follow that policy.

MEASURE: So what really separates HP from the competition today?



During the mid-1960s, Dave and his wife, Lucile, spent a good deal of time at San Felipe Ranch, a cattle ranch south of San Jose that Dave bought with Bill Hewlett.

Dave: Well, the main difference is very important—that is, as you become a more complex company, it is extremely important that the major decisions be made at the lowest possible level in the company because they're the people who know what the problem is. And there's always a tendency in the bureaucracy where the people on top think they know the answers. In the late 1980s we had, as I recall, 13 or so committees that had to approve any new product program. We dropped that down to one. And that's particularly what DEC and IBM do not do. That's just an innate tendency of bureaucracy and it's difficult to deal with because you have to be very firm about it.

MEASURE: Do you think that as HP has grown to nearly 95,000 people today that an unnecessary amount of bureaucracy has emerged?

Dave: Well, there was too much bureaucracy before we settled that. It was difficult to know how much of this was building up. Even now, we see a number of new committees being appointed to help deal with these problems. Whether all committees are necessary or not, I don't know.

MEASURE: How would you evaluate HP's current management team?

Dave: As I said at the press conference, I would not have resigned as chairman if I thought the team we have now is not up to its job. I think they are. It's as good a team as we could have.

MEASURE: As you examine the emerging technologies of the 1990s, does it make you wonder what it would be like to be a young person just getting into electronics today?



An avid fisherman, Dave plans to spend more time in retirement at his fishing lodge in Tefachuk, British Columbia, and with his philanthropic interests.

Dave: Well, I think that it would be at least as interesting as it was when we got into the field in terms of technology. The science now is much broader than the science we built with, so in that very realistic way, the 21st century is going to be a more interesting time for technology than the 20th century has been for us.

MEASURE: We talked a little bit about the HP way and I'm curious about what kind of contact you have day to day with employees. I imagine they're not hesitant about sending you messages and calling up with comments.

Dave: Well, Bill and I have always encouraged correspondence from employees, and over the years we've received a great deal of it. Bill and I

always try to refer the concerns people have to the right person so that employees would know that somebody paid attention to their concern and tried to do something about it. Maybe most of the time we can't do anything about that particular issue, but I think it's very important for people to know that we didn't forget them, that we care about their concerns.

MEASURE: Bill still comes to the office a few days a week. Do you intend to do the same?

Dave: Yes, I usually come in a few days a week and if not, I check with my assistant, Margaret Paull, to see if anything important has come up. If I don't come in, she'll send letters out to the house and I'll talk with her on the phone.

MEASURE: Employees, reporters and other people who come to visit with you and Bill in your offices often look around and are surprised at the modest furnishings—especially compared to the lavish executive offices at other major corporations. Is that a subtle object lesson for all employees that materialism and the trappings of success aren't important?

Dave: Well, I don't know about that. That's just been the way that Bill and I feel. We never felt like we needed a lot of fancy trappings around us. As you know, we've had a policy for many years where some of the managers work right out in the shop or along with other people, and I think it's very important to have some verbal communication because anything that is written is subject to misunderstanding. You really have to have a face-to-face discussion to make sure you're talking about the same thing.

That was one of the lessons I learned when I was back at General Electric Company. I spent quite a bit of time out in the shop and I found out that there were a lot of misunderstandings. Then we got them working together as a team and we had substantial improvement. And that's really the genesis of the so-called management by walking around. And I had the same experience when I was at the Pentagon.

MEASURE: When asked if he had any regrets in his HP career, Bill said that he regretted that employees didn't own more stock in the company. Any personal regrets for you?

Dave: Well, sure, there are always lots of things that you could have done better, but I'm not going to waste any time on that. **M**



ICOM LIPSON

HP has a long climb to become the diverse work force that ensures business success.

HP people need to understand that diversity is a business issue, according to HP's new manager of Corporate Work Force Diversity Emily Duncan.

Reaching diversity, step by step

By Cornelia Bayley

Look around the next time you're in an HP cafeteria in the United States. It's likely what you'll mostly see are white men. That's even more the case as you climb higher on the corporate ladder.

Yet, according to the book *Workforce 2000*, most new workers entering the U.S. labor force in the '90s will be non-white and female.

One of Chairman, President and CEO Lew Platt's main goals for 1994 calls for continuous improvement in the percentage of women and minorities in functional management jobs and above.

Work force diversity—differences in age, ethnic heritage, gender, physical ability, race and sexual orientation—is a business issue. In fact, HP's business success depends on it. Corporations in the 21st century will compete for good employees as much as they compete for customers.

In some countries, work force diversity is required by law. Even in countries where numbers are not mandated legally, it's becoming more important (see page 9).

"Understanding how to manage and value diversity is critical for HP's

Step by step

future success," says Emily Duncan, HP's new manager of Corporate Work Force Diversity.

Lew and the Management Staff went through a six-hour diversity training class last spring with 16 women and minority employees.

"The training had a profound effect on me," says Lew. "I was really struck by one exercise that pointed out that diversity goes beyond gender and skin color. We learned that even among the white males and white females there were considerable differences in background, upbringing and socioeconomic status. That helped me redefine diversity in my own mind. We tend to think diversity means only issues of gender and race, but it goes far beyond that."

Historically, HP has focused on hiring to achieve work force diversity. But limited growth is causing diver-

"We tend to think diversity means only issues of gender and race, but it goes far beyond that."

sity programs to go beyond traditional efforts and to focus on developing and retaining a diverse work force.

One such effort at HP is the Accelerated Development Program (ADP). Developed jointly by Corporate Education and Corporate Work Force Diversity, ADP is an intensive development program for promising managers—with an emphasis on women and minorities.



Virginia Lopez and Josie Benzor set up a display celebrating National Hispanic and Native American Heritage Month at the Loveland, Colorado, site.

Dana Phinney, program manager for ADP, asserts that the idea behind ADP involves a shift in HP's cultural attitude. "HP traditionally has had an egalitarian approach to development. But smart business doesn't mean treating everybody the same."

ADP participants are mid-level managers identified by management teams as having high potential—people HP wants to keep. The year-long program includes mentoring and coaching by many of HP's senior managers, workshops and university-based executive education. To date, 38 people have gone through the two-year-old program and more than half of the first class of 14 have received promotions.

Since diversity issues are different in different geographic areas, each HP division or entity has a diversity specialist and a diversity and affirmative-action plan for which the G.M. is responsible. The specialist is an

advisor to the G.M., management team and employees on diversity issues, programs, best practices and resources.

In Loveland, Colorado, where the population is largely white, HP's diversity specialist, Josie Benzor, was one of the founding members of the Resource Awareness, Diversity and Development (RADD) group now in its fourth year. This grass-roots endeavor began because of a need to raise awareness of cultural, ethnic and racial diversity—to bring diversity out in the open. "People here didn't want to talk about issues of race or different ethnic cultures," says Josie.

"The lack of recognition (of racial and cultural differences) made people of color feel invisible. The RADD group's efforts have done a lot to educate people within HP and in the outlying community," says Josie.

Says Lew of the diversity training he participated in, "As I listened to the women and minority employees discuss the issues that affect them, I learned a lot about the subtle forms of discrimination that take place.

"These are not overt acts, but little things. I learned how uncomfortable

"Smart business doesn't mean treating everybody the same."

these things make people feel and how they affect people's self-confidence and their ability to interact with others and to do their jobs."

"I was shocked listening to people describe some of the overt acts of discrimination that occur," Lew admits. "I guess I didn't think such things hap-

"I was shocked listening to people describe some of the overt acts of discrimination..."

pened in HP. We heard examples of things that I consider absolutely out of line. It shocked me that this kind of overt discrimination still takes place in a company as great as HP," he said.

Raising managerial awareness about diversity issues is one of the main goals of HP's "Managing Diversity" class. It currently is being updated to include modules on sexual orientation and harassment and people with disabilities, along with existing modules on age, racial and gender diversity. An employee version of the class begins next year.

HP's work force diversity strategies include a variety of outreach, recruiting and education programs. Developmental programs such as "Efficacy for Women" and "Efficacy for Minorities" are offered throughout the company.

