Hewlett-Packard people

July-August 1996

MEASURE

HP Mexico rides again

FROM THE EDITOR

As it so often happens, my 5-year-old daughter, Casey, coined the perfect word the other day.

Casey was playing with her 2-year-old sister, Maggie. Before long, Maggie did what 2-year-olds do so well: threw a temper tantrum.

Casey, a keen observer of mom and dad's advanced parenting techniques, immediately tried to play peacemaker. She grabbed a mint and handed it to her sister. The bribe worked. Maggie was quiet in seconds.

"See," Casey said proudly, "Maggie was crying so I gave her a mint and then she was happy *automagically*."

I love that word—automagically. It adds a whole new dimension to our actions. Too much of the time we do things automatically. We have a problem or a task and we respond with an unconscious, spontaneous reflex. There's no thinking, no creativity, no *magic* to our solution.

And the problem just seems to get worse. We have more responsibilities and less time, so we shift our brains into automatic pilot. We may work faster, but no smarter.

The rare exceptions to the rule are magicians, if not geniuses. Michael Jordan, the greatest basketball player in the world, can twist his body and put a basketball in the hoop in ways that defy logic, aerodynamics and gravity. Even when he approaches the basket the same way he's done it a million times before, he finds a new way to score.

His solution isn't automatic, it's automagic.

Recently, at a professional conference, I watched and listened as British journalist and science historian James Burke held 1,300 communicators spellbound with his thought-provoking ideas on change and technology.

To render an audience of professional writers and talkers speechless for 90 minutes is no easy task. To do it as Burke did—with mind and speech operating at about 100 miles per hour—was beyond inspiring. It was automagic.

Think back to the days when Bill Hewlett and the late Dave Packard founded HP. They insisted that their products not just be copycat, me-too improvements on existing products in the marketplace. HP products had to make a contribution to the industry. They were inventive, not imitations.

Many of us are in the midst of summer vacations now. It's a time for relaxing on a beach, hiking a mountain, exploring our country or even whole new worlds. It's a time to recharge our mental batteries—to escape from the routine and open our eyes—and brains—to new perspectives. Who knows? Maybe we'll return to work rejuvenated or, better yet, inspired.

It's time we started doing things automagically.

—Jay Coleman

On the cover: Leopoldo Berlanga, general services coordinator at HP Mexico's Santa Fe facility, preserves the era of *charrerias*—the Mexican equivalent of a rodeo—practicing horsemanship on weekends. Photo by Bill Melton.

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What would *you* do?

Each day, HP people face a myriad of ethical business decisions. How would you score if *you* were in their place?

By Jan Shaw

The routine dinner meeting you're having with a supplier suddenly takes an odd turn when $200 bottles of champagne start appearing and are obviously on the supplier's tab.

Your mental alert bells go off. It's likely that the supplier—who probably is not subject to bouts of naiveté—is trying to sway your decision by offering you such exceptionally lavish entertainment. This is sometimes known as a bribe, says HP attorney Hal Mickelson.

Now, what do you do? Do you:

1. Tell your host this is unacceptable, stop the meeting, leave the restaurant immediately and report the incident to your supervisor the next day?

2. Notice what is happening, decline the champagne, continue the meeting, finish the dinner and afterward quietly tell your supplier that this kind of lavishness is not acceptable and should not be repeated? You report the incident to your supervisor the next day?

3. Guzzle the champagne, ask for more and then order five plates of caviar to take home with you after the meal? You forget to mention it to your supervisor?

4. Not only guzzle and order more, but also shift more of HP's business to this supplier in exchange for several vacation trips to Bermuda for your entire family? You doctor your expenses to make the vacations look like business trips?

Well, welcome to the unemployment line if you chose No. 3 or 4.

Hal says choice No. 2 is probably the best way to handle the situation if the supplier hasn't presented you with the problem before, but the first choice—walking out—might make sense in other circumstances.

This and other ethical questions appear in a number of guises, say HP managers and attorneys. In what other ethical

business dilemmas do HP people find themselves?

What if you're in a situation where HP has stopped a support service, asks Alan Ng, an HP attorney in Hong Kong? What if a major customer who used the service calls you one day? He's desperate. He can't replace the service. Would you, he asks, please provide it to him on your own time? You could use HP's documentation. You could use his own materials. You'd just be an individual consultant. He'll pay. Generously.

Or, another scenario, this one from Gail Mac Lachlan, personnel manager of HP's Optical Communication Division in San Jose, California. Say you are an HP production worker who has a chance to work a swing shift at another company's factory. The timing of the shifts is perfect. The other company uses the same equipment as HP, and it looks as if you could really help out that company with tips on how to use that equipment efficiently.

Pick one of the following. You:

1. Don't even think about it without going to your general manager—not just your supervisor—for prior written approval.

2. Don't even think about it without going to your general manager—not just your supervisor—for prior written approval.

3. Don't even think about it without going to your general manager—not just your supervisor—for prior written approval.

4. All of the above.

Any second job, including consulting for an HP customer, supplier or competitor, is a conflict of interest, Hal says. That violates HP's policies unless your general manager approves it in writing before you get involved. In general, a second job with a competitor won't be approved under any circumstances.

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Or, what if you are an administrative assistant thumbing through an office supply catalog and you notice that a $200 order translates into a free desk clock?

You glance through other catalogs and notice that this is pretty common—free gifts with larger orders. In fact, there's a gorgeous leather luggage set offered by one outfit for orders of more than $4,000.

Temptation raises its little head.

Pick one of the following. Do you:

1. Go to your supervisor and tell him or her that if you save up your normal orders, you can get some free merchandise and would it be OK if you did so?

2. Decide to order all the office supplies you would normally need for an entire year, plus some extra merchandise that you think might be needed? You could then receive the matching leather luggage set. Of course, storage of an entire year's worth of supplies could be a problem, but you'll deal with that when they arrive. You figure you could always stick some in the hall closet at home. You go to your supervisor and run the plan past him or her?

3. Pick choice No. 2 above, but you don't mention it to your supervisor?

4. Order your necessary office supplies from your normal supply source, receive the clock and put it on your desk? Now if you are on the phone, you no longer need to stand up and

What would *you* do?

look at one of the big office wall clocks to know what time it is.

5. Pick choice No. 4 above, but go to your supervisor for permission?

The HP answer? Don't ever let "free" gifts sway your decisions. Don't be tempted. Always talk to your supervisor if you are contemplating an action that could smack of conflict of interest.