"Since every country is different," says Emily Duncan, "we have to be open and flexible as we craft solutions." **M**



Gary Chin, a manufacturing development engineer in Waltham, Massachusetts, and his mentor Fred Campbell, an R&D section manager, meet a couple of times a month as part of the Medical Products Group's pilot mentor program.

What in the world is going on?

Outside the United States, most diversity programs focus on women and people with disabilities. In HP Taiwan, a program enables excellent performers to continue to work while devoting more time to their families. These employees can choose to work part time or share a job, eventually returning to work full time.

In Australia, HP has joined forces with 10 major companies to participate in a Women's Intercompany Network. This involves quarterly development seminars for women at all job levels. The success of this group led to the formation of an HP women's network.

In Japan, the government sets standards for hiring people with disabilities. At Yokogawa-Hewlett-Packard, diversity efforts currently focus on recruiting people with disabilities and on identifying and developing women with the potential to work at high-level professional jobs.

The Böblingen Manufacturing Operation in Germany has a special partnership with the Workshop for the Disabled or *Behinderten - Werkstatt*. Through this program, disabled people work at HP on a contract basis. Three have been hired as regular, full-time HP employees.



Developers of e-mail systems for HP's 89,000 users include (counterclockwise from left) Alex Wilson, Richard Madeley, Andy Dooley and Carlos Gomes.

"Just Desk it to me"

By Bob Silvey

PINEWOOD, England—Andy Dooley remembers the first time he tried HP DeskManager. "It was 10 years ago, and I was the MIS manager at Winnersh, here in the United Kingdom. We were the first Desk users outside of Pinewood, where it was developed.

"HP Desk was an exciting product. It changed my way of doing business because I could communicate easily with the people who worked for me. I could write them a note and send it to them with a simple distribution list.

"At first, we could send Desk messages just to other people at Winnersh. And then we were linked to Pinewood, Geneva, Palo Alto, and more and more sites. I liked Desk, so I changed jobs to work on it."

After five years in Pinewood and five years in Cupertino, California, Andy has returned to the U.K., and he is again working on electronic mail as R&D manager for the latest Pinewood e-mail product—HP OpenMail.

"We have the best messaging solutions in the world here at Pinewood," Andy says. "Desk meets the communication needs of HP 3000 users, and HP OpenMail takes care of UNIX users."

In the early 1980s, HP Desk spread quickly throughout the company and revolutionized HP's culture. This was an exciting way of communicating—computer-to-computer and person-to-person, without paper and within minutes. It was exactly what an information-hungry, globe-circling company needed, and each year the number of users grew.

Now 89,000 HP employees send one million electronic messages each day. That's 75 gigabytes of data—about 75 billion characters—every month. If you're in a hurry for information, it's easy to get the idea across in HP-speak. Just say "Desk it to me."

And it's not only Hewlett-Packard employees who use HP Desk. Worldwide, one and a half million people Desk messages to each other in 12 languages—people who work for

companies like American Airlines worldwide and Glaxo in the U.K., for Long's Drugs in the United States and Enel Roma in Italy.

This easy level of interconnection for HP and for its customers is the result of continuing product development. The Pinewood team creates communication backbones that connect disparate systems—systems that usually can't talk to each other.

HP OpenMail, for example, is a powerful, flexible channel through which local-area networks (LANs) and other incompatible systems exchange messages. You can make an international phone call without thinking of the incompatible telephone system at the other end, but electronic mail was not always so easy to use.

Now HP OpenMail makes simple, phone-like connection available for different e-mail systems. Other companies' products provide e-mail connection for a LAN—a few dozen computers within a single work group—or for users who limit themselves to Lotus or Microsoft interfaces. But HP OpenMail provides large-scale, open-systems international services.

Paul Morgan-Witts, product manager for HP DeskManager and for its new flexible version, HP Open

"OpenMail is several steps ahead of other e-mail systems."

DeskManager, explains the Pinewood approach: "The user interface is not the product. We provide the sophisticated infrastructure that provides users with uncomplicated messaging."

That sophisticated infrastructure is the essence of both Pinewood products, HP OpenMail and HP Open DeskManager. And it allows users to choose the interface they see, just as

"It is a unique solution to a host of communication obstacles."

people can use the phone system with a simple black dial telephone or a red push-button set with memory, redial, fax and modem switching, and a dozen other features. In fact, HP OpenMail or HP Open DeskManager can be used with any of several "clients of choice," including Microsoft Mail and Lotus's cc:Mail—or with HP products that run on Microsoft Windows, Motif and Apple Macintosh.

"OpenMail," says product manager Alex Wilson, "is several steps ahead of other e-mail systems. It runs on various UNIX servers and is accessed through client interfaces running on PCs, terminals or workstations."

HP OpenMail also is ahead, Alex says, because it's based on international standards. Large, worldwide corporations like it because it's more reliable than LAN-based e-mail for the thousands of users they have.

"And OpenMail moves electronic data from one place to another, both within a company and between companies," Alex says. "Our customers, such as British Telecom and Amoco, use OpenMail to tie together many kinds of electronic-mail services."

For its 10th birthday, HP DeskManager has added new features, Paul says. Desk was always a powerful e-mail system, sending text messages

quickly anywhere on the network. Now, users can log on from many interfaces, including NewWave Mail and other clients.

In short, HP Desk is improving with age. "Desk is our solution for MPE; OpenMail is our solution for UNIX," says Paul. "Technology developed on one platform is being transferred to the other."

Project manager Paul Turner agrees. "Remember the HP video about multimedia computing in 1995?" he asks. "Computing is lovely; it's like a toy. You can connect easily with distant users, then send and receive still pictures, motion pictures or sounds—stored or in real time. You can pop up a photo from your mail directory and see whom you're talking to on the

"You can pop up a photo from your mail directory and see whom you're talking to..."

phone, then drop a complex bar chart on that person's computer screen as you talk.

"The applications for all of that exist today," says Paul. "But it's nothing more than a demo until the connecting infrastructure is there. OpenMail is that infrastructure." **M**

(Bob Silvey, who spent the past year working for HP in Pinewood, leads the benchmarking efforts for HP's Corporate Information Technology department.—Editor)

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NAFTA: beyond the bumper sticker campaign

By Betty Gerard

NAFTA opponents have launched some scary slogans, but HP solidly supports the proposal.

What is it about NAFTA—the proposed North American Free Trade Agreement among Canada, Mexico and the United States—that has adrenalin pumping on both sides of the issue? And why does HP solidly back its passage?

One reason for the public controversy is that it's all too easy to grasp such bumper-sticker claims as "jobs will be lost" and "we'll be flooded with cheap goods." Intellectual arguments in favor of NAFTA get lost in the shouting. Economists and other supporters have a hard time making it clear that helping neighboring countries to produce and move goods easily across borders without paying duty will in turn help the output and prosperity of one's own country.

HP's voice has been clearly heard in support as its government affairs and customs people in each country talk with officials and opinion makers.

Robbins Pancake, HP's trade affairs manager in Washington, D.C., says, "For U.S. exporters, this provides permanent market-access into Mexico—a gigantic advantage.

"It's ironic there's been so much attention focused on gaining market access into Japan. NAFTA is being handed to us on a platter, yet some people are bashing it."

In the United States, where at press time a vote in Congress was due in mid-November, HP took the unusual step of encouraging employees to write letters urging passage of NAFTA. Well-organized labor and farm groups and other opponents began early to bombard Congress—mail was running 9 to 1 against the agreement.

In Idaho, for example, beet and potato growers fearful of a heavy influx of imports from Mexico began an anti-NAFTA campaign two years

ago. They aren't soothed by safeguards built into the treaty to guard against surges of imports.

Jim Whittaker, HP's international public policy manager, points out that the argument about loss of U.S. and Canadian jobs to Mexico from NAFTA is groundless. Nothing in the treaty changes the reality that many Canadian and U.S. firms have already set up operations in Mexico. "It's actually the reverse," Jim says. "It will be easier to sell in Mexico without having to manufacture there. Jobs can stay at home."