In this last example, the correct thing to do is to just keep ordering your supplies from your normal office supply sources. Hal says you might keep a coffee mug that a supplier sent to a hundred other people to promote a new product, but it's questionable if you can accept even an item of nominal value, such as a clock, as a rebate against an HP order.

Forget the gorgeous matched leather luggage set.

What about other scenarios? You want to take a ream of paper for your son's Boy Scout project or your home-based business. Or you overhear plans about an acquisition and want to buy stock in the target company.

Don't even get started on that road, says Kirk Hanson, senior lecturer in business ethics at the Stanford Graduate School of Business.

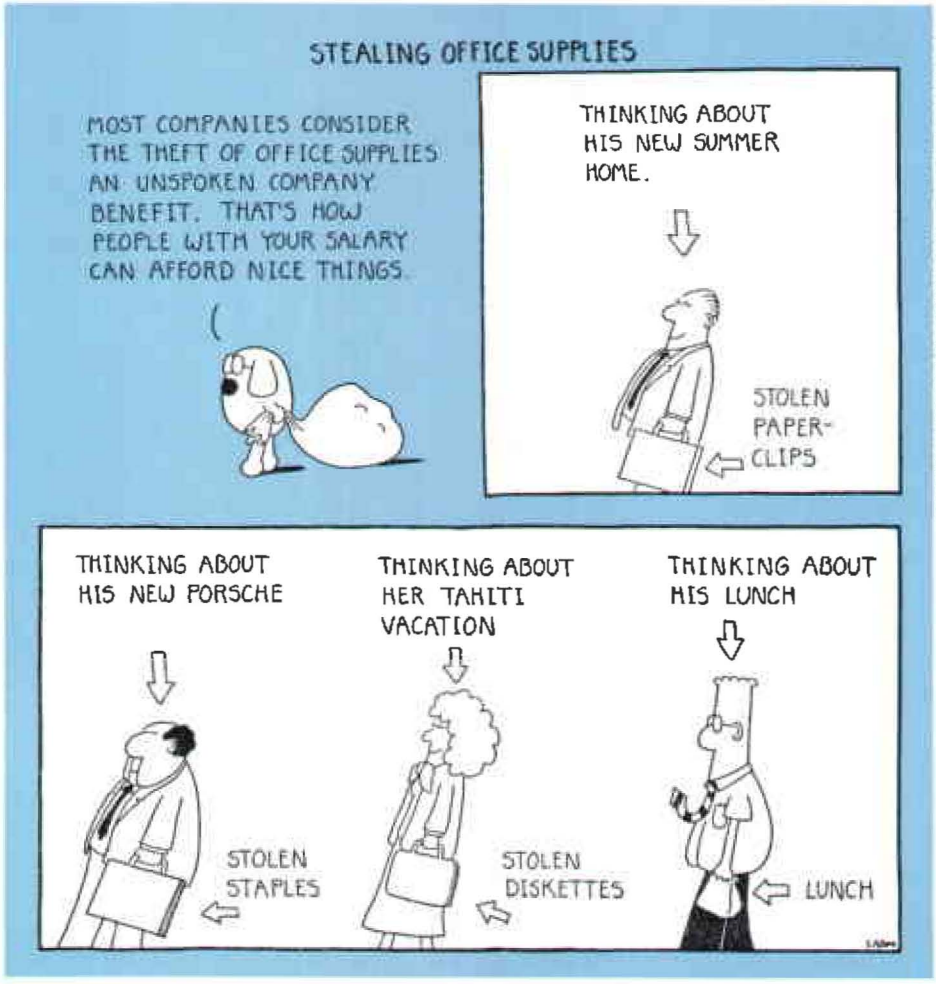
"It is so easy to rationalize," Kirk says. But rationalizations generally contain two fatal flaws.

First, it could cost HP a lot of money if such practices became routine among the company's 108,300 employees. The second reason is more personal. "Such behavior does something to us personally," Kirk says. "If I take one ream of paper today, it will be easier to take two reams for another project. If I 'steal' an hour today, it will be easier for me to convince myself to take half a day for something next month."

"Both the company and the employees have a great deal of responsibility when it comes to ethics," says HP CEO Lew Platt. "There is nothing more important than our business ethics. It is at the heart of everything we do, and it's up to everyone in HP to protect this vital asset." M

Employees can find HP's Standards of Business Conduct *on the World Wide Web at* **http://hpweb.corp.hp.com/publish/legal/std/stds.htm** *or call the Literature Distribution Center in Cupertino, California, at (408) 376-3200 and ask for part no. 5091-8550E.*

(Jan Shaw is a senior editor in HP's Corporate Communications department.—Editor)



Speeding in the Dilbert zone

It's midnight and you have been wandering through the Internet as you assiduously avoid finishing the memo that has to go out the next morning. You suddenly come upon a home page that leads off with your favorite cartoon—Dilbert. In a fit of inspiration, you download it and paste it into the memo. That's what was missing.

The next morning, you e-mail your memo to your group, print out your own copy, toss it in a drawer and get on with your next project.

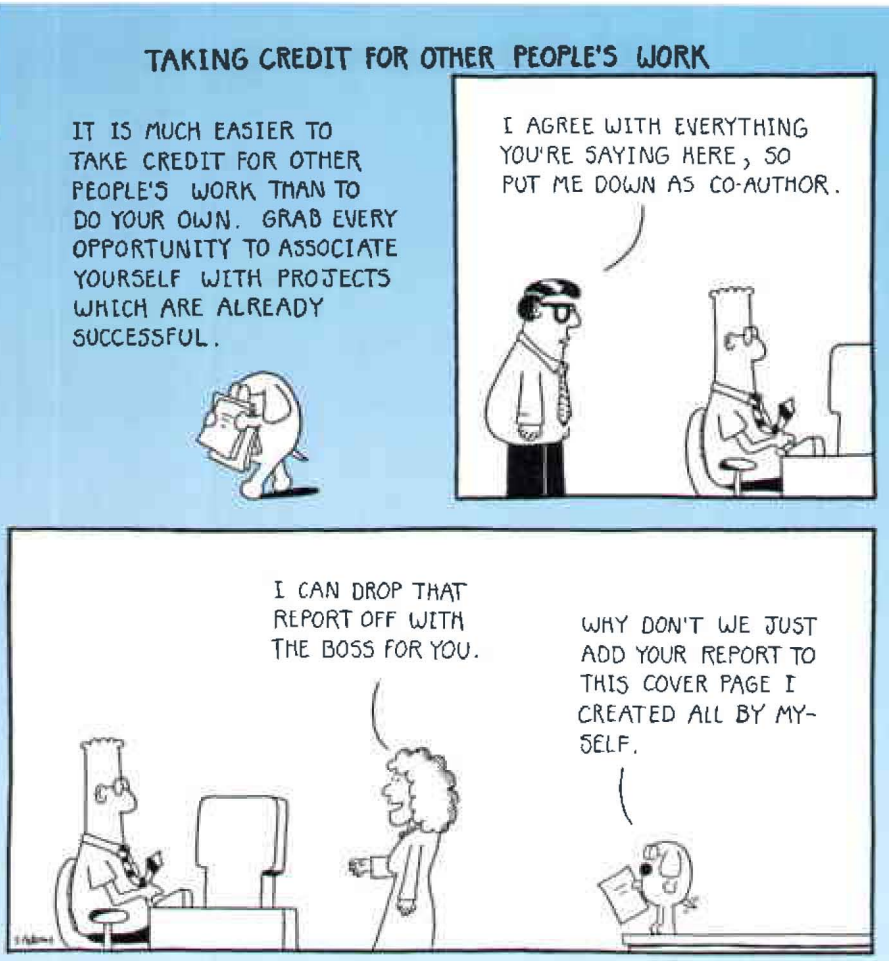
Welcome to the land of copyright infringement.

Just ask Scott Adams, the creator of Dilbert—whose cartoons of corporate cubicle life festoon office walls, reports and newsletters everywhere, often without the blessing of legality. Scott says that many people don't consider the illegal use of a cartoon as theft.

"Every single day people tell me, in front of others, that they are using the cartoons," Scott says. "Or they e-mail me asking me to send them a cartoon" with no mention of payment.

In Scott's case, he realizes that people usually mean it as a compliment—but it's still illegal.

Scott gave *MEASURE* an analogy: If you cut out a cartoon and put it outside your cubicle, it's like going 58 miles per hour in a 55 mile-per-hour zone. It's wrong, but nobody minds much. If you use the cartoon for an internal business presentation, that's like going 65 miles per hour in a 55-mile-per-hour zone. The officer has to be in a bad mood to pull you over, and you'll know you were speeding. But if it's a newsletter, you're doing 90 miles per hour in a 55 mile-per-hour zone, and you'll hear from the attorneys.



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HP's policy on copying is like the Golden Rule, says HP attorney Dick Schulze. "We honor others' copyrights just as we want others to honor our copyrights. This means we get permission before we copy cartoons, music or anything that is copyrighted. This includes much of what we find on the Internet."

He adds that HP has a license to make paper copies of most publicly available technical articles for internal use. Take a look at the HP Copyright Guide for how to obtain permission to copy other materials. The copyright guide can be found on the World Wide Web at http://hpweb.corp.hp.com/publish/legal. Click on copyright.

—*Jan Shaw*

DAVID SCOTT SMITH

Betting on a sure thing

HP technology and reliability pay off for United Tote, one of the largest pari-mutuel wagering companies in the United States.

By Stan Turnbull

The atmosphere was electric with energy in May when the granddaddy of horse races was about to begin. The bugle sounded. The horses began their parade to the post. It was time for the 122nd running of the Kentucky Derby.

More than $7 million in bets rode on these sleek 2-year-olds in the next two minutes at Churchill Downs in Louisville, Kentucky. That total swelled to $40 million from bets placed at other tracks around the country which simulcast the famous "run for the roses."

Unseen, but responsible for the monumental job of calculating odds and payoffs, was a small company called United Tote, which until recently was based in Shepherd, Montana—population maybe 1,000. (It since has moved into downtown Billings.)

"The fact that we've been using HP equipment continuously for almost 17 years speaks for itself."

What is United Tote's role in big-time horse racing? It's an interesting story—and Hewlett-Packard plays an important part, too.

"We are in the pari-mutuel wagering business," explains Jim Baker, United Tote's senior vice president of technology. "Simply, everybody bets into a pool, and the winners divide the proceeds." In the late 1800s and early 1900s, this was done by writing on pieces of paper and then sorting through them, Jim says. It was very time-consuming. As the market grew, processing bets by hand simply became impossible.

Then in 1911, the world's first automatic "totalizator" was set up in New Zealand. "Totalizator" is a made-up word that describes what it does: totals bets. "Tote," as in United Tote, is an abbreviation of that.

The "totalizator" was hugely successful, Jim says. "People could tell beforehand which way the money was going—the odds—and bet accordingly." As soon as the race started, they knew how much their horse would pay if it won. Shortly after the results were in, they were paid. That was a big jump in efficiency. The tote's popularity grew rapidly over the years.

The next technical leap came in 1964. The first digital computer—a standard Honeywell data processor—was set up at Aqueduct Race Track in New York.

The computer made it possible to handle much bigger pools and a lot of new and different kinds of bets, Jim says. It also led to a revolution in tote machines in the mid-1970s.

Until then, tote systems printed tickets and kept totals, but the only record of a specific bet was printed on the ticket. That was a golden opportunity for the bad guys.

"If someone came in with a ticket that had the right information on it and it was a good forgery—and the forgers got *very good*—the track would pay off the bet. And the track would pay other tickets just like it presented at other windows. Only later, when tracks tried to reconcile sales with payout, did they find that they'd been had."

The new computerized machines recorded all details, including a unique serial number for each ticket, Jim explains. It was no longer possible to make a lot of copies of a

Technology improvements, including the wireless betting terminal (shown) and HP 1000 computers, have revolutionalized United Tote.

winning ticket and cash them. So, the new system came, and it stayed.

The real story about how United Tote came to wagering prominence is a long shot itself:

A Montana horse trader named Lloyd Shelhamer, not too surprisingly for a man in his business, acquired a couple of racehorses in the 1950s. Finding no place to race them, he started a track in Bozeman. Next, he bought the equipment of a small, bankrupt tote company and added a wagering business.

Tough times followed. The turning point came in the mid-1970s, when Lloyd tried to buy a computerized tote system. The sole vendor of the machines told him to get in line. Lloyd answered, "Hey, I'll develop my own." They laughed.