"NAFTA and the so-called 'side agreements' present an unprecedented opportunity to work on environmental and labor issues, which are part of a trade agreement for the first time," Jim says.

Another incentive is the first ever protection for intellectual property built into the treaty—a boon for software companies from outside Mexico who have hung back, fearing unauthorized copying. More software will speed the country's computerization.

Barbara Kommer, public affairs manager in Washington state, finds her Congressional delegation open to the benefits of NAFTA. Since Washington relies more on foreign trade than any other state, "there's a free-trade mentality here," she says. Local HP divisions eye the developing Mexican market with interest, anticipating sales of cellular test equipment and the dynamic signal analyzers used to test hydropower turbines.

A model for NAFTA is the Canada-U.S. Free Trade Agreement (FTA) implemented in 1989.

Kevin Dollimore, customs and distribution manager for HP Canada, sat on an Information Technology Association for Canada (ITAC) committee



JOEL SALCIDO/LIAISON INTERNATIONAL

The already busy border crossing between El Paso, Texas, and Juarez, Mexico, could get busier if NAFTA is approved.

which was a resource for Canada's NAFTA negotiators—who sometimes called at 2 a.m. for advice on technical wording.

Although the FTA has run into popular opposition in Canada, trade figures show that exports between the two countries have gone up substantially for each since the treaty was signed. (Canada is the United States' largest trade customer, with Mexico second.)

Immigration hassles have been eliminated at Canada-U.S. border crossings, making it easier for an HP technician to enter to help a customer and for engineers to transfer to the other country.

A good example of benefits from a cross-border relationship is the interaction of HP's Network Printer Division (NPR) in Boise, Idaho, and the Guadalajara Printer Operation (GPR) in Mexico.

In 1989-90, NPR transferred the line printer product line to GPR in order to focus its own efforts on laser products—which created hundreds of new

jobs in Boise. In turn, GPR developed its own R&D function and now invents accessories for NPR's American-made printers.

It's a win-win arrangement, says Jaime Reyes, formerly GPR manufacturing manager and now in Boise on a two-year assignment. "My perception is that NAFTA will definitely grow jobs in Mexico, the standard of living will rise, and the United States can export more to Mexico and therefore create jobs at home."

And since many parts used by GPR come from U.S. sources, NAFTA will greatly simplify the process for bringing them across the border.

In Mexico City, Tere Carrillo handles public affairs for HP Mexico. NAFTA has strong support from President Carlos Salinas de Gortari. Unlike the head-to-head lobbying required in the United States, the business coalition in Mexico has worked closely with the government to fine-tune the agreement, she says.

NAFTA will give HP Mexico's sales force a strategic advantage since products coming from outside the three-country territory must still pay Mexican duties, typically a hefty 10 to 20 percent.

For each country, there will still be paperwork needed under the "rules of origin" to document that a required percentage of a product's content comes from the NAFTA territory.

But as Dick Uschyk, HP's trade compliance manager at Corporate Customs, points out, there's a payoff. HP has saved nearly \$7 million since 1989 in reduced duties between the United States and Canada. And since Mexican tariffs are much higher, HP expects substantially greater savings from NAFTA in addition to stepped-up sales.

It's too bad that fear is setting the pace of public discussion of NAFTA, in Dick's view.

"In reality, NAFTA means the three North American countries support one another. It's a good deal for everyone." **M**

A cut above the rest

FEDERAL WAY, Washington—Like the forests for which it is so well known, the Weyerhaeuser Company's relationship with Hewlett-Packard is growing steadily.

In fact, the companies have entered into a multimillion-dollar relationship that should continue well beyond Weyerhaeuser's 100th anniversary in the year 2000.

In June 1993, Weyerhaeuser, one of the world's largest forest-products companies, announced that it had chosen HP to spearhead its move to open-systems computing. Weyerhaeuser will use HP Apollo 9000 servers and workstations, software, networking and consulting, education and integration services to achieve its open-systems-technology target.

"The thing that distinguishes HP from the other candidates is its strength in open systems," says Carl Presley, who manages the open-systems relationship for Weyerhaeuser.

Founded in 1900 in Tacoma, just south of its Federal Way headquarters, Weyerhaeuser is committed to total-quality management in its quest to be "the best forest-products company in the world."

Weyerhaeuser has more than 39,000 employees in facilities throughout the United States and Canada. Its principal businesses are the growing and harvesting of trees; the manufacture, distribution and sales of forest products, including logs, building products, pulp, paper and packaging products; real-estate construction, and development and financial services.

"We looked at a number of other companies before we decided on our open-systems partner," says Weyerhaeuser's Carl Presley, "and we felt that HP was a cut above all the rest." **M**



ROBIN LINDSEY



JOHN GALLAGHER



JOHN GALLAGHER

above left

HP partnership program manager Pat Chaney (left) and account manager Steve McCormick (center) talk with Carl Presley, Weyerhaeuser open-systems partnership manager, outside Weyerhaeuser Company headquarters in Federal Way, Washington.

left

Rolls of newsprint bound for Pacific Rim markets fill the hold of one of Weyerhaeuser's Westwood Shipping Lines ships. Pulp and paper products are about 58 percent of Weyerhaeuser's \$1.7 billion in exports from North America.

above

A technician inspects the lightweight coated paper produced at Weyerhaeuser's Columbus, Mississippi, mill. Each month, the mill produces a 24-foot-wide ribbon of shiny, white paper long enough to circle the earth at the equator.



JEFF CORWIN

above

Lumber ready to be exported to Japan sits on the dock in Coos Bay, Oregon, awaiting shipment.

above right

Weyerhaeuser expects recycling to be one of its fastest-growing businesses in the 1990s as municipalities struggle with mounting solid-waste disposal problems. Stacks of baled wastepaper dwarf a forklift and driver in Weyerhaeuser's Beaverton, Oregon, recycling center. The company has operated a recycling business for two decades.



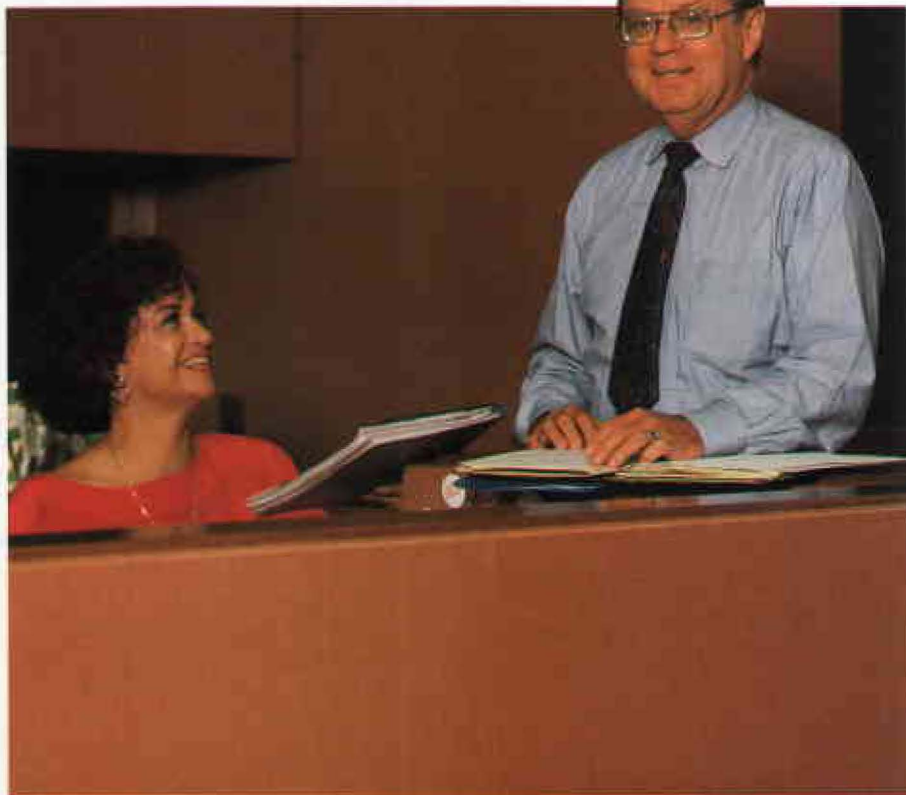
JOHN GALL/ASPER



CLAYTON LINDLEY

right

Two employees inspect a 50-year-old stand of timber in Weyerhaeuser Company's St. Helens Tree Farm in southwest Washington state. Weyerhaeuser already had begun an active reforestation program by the late 1930s, when these trees were seedlings.



"He makes the time to listen to people," says Yolanda Squarcia, administrative assistant for the past 16 years to Bill Terry, who retires from HP November 30.

An "instrumental" career

By Gene Endicott

Bill Terry—the embodiment of the HP way—retires after a 36-year career.

As he walks the halls of HP in a slightly aging cardigan sweater, or drives into the corporate offices parking lot in a company car sporting small American flags in the rear side windows, it's easy to forget that Bill Terry is one of the highest ranking managers in HP.

While many HP people through the years have helped shape what's become known as the HP way, Bill is perhaps the best example of a manager who has embodied it. Colleagues describe him as the consummate HP-style manager who has always understood the importance of relating to—and leading—those he has worked with throughout a 36-year HP career that concludes with his retirement on November 30.

"Whatever assignment he has had, Bill has developed a good relationship with his people," says HP co-founder

Dave Packard. "His strengths as a manager and his emphasis on people have related well to the strengths of the company."

Bill joined HP in October 1957, a year when Dave, Bill Hewlett and others began talking about the philosophies that would later become the HP way. He gravitated toward HP after becoming familiar with its products as an electronics instructor and lab supervisor in the U.S. Army at Fort Still, Oklahoma. "Like a lot of HP employees, I got to know the company through its products," says Bill, who for years has proudly displayed one of the first HP 200A audio oscillators in his Palo Alto, California, office.

Carl Cottrell, a long-time HP employee, now retired, was one of the HP managers who first interviewed Bill for a position on the company's marketing staff. "He was a

JACK CARROLL

fresh, young 'shave tail' out of the Army and we were impressed because he was smart and full of energy. He gave all the appearances of being an HP-type person," Carl says.

Prior to his stint in the Army, Bill graduated from Santa Clara (California) University with a bachelor's degree in electrical engineering. Upon being hired at HP he was asked to develop a training program for HP's manufacturing representatives who, at that time, acted as the company's sales force. That program has evolved into what is generally known today as sales support.

"When I walked in the door, somebody asked if I had a master's degree from Stanford University in engineering," Bill recalls. "I said, 'No,' and they said 'Well, maybe you could work in marketing.' " He remembers that his first monthly paycheck was for \$200, plus a 38 percent production bonus.

He later worked side by side with former HP President and CEO John Young to help acquire 10 of the company's 14 manufacturing repre-

"...Bill excelled at each job he had over a long period of time."

sentatives, and spent six months in Syracuse, New York, helping to establish the company's first direct sales organization in the United States (the first was in Canada). He was asked to head the Syracuse office permanently in 1965, but chose instead to become marketing manager of the newly established Colorado Springs (Colorado) Division, which produced oscillo-



Bill and Shozo Yokogawa, first president of Yokogawa-Hewlett-Packard, celebrate YHP's 20th anniversary in 1983. Bill is a long-time member of the YHP board.

scopes. Two years later, he succeeded Stan Selby as G.M. of what Bill describes as a "classic, functional instrument division."

"We were young kids when we joined the company," says John Young, who began his HP career in 1958, "but even as the company grew and people got distributed to run different operations, Bill and I remained close throughout the years."

In 1971, Bill Hewlett, who was running the company while Dave Packard served as deputy secretary of the U.S. Defense Department, appointed Bill general manager of the Data Products Group in Cupertino, California, primarily to help resolve a number of challenges associated with HP's plunge into the computer business.

Three years and an election to corporate vice president later, Bill returned to the instrument side of HP's business as vice president and general manager of the Instruments

Group. He was promoted to executive vice president in 1980, named to head the former Measurement, Design and Manufacturing Systems Sector in 1984, the Measurement Systems Sector in 1986, and assumed responsibility for the Measurement Systems Organization in 1992.

"Bill was successful early as a functional manager, division manager and in each subsequent assignment he was given," John adds. "HP people become successful by building on sustained, demonstrated results and Bill excelled at each job he had over a long period of time."

Despite his numerous and varied assignments through the years—Bill believes he has worked directly in, or for, every element of the company except the non-technical corporate functions and direct commission sales—he has spent the majority of his career associated with HP's electronic instrumentation businesses. His

Bill Terry

fellow managers have seen him as the flag bearer for the company's test and measurement (T&M) organizations. "Bill played an important role in helping to maintain the roots of the company by providing visibility, momentum and advocacy for our T&M businesses," says John.

"His main contribution to HP was in building our electronic instrument business to be the best in the world," Dave Packard adds.

But it's his day-to-day management style and unwavering commitment to the HP way that also has left an indelible mark on the company. "He has really been a student and practitioner of the HP way and the importance of

"He was never a limelight grabber and always deferred to others."

leading people in the right way," says Lew Platt, HP president, CEO and chairman of the board. "Bill has the ability to articulate better than most people what the HP way is all about and why it's important. He has an honesty and forthrightness that's very important."

"Bill always has done a lot of management by wandering around, even nationally and internationally," says HP retiree Bob Grimm, who worked closely with Bill. "He was never a limelight grabber and always deferred to others. I admired the fact that he never pushed what he was in charge of to the detriment of the other HP businesses."

Bill's emphasis on the HP way and interpersonal relations is rooted in a



Bill and his wife, Janice, spend most weekends hiking, including this recent outing to Yosemite National Park.

firm belief that it helps the company to be more successful. "The HP way is with us because it leads to better business results, not because we're all trying to be candidates for sainthood," Bill says. "I put high stakes on high performance and good results. That's really important to me. I haven't developed this management style because I like people to think I'm a nice guy and to have them say good things about me."

Yolanda Squarcia, Bill's administrative assistant for the past 16 years, has seen the results of his management style firsthand. "He makes the time to listen to people," she says. "When the Stanford Park Division closed recently, Bill spent a lot of time with employees who came to his office to talk. He has definitely had an open-door policy through the years."

Born and raised in San Jose, California, Bill also has stepped forward to become heavily involved on behalf of HP in a variety of high-profile community organizations and causes. In 1976, he served as chairman of the American Electronics Association, and he has been actively involved for a number of years with Santa Clara

University, the Peninsula Community Foundation and the Santa Clara County Manufacturing Group.

As to the future, Bill looks forward to a less-scheduled life with his wife, Janice. He will continue to serve on two outside boards—Santa Clara University's board of regents and the Community Foundation—but is not anxious to return to working. "I'll probably enjoy a six- to 12-month cooling-off period before deciding what to do next," he says.