An angry Lloyd hired consultants and developed a system that ran on an HP computer. In fact, it ran very well.

Soon, Lloyd bought two other companies in financial trouble. His business grew and in 1984 became United Tote, Inc. Today, the company has perhaps a third of the U.S. pari-mutuel market, depending on how you calculate it. United Tote calls its product the System 1000, because it was built around the HP 1000 computer.

During the years, Jim Baker says, United Tote has evolved with HP equipment. Today, it uses the HP A990 computer—the top of that product line—at the nation's top tracks.

"HP certainly wasn't the cheapest," Jim says. "We bought it because of its reputation for quality and reliability.

"If your bank's computer goes down, maybe you can't deposit your check now, but you can come back and do it later," Jim explains. "But once those horses jump from the gate, the opportunity to bet on that race is gone forever. If the equipment fails in a major race, it's a disaster.

"The fact that we've been using HP equipment continuously for almost 17 years speaks for itself."

Brendan Burgess, United Tote's director of hardware development, adds, "The Hewlett-Packard name helps us compete against our competitors, who are using Digital Equipment Corporation and others."

Will United Tote and HP continue in harness?

It sure looks like a good bet. **M**

(Stan Turnbull is a Los Altos, California-based free-lance writer.—Editor)

HP flexibility and a willingness to give "virtual management" a try help two employees maintain their work/life balance—and help the company retain valuable employees.

GERHARD ORCHIDEALE

The Stuttgart (Germany) airport is like a home away from home for Trish Duffy (right), who lives in Barcelona, Spain, but her HP public relations job is based in Böblingen.

Finding work/life balance:
The portable job

By Jenny Gispen-Schultz

BARCELONA, Spain—It may be a far cry from the advertising image of conducting business—cell phone in hand—from a lush tropical beach, but this on-the-go HP employee says that even with the extra travel, working from a distance has helped her balance her work and personal life.

When Patricia (Trish) Duffy, PR manager for Consumer Products Europe, had to decide whether to resign her job at HP's Böblingen, Germany-based Peripherals Group Europe (PGE) Marketing Center to follow her partner to Barcelona or say goodbye to him, Trish knew she didn't want to do either. With this resolve, she suggested to Rich Stearns, marketing center manager, and John Smith, marketing communications manager, that she be allowed to take her job with her to Barcelona. They agreed to give it a try. "Being a remote worker requires two things: a job that can be done remotely and a certain sort of person who can be effective as a remote worker," John says.

In order to test this virtual-management relationship, John arranged a two-year "internship" for Trish at the Barcelona Division, where she "rents" space in the R&D department.

So, how does this "portable" job actually work?

"At PGE, we control our own budgets and, as long as we're keeping in tandem with the strategic direction of the organization, we're pretty much given the responsibility to

get on with our jobs. So, there's a lot of trust there to begin with," Trish says.

Trish belongs to two work teams: a cross-business-unit PR team (Consumer, Commercial and Emerging) and a consumer-focused marketing-communications team. Both teams are based in Böblingen, Germany.

The work teams plan their activities together at the start of each fiscal year. After that, Trish says, the team members work fairly independently—but with regular meetings and phone calls to keep in touch.

The three PR managers copy each other on all messages, talk daily by phone and see each other about every two to three weeks. Trish also has the help of a PR agency in London.

How does she like it? "I love it; I really love it," Trish says. She finds, however, that being self-disciplined is a must. "You really need to plan out the day perfectly. So I find the best thing to do is say OK, from 9 a.m. to 11 a.m. I'll focus on this, and from 11 a.m. to 1 p.m., I'll focus on that. And actually, it's a new way of working that I will adhere to, I think, for the rest of my life."

The downside for Trish is that there is quite a bit of extra travel involved.

For John Smith, Trish's remote work style has meant extra effort, too. So why did he agree to be a virtual manager? Says John, "Because I valued her contribution and wanted to keep her skills in the team; because I understood her personal reasons for wanting to move to Barcelona; because I thought that it was possible to do the job remotely; and because I thought that she could do it."

He says the biggest challenge in managing his remote employee has been keeping in touch. "It is very important to keep in regular contact with your team members, and most of that contact is informal as you meet them in the office. With a remote worker you have to schedule regular contact." The downside, he says, is that some people find the loss of informal personal contact a problem.

Has the virtual-management relationship been worth the effort? John's answer: Yes, definitely. In fact, John says he would welcome the flexibility to be able to set up similar working arrangements with others where it makes sense to do so.

He says he thinks that in the future, telecommuting will become a permanent feature of the way HP works in Europe, but he doesn't think it will become the norm. "At the moment, I am trying to find a way to give us more options at the end of the two years." M

The remote control solution

PORTLAND, Oregon—Jan Smith, creative director for HP's Corporate Marketing Communications, says her long-distance job allows her to do what she loves: help HP teams formulate and articulate their vision of the future through video.

Three years ago, Jan was working as the marcom manager for the Diagnostic Cardiology Business Unit in McMinnville, Oregon, and had just produced the *Imagine* vision video for the Medical Products Group, whose headquarters are in Andover, Massachusetts.

When an opportunity to produce HP's first companywide vision video arose, Jan was excited, but she knew that her husband, Tom, and their 10-year-old son, Jake, wouldn't want to leave Oregon to move to California. Bojana Fazarinc, Corporate Marketing Communications manager, and Jan found the solution: Jan officially would work for Corporate Marketing Communications in Palo Alto, California, but "rent" space in the HP Portland sales office—just three minutes from Jan's home.

"When there is hot news to report or when I need coaching from Bojana, I call her," Jan says. "She's super-quick to respond, so it never feels like she's more than a phone call or voice-mail message away."

About maintaining productivity, Jan, who routinely gets up at 4 a.m., says, "Once Bojana and I got the hang of telecommuting and realized its many benefits, we realized that it would be possible for her to rent my time to other people within HP who could use my services for high-level, multimedia projects... while I was between Corporate projects."

In fact, in the past few years, Jan has produced three award-winning HP videos—*Imagine*, *Synergies* and *Magellan*—while working from her Portland home. "Working remotely isn't for everyone," Jan says, "but I think I've proven that it can work well."