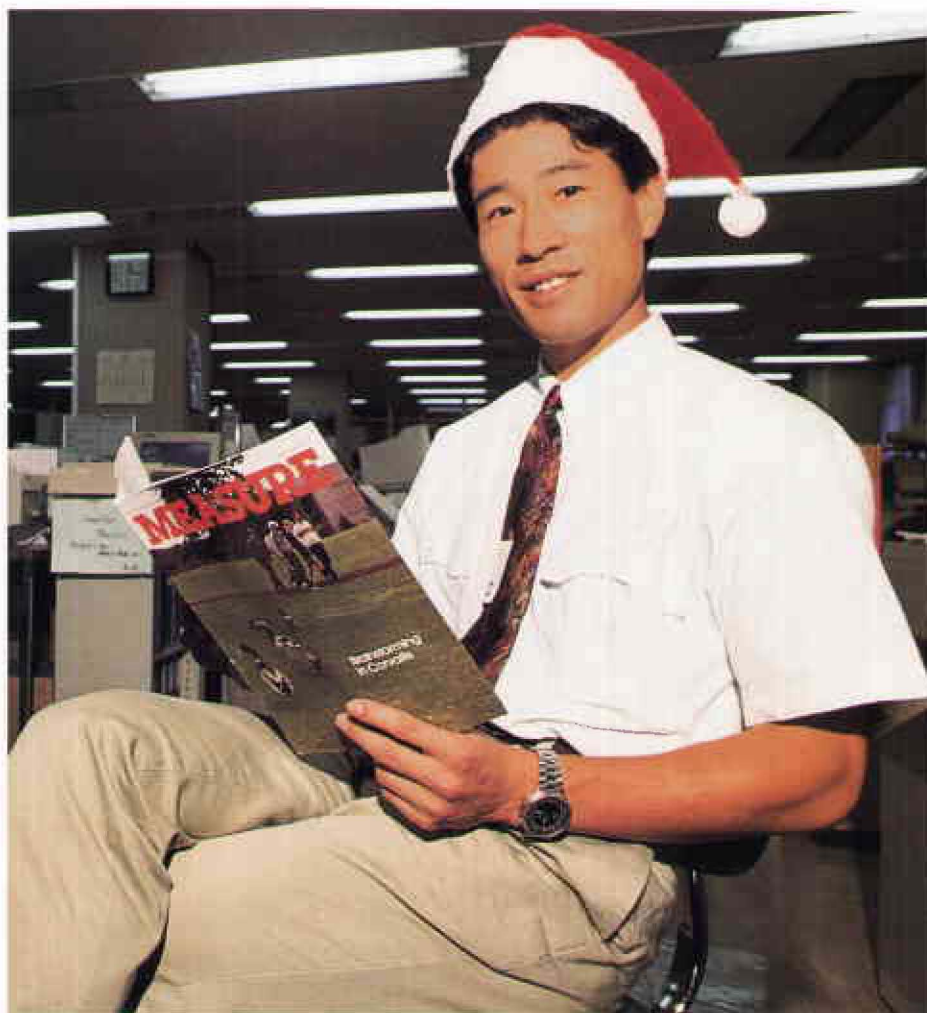
In the meantime, he plans to enjoy more time with his four grown children and two grandchildren, perfect his golf swing (he just recently took up the sport), continue with the hiking treks he and Janice undertake on most weekends and read even more than he does now. "I usually juggle two or three books at once," he says.

Bill looks to HP's future with a great deal of optimism. "I feel very good about the new management team and the directions it's establishing through a reinforcement of our traditional values, because it will get

"I put high stakes on high performance and good results."

us better business results" says Bill. "It's a good time for me to wind it up because it feels like the ledger of accomplishments far outweighs the ledger of problems." **M**

(Gene Endicott is Bay Area Government Affairs manager in HP's Government Affairs department.—Editor)



CAROLINE PARDESS/LASSON INTERNATIONAL

YHP employee Kazunori Santa talks about his famous name.

Even Santa reads *MEASURE*—that is, Kazunori Santa, YHP customer-support engineer. People have been known to burst into laughter when they hear his name.

A visit with Santa

By Jean Burke Hoppe

OSAKA, Japan—*MEASURE* has learned that Santa is alive and well—and working for Yokogawa-Hewlett-Packard in Osaka, Japan.

Kazunori Santa, a customer-support engineer for 12 years, has more in common with Santa Claus than meets the eye. He's dedicated, kind and a right jolly old elf with a twinkle in his eye. He also has an affinity for flying (aircraft, not sleighs).

In interviews conducted entirely over HP Desk, Santa patiently and diligently answered questions about having a name like his in a mainly Buddhist country and about interesting things that have happened to him because of his name.

At times in the process, Santa, who has borne this name for 31 years with little fanfare, seemed slightly perplexed at all the commotion. "I have never thought so many things about my strange name in my life," he said.

Santa, who's had no special English lessons but practices it to expand his world and to pursue his dream of being a pilot, turns a phrase better than many native English speakers. His quotes in this story have been left almost entirely as he wrote them.

Kazunori Santa admits that his name is unusual even in Japan, where people often ask him how it is spelled. "My name can be read in three ways:

Santa

'mita,' 'sanda' and 'santa.' " In Eastern Japan, he is called "Mita-san"; in the West, "Sanda-san." He is never called "Santa-san" in Japan.

Santa's funniest name-related work experience happened on the first working day of 1987. He logged onto HP Desk and found several unfamiliar messages. "As I opened each message, big-size letters appeared on the screen one after another. They were very beautiful work. A reindeer, a sleigh, a steam locomotive and finally, a big Christmas tree appeared with a decorating lamp blinking."

The holiday messages were delivered to Santa because the creator had used the name "Santa" as the sender. HP Desk automatically mailed him copies of messages posted "from" Santa.

His name got a strong reaction when he visited Hawaii for a week earlier this year with his new bride, Makiko. "I experienced many times people showing not a little reaction as they heard my name. They would suddenly burst into laughing, make a little confused face, get more friendly, make face unbelievable. Watching such a reaction was one of our pleasures during that short trip."

He didn't get nearly the reaction in Los Angeles when he visited there for

"We can see many fake Santas in and around shopping malls."

a month in 1991. But most Americans know you have to be pretty outrageous to attract attention in L.A. Maybe it would have been different if he'd brought eight tiny reindeer?



Kazunori, who spends most of his time solving customer problems in downtown Osaka, has a passion for flying and is studying for a private-pilot's license.

Most Japanese are either Buddhists or Shintoists, yet Christmas, which commemorates the birth of Jesus Christ, has come to be celebrated in small ways in Japan. For children, it's the day of Santa, when they might receive toys from their parents or get a fancy Christmas cake. Santa (Claus) may visit kindergarten children. Young sweethearts might exchange gifts, share a special meal, or attend a movie, opera or concert.

There seems to be one universal truth in how Christmas is celebrated the world over: It is a time for retailers to boost their profits. Christmas definitely has become commercialized in Japan, with the media blitz starting as early as mid-November, Santa says. "They make it too noisy and loud in doing advertisements. We can see many fake Santas in and around shopping malls." Santa echoes a sentiment that many Westerners have about the

holiday season: "Actually, if these people were not in Japan during Christmas, we could have a more calm and quiet Christmas day. If it is possible, I would welcome such a situation with great pleasure."

Santa admits he yearned to celebrate Christmas as a child. "Watching on TV, I saw scenes of other kids having a Christmas party with their family, having fancy cake and something that seemed to taste good. I asked my parents for something like that and my father said, 'Why do we Buddhists need such a Christian party? Wait for New Year's Day and we can have plenty of dishes.'"

It's difficult for Santa to explain what Christmas means in Japan. He stresses that "real Buddhists have no interest in Christmas. I don't mean they hate it or exclude it or eliminate it. They just have no idea what to do with it. It's a work day like any other.

Most Japanese people don't know who Jesus Christ is. They have never read any part of the Bible."

Many people who are raised in other religions around the world fall away a bit as adults rather than attending weekly services. So, too, do many Japanese, says Santa. "Most Japanese are Buddhists, but they don't have such strict discipline. Most of them have never read the writings of Buddhism. Compared to Southeast Asian people in Thailand, India or China, where Buddhism is the main part or whole of their lives, Japanese people are not Buddhist anymore. It seems like convenient clothes in Japan. We can be dressed up in it for special circumstances (weddings, deaths, special ceremonies) and we can undress when it's over and change into other clothes."

Even the way couples get married in Japan is changing, with up to half of them opting for a Western-style wedding over the traditional Japanese

"It felt like having sweet ice cream and sour cheese and sliced raw fish at the same time..."

ceremony. Santa, who has a friend who was married in a Western-style ceremony at a Shinto shrine with a Shinto priest, found this strange at first. "When I heard about it, I couldn't believe it. It felt like having sweet ice cream and sour cheese and sliced raw fish at the same time in my mouth. But it's becoming more popular, because it's less expensive than the traditional ceremony, and leaves more



Christmas will be just another day, says Kazunori, here exercising with his wife, Makiko. "(Buddhists) just have no idea what to do with (the holiday)."

money for a new apartment or new car or traveling.

"Also, a little number of people feel that a traditional Japanese-style wedding is too old-fashioned and the Western style is more modernized and beautiful. It's more likely to happen in cities and urban areas, not the countryside and provinces where people live more along with the religion. In such areas these weddings do not exist. Christmas does not exist."

When Santa is not with his new wife or lugging service tools and repair parts around to YHP's Osaka customers or trying to answer nearly impossible questions for *MEASURE*, he's probably thinking about flying.

"I think I was born to fly. However, I could not catch a chance to make it come true in my life. Maybe my enthusiasm and basic nature was not enough to catch a chance. That is just like a young bird whose wings did not

grow up enough to catch a wind at all. However, I cannot hold my horses when I see or hear something flying in the sky. I wanted to be a member of an aircraft crew, like a 'copter pilot in a rescue operation. And some day, if I ever visit corporate headquarters, I would like to meet one of HP's pilots. Studying about aeronautic subjects is my great pleasure in life."

When Christmas rolls around in December, HP's Santa will be doing "nothing special at all." In fact, he worries that his story will not be interesting to *MEASURE* readers, but says, "I made up my mind to accept your request for the purpose of world peace and happiness."

Now, if that's not the Christmas spirit, what is? **M**

(Jean Burke Hoppe is a Lincoln, Nebraska-based free-lance writer.— Editor)

Readers speak; *MEASURE* listens

By Jay Coleman, *MEASURE* editor

It's nice when organizational experts like Milton Moskowitz say complimentary things about *MEASURE*, such as his listing of the magazine as one of the seven best company publications in America.

But what do HP employees—*MEASURE*'s primary audience—say?

MEASURE asked that question recently and, frankly, the results are very pleasing. This summer, *MEASURE* conducted a scientific, random sampling of 900 readers in the United States.

U.S. readers returned a respectable 60 percent of the surveys, which "measured" *MEASURE*'s appearance and content. About half of the respondents also offered written opinions on how the magazine could be improved. Those complaints and compliments included:

"It should be printed on recycled paper."
(*Editor's note: It has been since May-June 1991.*)

"Focus on people's lives outside of work."

"More business-oriented stories, less propaganda."

"Cover more international stories. Americans still know so little about the world outside of the United States."

"*MEASURE* gives away far too many trade secrets to our competitors. Let's make it more difficult for them to find out."

"The articles are so 'goeey' and soft I am revolted nearly every issue."

"Less cheerleading and more realistic assessments of the company's position versus competitors, and in terms of financial structure and employee morale."

"I enjoy *MEASURE* and think the people that write and produce the magazine are doing a great job."

"I couldn't care less if you never sent it to me again. On the other hand, I think it's a well done publication compared with those of other companies like IBM."

We also distributed *MEASURE* surveys to about 450 employees who work outside the United States and read the magazine. About 40 percent of those people returned the surveys. Although those results aren't statistically valid (because the sampling wasn't random), the percentages—and written comments—give us a good idea about what international employees think of *MEASURE*.

Statistically, U.S. *MEASURE* readers gave the magazine high marks on most questions. For example:

■ Nearly all HP employees in the United States receive the bimonthly publication regularly.

■ About four out of every 10 employees read most or all of the magazine, and nearly 80 percent read more than a few articles in each issue.

■ You like stories about HP products and research-and-development activities the most, followed by how customers use HP products, new companywide programs, HP news in brief and messages from HP Chairman, President and CEO Lew Platt.

■ You're not as interested in stories about the roles of Corporate departments, letters from fellow employees and articles about company history.

■ *MEASURE*'s appearance and photography rank extremely high, and you think the magazine is easy to read, well written, believable and has good story variety.

■ The lowest-rated areas are the percentage of stories from HP's various product organizations, the balance of U.S. versus international stories and just how interesting the stories are.

Still, the results indicate that *MEASURE* offers something of interest for most readers.

Of course, *MEASURE* never will be as timely as the information employees receive from their supervisor, or from Newsgrams, the electronic news bulletins that are sent out about three times a week. That's not the magazine's purpose. *MEASURE* is a feature-oriented magazine that gives employees an overview of HP's vast breadth, trend stories on issues affecting the company and feature stories that let you see and hear from HP's worldwide employee audience. It's a "people" magazine.

As such, *MEASURE* staff members want to hear from you—HP employees—throughout the year. In fact, we'll include reader response cards in about every other edition, so we can receive regular feedback.

To all employees who participated in the *MEASURE* survey, thank you. And to employees worldwide, you know where to find us. **M**

U.S. survey results

Do you receive *MEASURE* regularly?

Yes	94%
No	3%
Not sure	3%

How much of *MEASURE* do you read?

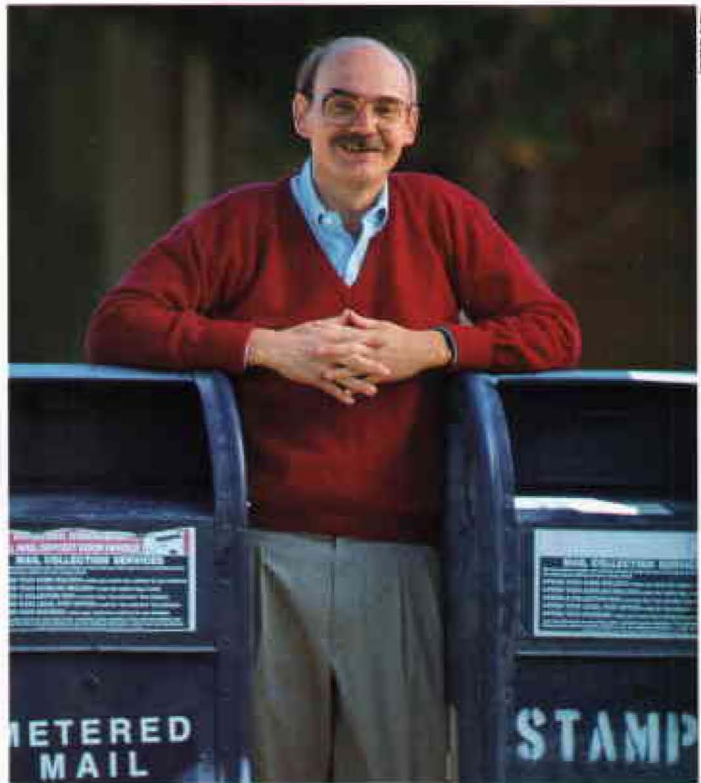
All articles in each issue	6%
Most articles in each issue	36%
Some articles in each issue	36%
A few articles occasionally	20%
I never read it	2%

How interested are you in stories about:

New products, research and development	84%
How customers use HP products	83%
New companywide programs	78%
HP news in brief	75%
Messages from Lew Platt	74%
Communities and countries where HP has facilities	72%
HP competitors	70%
Stories about HP people	68%
Industry and business trends	68%
Management policies and practices	67%
Changes in HP's organizational structure	66%
How HP advertises and sells products	63%
HP activities in the community	62%
Company history	62%
Letters from employees	56%
Roles of Corporate departments	47%

Percentages include "great" and "above-average" interest

(Editor's note: We received several complaints from employees who receive two copies of MEASURE because both spouses work for HP. We hope to solve that problem by the January-February issue by writing a new computer program that will eliminate duplicate copies mailed to the same address.)



MEASURE readers who mailed surveys to Editor Jay Coleman called the magazine everything from "great" to "goeey."

How would you rate *MEASURE* on:"

Appearance	94%
Photography	91%
Ease of reading	91%
Quality of writing	86%
Believability	83%
Story variety	81%
How interesting	76%
Balance of stories from various HP organizations	70%
Balance of U.S. and international stories	67%

Percentages include "excellent" and "above-average" ratings

Let us hear from you

To comment about something you've read in *MEASURE*, contact Editor Jay Coleman by HP Desk, fax (415-857-7299), phone (telnet 857-4144) or mail (3000 Hanover, 20/BR, Palo Alto, CA 94304-1181 USA).

HP's chairman, president and CEO outlines the company's Hoshin goals for 1994.

As we begin fiscal year 1994 (FY94), I'd like to look back on 1993, report on the progress we've made on our companywide Hoshin objectives and take a look at 1994—an important year for Hewlett-Packard.