—Jenny Gispen-Schultz

(Jenny Gispen-Schultz is the manager of Product Press Relations in HP's Corporate Communications department.—Editor)

JOHN BIEVER/ SPORTS ILLUSTRATED

A match made in heaven

HP hopes its business will get a kick out of the France 98 World Cup competition.

By Jean Burke Hoppe

France 98 World Cup fever is sweeping the globe and HP has definitely caught the bug, signing on as an official supplier to the international competition.

HP has dabbled in sports marketing before, but this is the largest effort so far with nearly companywide and worldwide participation. HP will work with other official suppliers, including EDS and France Telecom, to provide the IT solution for World Cup 98.

"HP has a lot to gain from this sponsorship. The media exposure will be vast," says Katey Kennedy, HP World Cup marketing manager with the Personal Information Products Group (PPG) in Santa Clara, California, and an avid soccer fan.

"This is the largest sports media event in the world—it's expected to attract 37 billion viewers." (By comparison, the 1996 Olympic Games in Atlanta, Georgia, are expected to draw only 19 billion viewers.) HP's World Cup project team wants to make HP a "household name" to these billions and billions of potential customers.

Soccer is by far the most popular sport worldwide and attracts wildly devoted fans. The Federation Internationale de Football Association (FIFA) oversees more than 117 million registered participants and sanctions more than 16 million games a year. Even the United States finally has come around; varsity soccer now is played at more universities than either football or baseball.

The World Cup is a two-year-long tournament, and qualifying matches already are under way. These matches will determine the 30 national teams that will take part in the final phase, along with Brazil—the world champs in 1994—and France, the 1998 World Cup host country.

Games will be played in 10 locations throughout France, with the opening match on June 10, 1998. Ground already has been broken and work is in progress for the new grand stadium in Paris that will serve as the venue for the World Cup finale on July 2, 1998.

"This is the largest sports media event in the world -- it's expected to attract 37 billion viewers."

Besides the media exposure through signage, advertising, press conferences, and World Cup events and publications, the competition will serve as a technology showcase for all kinds of HP equipment, says Jean Le-Saint, World Cup project manager in Evry, France.

HP will use a battalion of multimedia equipment to hook up the venue offices, hotels, stadia, ticketing and other operations, Jean says. A hundred HP servers will connect a host of workstations, PCs, laptops and printers.

HP got involved when the World Cup organization approached HP

With an estimated 37 billion viewers, World Cup games like this one between Germany and Spain could give HP enormous visibility.

France and the Personal Information Products Group in Grenoble. Participation quickly spread to many other groups, including the Measurement Systems Organization, LaserJet Solutions Group, InkJet Products Group, Worldwide Customer Support Operations and Computer Systems Organization.

During the next two years, many HP entities, sales organizations and countries will have the opportunity to get involved with and take advantage of marketing opportunities provided by the World Cup events.

The World Cup team, headed up by Jim McDonnell, PPG worldwide marketing manager, is working to provide a structure through which HP regions, countries and organizations can tie their local activities into the World Cup program easily and efficiently.

To develop a worldwide marketing plan, the HP team is working with the Lifestyles Marketing Group, consultants who have worked with HP on other sports-marketing efforts. The World Cup team will be responsible for negotiating for additional benefits and TV rights; developing programs with other partners and sponsors; coordinating PR and press events; communicating the overall program results; and managing all equipment specifications, contracts and budgets.

Regionally, HP entities will choose how they wish to be involved—and will be responsible for funding their own World Cup activities. The choices will be wide-ranging—from buying tickets and developing pre-event programs from now until 1998 to using the official World Cup logo on products, packaging and promotions.

If you're a soccer fanatic and want to keep up-to-date on qualifying rounds or if you would like to be involved personally in HP's World Cup partnership, send an e-mail message to Catherine Dane or check out the HP World Cup Web site when it's available on September 13. **M**

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

HP Mexico rides again

MEXICO CITY, Mexico—It's the land that gave the world mariachi music, tequila, chocolate and Diego Rivera, among many other traditions and talents. It offers up layer upon layer of treasures—mysterious Aztec ruins, beautifully preserved Spanish colonial architecture, modern skyscrapers, gorgeous coastal resorts.

Recently, Mexico has faced serious challenges, too. In 1995, the country had its worst economic crisis in modern history. The inflation rate soared to 152 percent and the economy shrank to the point where the national gross product was –7 percent. The domestic market for HP's computer products fell 65 percent compared to 1994.

Although recognizing the difficulties imposed on HP by these business conditions, HP Mexico G.M. Rafael Piccolo remains fiercely optimistic in 1996. "The sales subsidiary will celebrate its 30th anniversary in Mexico, Lew Platt will visit in August for the dedication of three major new developments in the cities of Guadalajara, Mexico City and Monterrey, and our relative position in the marketplace is still relevant and strong.

"Even while going through such difficulties," Rafael says, "we were confident that our country has the capacity for waking up from such nightmares. Mexico has a very young population that is dynamic and enthusiastic, and people like ourselves at HP have the responsibility to get the most from our potential and to translate that energy into real contributions for the welfare of our nation." M

—Jean Burke Hoppe

top

Martha Arenas, Computer Systems Organization (CSO) sales rep, meets a customer for lunch at Ciceros 1800, a restaurant in a refurbished old house in the heart of downtown Mexico City.

above

CSO sales reps Andres Mino (left) and Jose Antonio Romero call on the Mexico Stock Exchange.

above

Luz Lizarraga, CSO assistant, and Claudia Barba, Test and Measurement Organization order coordinator, stop for juice in the Zona Rosa, a popular neighborhood that attracts painters, artists and writers.

right

Ana Laura Roque, Worldwide Customer Support Operations field development manager, enjoys an afternoon in Xochimilco with her husband, Julio Cesar, sons Fernando and Ricardo, and nephew Jose. Xochimilco, just south of Mexico City, is designated a "jewel of the world," as it's maintained virtually as it was left by the Aztecs.

BILL MELTON PHOTOS

HP Mexico

BILL MELTON PHOTOS

above left

Rehashing a CSO event are (from left) Samuel Araiza, public relations and communications manager; Jose Medina Mora, senior dealer CIC-Guadalajara; Rafael Piccolo, general manager of HP Mexico; and Julian Abed, senior value-added reseller from Spersa-Puebla.

below left

Muralist Diego Rivera and his wife, painter Frida Kahlo, were the heart of a renaissance in the arts in Mexico during the 1930s. CSO sales rep Cristina Pastrana and Alejandro Robles, Computer Organization corporate account representative, rest by Rivera's mural at the National Palace.

above

Lorena Reye, TMO Marcom, and Adrian Lopez, TMO sales rep, enjoy the street dancers in Aztec dress outside the Templo Mayor Museum on Constitution Square.

HP Mexico

below

Brenda Kalis, WCSO admin assistant, takes an afternoon break in Xochimilco with her daughter, Greta.

BILL MELTON PHOTOS

above right

Training for a marathon at Chapultepec Park are Enrique Jimenez and Maurilio Ortega, response center support engineers; Javier Mendoza, UNIX® manager at the response center; Miguel Prieto, sales support; and Sylvia Ferrer, executive assistant.

right

Adrian Lopez uses a taxi on TMO sales calls instead of navigating Mexico City's congested downtown streets on his own.

Doing the right thing

For several months now, *MEASURE* has carried stories and letters regarding diversity and work/life balance at HP. Then, on May 23, HP took the bold step to publicly acknowledge, embrace and support a diverse and valuable segment of its employees: those who share their lives with loved ones without the benefits of marriage.

Truly, HP's courage to stand for justice and equality is inspirational. While HP's new offering of domestic-partner benefits has a direct effect on only a very small number of people in the United States, it will have ripples —even waves—of effect on a nation—a world, yet—searching for balance on a social level.

Maybe even my mother will take note.

Thanks, HP. For continuing your quest to be "among the leaders"; for recognizing my value as an HP employee; for going beyond the "comfort zone"; for doing the right thing.

CHRIS BROWN
Santa Clara, California

A great summary

Just wanted to take a moment to congratulate *MEASURE* for putting together such a terrific magazine.

The special feature on Dave Packard was really a pleasure to read and the pictures were fabulous. A great summary of a great man's life.

MICHAEL PALAMIDESSI
Sunnyvale, California

A path of success

I thoroughly enjoyed reading "The Packard touch" in May-June.

Before obtaining my job as an assembler at Hewlett-Packard, I was struggling to make ends meet with a welfare check. With the benefits available to every HP employee, I was able to earn two college degrees.

I am grateful to the philosophy that Bill (Hewlett) and Dave established: that everyone was entitled to a path of success.

CINDY DeMOORE
Rohnert Park, California

That was terrific

After reading the May-June *MEASURE*, I was compelled to send my comments to you for the first time.

This was the best issue overall I have read. "The Packard touch" simply touched my heart. I never met Dave (I saw him in the distance one time), but after reading all the funny and wonderful stories sent in by other HP people, I got a look into what Dave was all about.

I have taken a poll of co-workers, and we agree: this issue was terrific!

JULIE McGINTY
Andover, Massachusetts

Plowing for pennies

My mother, Marie, started with HP in 1956. At that time, the entire company had picnics at the Adobe Creek Lodge in Los Altos. All the managers cooked steaks and hot dogs, and passed out ice cream bars. It was quite a treat for a boy at age 8.

I remember this giant of a man asking if I had been to the "penny hunt," which was this huge pile of sawdust with coins mixed in. Most of the children had gone through it already. So Dave took a fist full of coins, got down on his hands and knees and, like a big tractor, dug his way through the sawdust, dropping coins as he plowed. A dozen other kids and I scrambled behind him to find the coins.

I can't remember how well I did, but I still carry with me the lasting impressions of people values and giving back to your employees.

BRUCE YANO
Vancouver, Washington

Corrections

Doug Halbert was incorrectly identified in a photo caption in the May-June *MEASURE*. Doug was the general manager of the Korea Instrument Operation until July 1, when he returned to the United States.

Larry Trevarthen's name was misspelled in a caption in that edition.

We regret the errors.

Please send mail

Do you have comments about something in *MEASURE*? Send us your thoughts. If we publish your letter, you'll receive a *MEASURE* T-shirt (one size fits most).

Send your comments to Editor Jay Coleman (the fax number and address are on page 3). Please limit your letter to about 150 words, sign your name and give your location. We reserve the right to edit letters.

CINDY CHARLES

HP financial analyst Maria Rodriguez is fiercely proud of her Oakland, California, home, where she is a community leader and mentor to "at-risk" students.

Refusing to abandon her roots, HP's Maria Rodriguez spends most of her spare time transforming impoverished inner cities and the children who live in them.

Planting the seeds of hope

By Julie McLean Knight

Without hope of a future, without positive role models, most kids raised in the harshness of a ghetto become desperate. Most, but not all. HP's Maria Carmen Rodriguez sees to it that at least some are spared.

Maria, a financial analyst for the Finance and Remarketing Division in Mountain View, California, mentors hundreds of inner-city children and volunteers countless hours to the President's Empowerment Zone/Enhanced Enterprise Community (EEC) Initiative, an attempt to revitalize the United States' most impoverished communities.

Maria knows about impoverished communities. One of seven children, she moved in 1970 with her family from Mexico, where she was born, to poverty-stricken South Central Los Angeles right after the Watts riots.

"Some of the kids I knew were killed. Some are in jail. Few actually became successful," Maria says. They were what school administrators called "at risk." At risk of not graduating from high school, let alone college. At risk of not daring to dream.

Then one day, her world brightened. Teaching her the power of mentorship, her junior high school instructor, Mr. Lattimore, inspired Maria and changed her life forever. "He gave me both the courage and the tools I needed to reach for the sky. He was one of the first black men to receive a bachelor's degree in math from Columbia University. He led by example and planted the seed."

That seed grew with Maria, encouraging her at the young age of 15 to follow in her teacher's footsteps and become a mentor herself. After receiving her bachelor's from the University of California-Berkeley, Maria taught math for Cal's Minority Engineering Program. Then she taught math and science at Berkeley High School.

One of her Cal freshman students is now an HP colleague. Mark Miranda, a production engineer at the Vancouver (Washington) Division, remembers the home-cooked Mexican meal Maria made after finals. "She created

CINDY CHARLES

Maria reviews an Oakland project with Arabella Martinez, CEO of the Spanish Speaking Unity Council, and David Wofford from the San Antonio/Fruitvale Area Building Team.

a family environment in class. It became a home away from home."

Says Maria, "I tried to instill in my students the importance of self-development. They, in turn, pressured me to practice what I preach, to keep learning, keep raising the stakes."