You'll remember that we had two Hoshin—or “breakthrough”—goals for 1993: enhance HP's profitability and substantially improve the company's order-fulfillment processes.

We've added a third Hoshin for 1994—“our people.” This is something I feel especially strong about. But before I explain this new Hoshin, I'll recap the results of our FY93 goals.

Despite a difficult worldwide economic environment and severe competitive pressures in 1993, we made good progress in pursuit of our profitability goal.

The good news is that we did a remarkable job of rebalancing HP's profitability. Two organizations—Worldwide Customer Support Operations (WCSO) and Computer Products Organization (CPO)—had outstanding years. Profit margins dropped for both WCSO and CPO, but we expected that to happen.

Other businesses—Test and Measurement, Medical, Components and



Leu (far right) helps dedicate the new HP Mexico City sales office with HP Mexico Country G.M. Rafael Piccolo (left) and Mexico City Mayor Manuel Camadro Solis.

Computer Systems—improved their profitability substantially. So, we reached our goal of better profit balance, although profit margins did not improve significantly.

I can't say the same thing about order fulfillment—which includes everything from the original design of a product, system or service through delivery to the customer and payment. In fact, 1993 clearly was a disappointing year in terms of fixing our order-fulfillment problems.

As you know, order fulfillment is a complex problem, one that we just began to understand the scope and magnitude of during 1993. While we didn't make much progress in improving order fulfillment, employees worked hard to devise programs for significant improvement. That makes 1994 a pivotal year.

So for fiscal '94, our CEO Hoshin goals are:

1. Financial competitiveness.

Our goal is to increase HP's net profit margin and improve business balance while significantly improving asset management.

Although our businesses had better revenue growth and made progress in their individual contributions to HP's profits, we didn't increase our profit margin in FY93. Increasing our profit margin is essential in 1994.

This shift from “profitability” to “financial competitiveness” is a substantial one. Each of HP's businesses must contribute its share to overall company performance. For most businesses, that means managing their

assets better while continuing to work on growth and profitability.

For 1994, we must continue hiring very few new employees, relocating some current employees in some cases and making sure that we aren't carrying an unnecessary amount of inventory. We have way too much money tied up in inventory; it seems like every 10 or 15 years we have to get back to basics and re-emphasize inventory management. This is one of those years.

During 1994, each business has a "contract" to meet in terms of financial performance, and I expect each business to do so.

2. Order fulfillment. Our second Hoshin goal is to achieve an industry leadership position in HP's order-fulfillment process.

Now that we have good awareness of the need to improve order fulfillment and a good understanding of the

"... 1993 clearly was a disappointing year (for) order fulfillment..."

issues, it's time for results. Poor order fulfillment means that our costs are higher, our customer satisfaction is lower and we have a reputation for being hard to do business with. Poor

order fulfillment also costs us money because of duplication and rework; that hurts our profitability.

We have to behave as a single company from a customer perspective for this program to be successful. Each

"This isn't just to make HP a wonderfully warm, 'fuzzy' place to work..."

business and geography has outlined improvements to address the order-fulfillment problem, and I expect to see us make great strides toward our Hoshin goal during 1994.

3. Our people. Our goal is to reassert HP's leadership as the best place to work.

This very easily could have been a Hoshin goal in 1993. In fact, I stressed the need to improve our people management and restore the HP way in nearly every speech and coffee talk I gave during the last year. This isn't just to make HP a wonderfully warm, "fuzzy" place to work; being the best place to work gives us a competitive advantage.

Strong competition and rapid change have, at times, made HP a stressful place to work. Employee survey results have declined and no longer clearly exceed industry norms. In the 1980s, we stunned industry

experts with our positive survey results. Today, the results aren't so stunning.

Generally, we've been successful in attracting a diverse work force, but we've done a poor job of moving women and minorities into management positions. We have some good programs in place to address this issue, and I'm confident that all HP employees will take this challenge seriously. Like all Hoshins, this will be a multiyear effort, but making some progress in FY94 is essential.

Now that I've finished my first year as HP's president and CEO, let me give you a few personal observations. HP employees around the world gave me incredible support during 1993. When I've asked you to pay more attention to a particular problem, you've responded with a tremendous amount of energy. I draw on that energy every day.

I'm encouraged by the momentum I saw in 1993, and I believe that 1994 will be a year of better profitability and good growth. Let's focus our energies and make it a great one.



HP/Canon alliance blooms

In recognition of the 10 millionth HP LaserJet printer manufactured, Canon held a celebration honoring HP's Boise Printer and Network Printer Divisions in Boise, Idaho.

On hand for the planting of 46 blossoming cherry trees commemorating the successful pairing of Canon and HP in the laser printing market were top executives from Canon and HP.

Later that evening at the executive dinner, Lew Platt, HP chairman, president and CEO, said the HP/Canon teamwork was an example of forward thinking leadership—"We can operate as suppliers, competitors, and teams, all while relying on each other's expertise."

TechQuiz whiz

What do creeping, flashing, pitting and spring back have in common? They're all choices to one of the many questions asked at HP Singapore's annual TechQuiz competition.

In September, HP Singapore held its 12th TechQuiz. At stake was \$70,000 in HP-donated equipment, along with the reputations of the 13 competing junior colleges.

The questions, prepared by HP engineers and managers, tested each college



Dick Hackborn (left), HP's executive V.P. and G.M. of the Computer Products Organization, and Canon CEO Dr. Hijame Mitarai conclude a tree-planting ceremony in Boise, Idaho.

In 1975, Canon developed a laser scanning system for printer engines. HP added its computer expertise and created the "Epoc" 2680 printer. In 1984, the first-ever HP LaserJet printer, (the Classic) was introduced

by HP, using Canon technology and components. Combining their strengths allowed both companies to capture the lion's share of the laser printing market.

Underneath the cherry trees, Canon donated a desert rose stone plaque

with the inscription "In commemoration of a shining example of 'Kyosei'—across oceans and cultures, Canon and Hewlett-Packard seeking ways to prosper together in one world."



team's knowledge and understanding of science and technology as well as its stamina—the event was five days long and included

1,200 questions. Ronald Ong, HP Australia manufacturing engineer and former TechQuiz organizer, recalls, "These kids prepare very

hard for the quiz and could answer most questions thrown at them."

They also expect that HP will provide them with the best atmosphere and forum to pit their skills and knowledge, says Ronald.

Oh, and in case you wondered, the question was: "In sheet metal bending, bends are initially pressed to an angle greater than intended due to a phenomenon known as _____?"

The answer: "spring back."

“Lew (literally) walked a mile in my shoes”

LOVELAND, Colorado— You’ve heard the expression “You can’t judge another person until you’ve walked a mile in their shoes.” Well, HP Chairman, President and CEO Lew Platt now knows what it’s like to be an HP communicator.

In August, Lew was walking down the stairs of the bed-and-breakfast hotel

here where he was staying when the heel on one of his shoes caught on something and fell off.

Jim Willard, Loveland site communicator, didn’t miss a beat. “It was 6:40 a.m. and we were due at the HP site in 20 minutes,” says Jim, “so I asked Lew what size shoes he wears. It turned out that they were

almost exactly my size, so I took my shoes off and gave them to Lew.”

Jim delivered Lew to the Loveland site for some management by wandering around and a coffee-pot talk with more than 500 employees. All morning, Lew wore Jim’s Cordovan and black saddle shoes.

Meanwhile, Jim left HP in his stocking feet and had Lew’s shoes taken to a local shoe-repair shop. The heels were fixed within a few hours and delivered to HP where Lew changed back



Jim Willard displays his famous shoes.

into his shoes in time for the drive to nearby Greeley.

A few days later, Lew sent Jim a note and thanked him for helping out above and beyond the call of duty.

“But now he knows what it’s like to walk a mile in my shoes.”



Bob Robertson, HP Australia’s CSO head, greets a sleepy koala named Cannon at AKF’s launch of its database Habitat Atlas.