Raising the stakes for Maria meant graduating from the University of Illinois with an MBA in finance. She joined HP straight from business school. "Up until a few months ago, my job was to support Latin America and Canada in management reporting, expense analysis and legal reporting." She also coordinated the HP Scholarship Program and recruited students from university business and engineering programs. "Now, I'm doing more project work, analyses of our portfolio with an emphasis on returned equipment."

Today, despite a three-hour daily commute from her Oakland home to her Mountain View office and a 45-hour work week, she serves on the board of directors of the Eastbay Education Network, participates in the Berkeley High School Latina Mentorship Program, and teaches "at risk" kids every other Saturday.

"Maria embodies the spirit of the HP Way...setting the example for all of us to follow."

Still raising the stakes, last November Maria decided to get even more involved in her community when she answered EEC's ad in the local paper. The ad read, "Would you like to help Oakland spend $22 million?"

Maria's voice rises with enthusiasm. "I thought to myself, yes, I would like to help. Of course I would." Once appointed to the EEC's Policy Board, she quickly emerged as a leader and stepped up the ladder to the position of co-chair. The Policy Board governs East Oakland, West Oakland and San Antonio/Fruitvale communities.

EEC Manager Greg Garret notes, "Maria leads by example. She defines what it means to be a policy member by setting high standards for herself. Everyone recognizes her high level of integrity."

According to Maria, "The goal of the project is to revitalize communities throughout the country where more than 35 percent of the population is below poverty level. U.S. President Bill Clinton's vision is to take ordinary citizens who are not involved in the political process, put us together and educate us. We make decisions on economic development."

The Policy Board recommends which projects should be granted—and why—to the city and mayor. Maria explains, "We are public officials and help set the policy of the entire EEC."

Oakland City Council member Ignacio De La Fuentes chose Maria, along with two other delegates, to represent Oakland's EEC at the first White House Community Enterprise Conference. He says he chose her "for her energy, commitment and willingness to work with diverse groups. She truly understands community needs."

During the conference in February 1996, Empowerment Zone/EEC representatives across the United States shared success stories. Participants could ask questions of U.S. Vice President Al Gore, Secretary of Housing and Urban Development Henry Cisneros and top Cabinet members. Mayors, congressional representatives and business leaders also attended.

Maria met both President Clinton and Vice President Gore. She describes the encounter as "fairy-talelike, very unreal. It was the experience of a lifetime."

And well deserved, says Craig White, Finance and Remarketing Division general manager. "Maria embodies the spirit of the HP Way," Craig says. "She is far out in front, setting the example for all of us to follow."

Maria concludes, "Thanks to HP's flex time and strong belief in community participation, all HP employees have the power to change someone's world. There are those who have and those who have not. We are those who have." **M**

(Julie McLean Knight is a Hayward, California-based free-lance writer.—Editor)

One day at a time

An HP employee with AIDS discusses some unusual support groups that play a pivotal role in his life—and survival.

By Carl Dawson

ATLANTA, Georgia—The last 12 months have been a very difficult time for me, and many people ask me how I have managed to survive it. I'd like to explain how I used my "extended" support group to sustain me through it all. I'd also like to thank some pretty neat people who believe in me and offer special support.

I'm a rather private person. My support group doesn't include an organized selection of people, but rather is composed of close friends, neighbors, business associates and the medical personnel that I see on a regular basis. I call it "extended" because it includes support from some rather non-traditional sources, such as the medical profession and Hewlett-Packard, my employer. More on this later.

You might wonder what my qualifications are to address the issue of using a support group in the management of chronic and painful illnesses. Well, for one thing, I do know about pain, worry and being sick. I've been diagnosed HIV positive for more than 12 years and have had full- blown AIDS for the last 2 1/2 years.

During the past 12 months, I have had the "typical" AIDS infections like pneumonia, cryptosporidium, Wasting Syndrome, anemia, nausea, diarrhea, etc. I've also had some rather "original" illnesses like Cat Scratch Fever, diabetes, renal failure, hearing loss and psychosis.

To say that I've literally spent most of my time managing my health is somewhat of an understatement.

To say that I've literally spent most of my time managing my health is somewhat of an understatement. But I've had a lot of help getting through these problems, and now I'm enjoying a period of moderately good health.

I basically have three groups of people who help me deal with these illnesses. They are largely responsible for my remarkably good quality of life. The order doesn't matter because they all play different roles in my life. My physician, Dr. Mark Tanner, and

his marvelous staff provide for my basic health care. He and his staff are personally interested in my well-being and concerned when I'm having a bad day, week or month.

Another source of support, surprisingly enough, comes from my in-home intravenous nursing—Coram. I was on the drug TPN for more than six months when I was having trouble eating and was trying to gain back 44 pounds of lost weight. Every nurse I came in contact with from Coram knew and understood my case before their first visit. It's a great feeling to have so many positive well-wishers when things seem to be so difficult.

Focusing strictly on the illness is depressing. There are other interesting things to talk about, see and plan for.

My family, close friends and especially my significant other, Bruce, surrounded me at home and in the hospital with hope and the belief that I could and would make a difference in my own recovery. The visits, especially, made me less lonely. And, Bruce never gave up expecting the best and treating me like I was someone special.

My family and friends are there when I need to talk, laugh or reach for some more encouragement. I keep them up-to-date on my condition, but it's only a small part of the things we talk about. Focusing strictly on the illness is depressing. There are other interesting things to talk about, see and plan for. We focus on the positive during our conversations and visits.

I also receive support from an unusual group—HP. I believe that HP is rather progressive. Our medical insurance is provided by the company and group participation, and a case worker is assigned to help with difficult and medically expensive cases like mine.

My case worker is truly interested in my "journey" through all these problems—and my eventual recovery. She helps deal with preapproved procedures and medications. It's important that I talk with her to keep her informed on how I'm doing and recognize the very important role she plays. I feel that my treatments are never just a matter of money, but rather are concerned with what is medically necessary.

The feeling of contributing and being needed at work is a fine motivator for getting out of bed and getting on with life!

My immediate supervisor and two levels of management above him are aware of my situation and the task of returning to a healthy quality of life. Fortunately, my job qualifies for HP's work-at-home program. As such, I work full-time from my home.

When I have problems that require more rest or less stress, I'm allowed to work half-time on half-time disability status. The feeling of contributing and being needed at work is a fine motivator for getting out of bed and getting on with life!