HP helps save the koalas

HP’s concern for the environment has translated into a gift of two HP Apollo 9000 Model 710 workstations to the Australian Koala Foundation (AKF).

“The koala is one of Australia’s most valuable assets. We sincerely hope that the computers HP has donated will take the AKF a step closer to achieving its aim of creating a viable future for the species,” says Bob Robertson, who heads

HP Australia’s Computer Systems Organization.

The workstations run a database program that maps the habitat and movement of the dwindling koala bear population in Australia.

The database will help the AKF build support for laws protecting the koala’s habitat against further breakdown by urban development, with the ultimate goal of the koala’s removal from Australia’s Endangered Species List.

Year of living selflessly

HP is working with City Year to improve the liveability of U.S. cities, starting with Boston, Massachusetts.

Heralded as the urban Peace Corps, privately-funded City Year (CY) brings young adults together for one year and puts them to work on critical city services. HP’s sponsorship enables a 12-member team to work full time providing sorely needed city services. This year HP gave CY a \$40,000 equipment grant in addition to providing management training for CY staff.

Service projects may include building housing for the homeless,

restoring parks and running programs for inner city youth. With support from companies like HP, CY has grown from five teams to 20 in Boston, and plans to expand its program to seven more U.S. cities through 1995.



Lucy McQuilken, Patient Care Monitoring Systems, applauds the HP team during City Year’s launch.

Rave reviews for Marty's book

When it comes to HP-UX system administration, Marty Poniatowski literally wrote the book.

Marty, a technical consultant at HP's Stamford, Connecticut, sales office, spent one year and about 800 hours of his free time writing "The HP-UX System Administrator's 'How To' Book."

"The response has been overwhelming," Marty says of the book—the first product from the new Hewlett-Packard Press alliance with publisher PTR Prentice Hall.

"We ship several thousand HP-UX systems per year and there are tens of thousands of systems in the installed base," Marty notes, "so the potential interest in the book is huge."

Marty signed copies of the book at the Interex computer user's conference in September in San Francisco, and the book sold

out in a matter of a few hours. *hp-ux/usr* magazine calls Marty's book "a must-have for HP-UX system administrators."

HP employees can get information about Hewlett-Packard Press books, including Marty's, via HP Desk at an autoanswer address: HP PRESS/HP0000/81. Employees receive a 50 percent discount, and bigger discounts apply for large orders.



HP's Marty Poniatowski (right) talks with Lever Brothers' Karleen Beck about his new how-to systems book.

BOARD CHANGES

Dave Packard retired September 17 as chairman of the board of Hewlett-Packard (see page 3). **Lew Platt** became chairman, president and CEO.

Three new directors were elected: **Jean-Paul Gimon** and **Susan Orr**, effective immediately, and **Bob Wayman**, December 1, 1993.

Other board changes: Director **Bill Terry** to retire December 1, 1993; directors **Hicks Waldron** and **T.A. Wilson** retire February 1994. Director **Condoleezza Rice** resigned September 17.

BOTTOM LINE

Hewlett-Packard reported a 44 percent increase in net earnings and a 23 percent in net revenue in its FY93 third quarter, which ended July 31. Orders rose 19 percent compared with the year-ago period. (3Q FY92 numbers shown below in parentheses.)

Net earnings, \$271 million or \$1.06 per share on some 254 million shares of common stock outstanding (up from \$188 million or 75 cents per share on some 252 million shares). Net

revenue, \$5.0 billion (\$4.0 billion). Orders, \$4.7 billion (\$4.0 billion).

TOP OF THE CHART

V.P. **Doug Carnahan** has replaced E.V.P. **Bill Terry** as general manager of a restructured Measurement Systems Organization. It comprises the Medical Products, Analytical Products, Components groups and the Integrated Circuits Business Division (ICBD).

The Circuit Technology Group to which ICBD belonged no longer exists.

NEW LOOK IN EUROPE

To place more emphasis on country management, Europe/Africa/Middle East no longer will use the term "region," and the former European Multicountry Region has ceased to exist.

Reporting directly to Senior V.P. **Franco Mariotti** are the U.K., France, Germany, Italy, Belgium, The Netherlands and Switzerland, and several multi-country organizations: the Iberian Area, the Nordic structure and a newly formed International Sales Europe under **Yves Couillard**.



Frank Goss, HP hardware development engineer, rests after a romp with his retired greyhound racing pals.

Tracking greyhounds

Frank Goss, hardware development engineer in the R&D lab of VXI Systems Division in Loveland, Colorado, saves greyhounds from terminal retirement.

He explains that the sleek-looking dogs are bred for speed, not appearance. Once they slow down, they are sent to kennels where, if not adopted within 30 to 40 days, they are euthanized.

That's where Greyhounds as Pets comes to the rescue. As a volunteer, Frank places retired greyhound racing dogs in caring homes. Last year the group placed 260 dogs.

"They're really sweet... couch potatoes indoors... very affectionate...goofy personalities and they get along great with kids and other pets," says Frank.

The Gosses own two greyhounds, named Daphne and Thea. Both are brindled fawn, not gray. And they live happily in retirement with Frank and his wife and an 18-pound Siamese cat in Fort Collins, Colorado.

If you are interested in adopting a greyhound, the phone number for Greyhounds as Pets is 1-800-748-3738 (1-800-RITE-PET).

CSO CHART CHANGES

In the Computer Systems Organization (CSO), the former Integrated Systems Group has been restructured. V.P. **Mike Leavell** heads a new Solutions Integration Group, while the Software Business Unit (SBU) under **Tilman Schad** now reports directly to V.P. **Wim Roelandts**. SBU's Mechanical Design Division has split into a new division which keeps that name and a Work Management Operation under **Richard Jones**.

In the Workstation Systems Group, **Bruce Huibregtse** to G.M.,

Fred Luiz to G.M. of the Systems Technology Group's Open Systems Software Division.

CPO CHART CHANGES

In the Hardcopy Imaging BU, the Barcelona Peripherals Operation is now the Barcelona Division, the San Diego Technical Graphics Division is renamed the San Diego Division (SDD) with **Steve Gomo** as G.M. The former Vancouver Mechanism Operation

moved to San Diego as part of SDD. It is now the San Diego OEM Operation, headed by **Ernst Erni**.

In the DeskJet Printer BU, the Vancouver Division has split into a new division by the same name under G.M. **Bob Weis**, a new Vancouver Printer Operation under **Jim Langley** and a Manufacturing Operation under **Allan Gross**.

GETTING TOGETHER

HP has acquired EEsof Incorporated of Westlake, California, a CAE software developer. Merged with the high frequency design software business of the Santa Rosa Systems Division, it is now the HP EEsof Operation, under **Jake Egbert**, in the Microwave and Communications Group.

In the Components Group, the recently acquired BT&D Technologies Ltd. is now the Fiber Optics Components Operation (FCO), reporting to the Optical Communication Division. **Paul Engle** is FCO managing director of operations.

Blue Meany

RAS MOHAMMED, Egypt—
“As soon as I pulled the eggs out of my wet suit pocket, this fish sucked the whole bag out of my hands... creating a huge wave as it passed,” says Jerry Allen, workstation program manager in CSO Americas field sales organization.

Jerry’s leftover hard-boiled egg breakfast created quite a stir with this 300-pound, five-foot-long fish, called a Napoleon Wrasse. The fish was at least 15 years old, Jerry says.

Although primarily found in the South Pacific, this giant was swimming at Ras Mohammed, a world-famous dive spot in the Red Sea off the Egyptian coast.

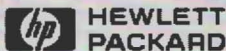
Even though Jerry grew up in Evansville, Indiana—far from the ocean—diving is second nature to him. He has encountered sharks and dived all along the California coast and throughout the world. Needless to say, this particular encounter left Jerry unfazed.

—Nancy Fong



Jerry Allen and this 300-pound Napoleon Wrasse didn't see eye-to-eye on the subject of who got Jerry's breakfast of hard-boiled eggs. (By the way, the fish won.)

MOVED LATELY? CHANGE OF ADDRESS SHOULD BE REPORTED TO YOUR PERSONNEL DEPARTMENT.



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