I owe a big "thank you" to all of these people: Dr. Tanner, the nurses, in-home care providers, medical coverage representatives and my HP colleagues—Doug McMahon, Gerri Bassett, Bobbi Cork and many others—and a special "thank you" to my mom and Bruce. All of you do make a difference in my life and also in my survival. M

(Carl Dawson is a senior technical consultant at HP's Atlanta (Georgia) Business Center.—Editor)

ASK Dr. Cyberspace

"What does it cost me (or perhaps I should say my manager) to use the Internet?" asks John Grisa from HP's Milwaukee, Wisconsin, sales office. "Do I pay by the minute?"

There isn't a simple answer to your questions, John, though the main part of your (boss') cost is the size of the file(s) you're downloading to your PC from the Web. (See the box on page 25: What does it really cost?)

If the hundreds of thousands of dollars that HP spends each month are being used efficiently to find business-related info, great! It may actually save the company time and money that might otherwise be spent on magazine subscriptions or lengthy phone calls to get the same data. But if you're checking out baseball standings each day on ESPN's site, that's just as inappropriate as placing a long-distance personal call from work.

One way to hold the cost down is to avoid sites like Pointcast, the "news network for the 21st century." It's a fascinating site and a good application, but it has a nasty habit of taking over your PC and of bringing HP servers to their knees. It's a major net hog because its default mode is to download news in the background even when you're not there. Pointcast accounted for nearly one-sixth of all the Web traffic through HP's Palo Alto gateway for one week in April. Take a peek sometime at **http://www.pointcast.com**, but don't stay there.

"Why doesn't HP use the software that tracks employee usage to determine the extent of improper use?" asks the husband of a Roseville employee who wishes to remain anonymous.

The truth is, HP's computers do produce an electronic trail of what PCs and workstations are looking at what URLs. And destination Web sites capture info on who (you!) is visiting. That's how *Penthouse* magazine knew that HP employees (along with their friends at IBM, Apple and AT&T) were among the most frequent visitors to their on-line magazine.

No one monitors the HP log files on a regular basis looking for bad boys and girls, but site IT departments, Personnel and top management can summon these records if someone is suspected of abusing the system...just as they can do with long-distance phone records.

To learn more about the company's internal Web activities, including its stance on proper Web use, visit **http://webcoe.corp.hp.com/webcoe/**.

Sonoma County's Tim Schultz says, "It almost demeans the issue of Internet access to make it a cost discussion." He'd rather see the conversation focus on creativity, teamwork and trust. "Nobody wants to indiscriminately run up the company's Internet bill. And we won't."

I'm in total agreement, Tim. But I get lots of letters from people who don't understand how the system works. Some people believe Internet use is free. Most everything else on the PC is. I'd like to think it's a matter of conditioning. We're conditioned to think that every minute of long distance or every business mile flown has a cost associated with it. Today, most HP people aren't (yet) conditioned to think about the costs associated with clicking, nor do most of us know how to find information efficiently. That can be a costly combo.

But let's look at some of the new things that are happening in cyberspace since we last got together.

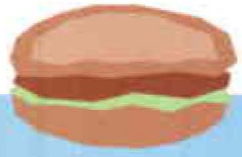
If you haven't visited HP's external Web site lately, you've been missing a lot. After two years, the site's undergone a major facelift, improving its look, its content, its organization and its functionality. Check it out again at **http://www.hp.com** and tell your non-HP friends to visit soon and often.

Want to see a site that takes advantage of the technology the Web has to offer? Go to **http://hpweb.cup.hp.com/~hpvbs**...the home of HP Video

and Broadcast Services, the department that used to be known at HPTV. They've got really cool video clips that show off some of their best work and a calendar of upcoming HP internal videocasts. A smart way to demo their department's capabilities to their HP customers.

I'm also impressed with the Women's Information Forum at http://scorpio.fc.hp.com/hpwin/index.html. What a great spot that encourages and supports the development of HP women around the world. Thoughtful articles, a great newsletter and a section for coming events.

I've run out of time and space for this issue. Do take the time to write me at doctorc@corp.hp.com. I can't promise I'll answer every letter, but they'll all be processed. Until next time, see you in cyberspace.



What does it really cost?

If you surf the Net from home, you probably know how much it costs to pay a service provider each month. If you're at HP, those costs are hidden. But use of the Web is not free. Your site is billed for every URL you access and these costs are passed along to departments.

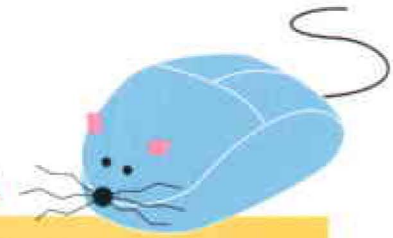
But the costs vary for downloading a page from the Web to your workstation. What does it cost HP? Asking how much a page costs is like asking how much a can of soda costs, how much a hamburger costs or how much a long-distance call between New York and London costs.

Is the soda a brand name? Did you buy it from a vending machine, a discount warehouse or a convenience store?

Is the hamburger from McDonald's or a fancy restaurant? Is it plain or does it come with special sauce, lettuce, cheese, pickles, onions and a sesame-seed bun?

Is your phone call direct or through an operator? During the day or at night? Are you calling from New York to London or the other way around?

To download a page to your PC can cost HP anywhere from 50 cents to 10 dollars. The prime driver is the size of the file you're grabbing...text files are a lot smaller (therefore cheaper) than audio or video files. Fifty cents per page may not seem like much (though 10 dollars is pretty steep for a lot of the pages out there on the Web), but that's per page. Multiply that times the number of pages you view, times the number of HP employees who are surfing at any given time, and HP's got a bill of several hundred thousand dollars a month.



What does that other button do? and other browser tips

I've always been baffled by the mouse's right-hand button...it rarely gets a heavy-duty workout. (And the third button on a workstation mouse is like driving a car with a manual transmission when you've only driven an automatic!) But try it out when you're in Netscape on your PC. It lets you quickly go back and forward. When you have your mouse on a link, the right mouse button can set a bookmark and open a new window. And if you're sitting on a graphic file, you can save the image (which lets you re-use the graphics you like). Just beware of the © symbol.

I've said it before, but let me tell you the best place to find the alphabetical list of more than 500 HP web sites and servers. It's at http://cvuiwww.cv.hp.com/local-bin/updatehpwww. And if scrolling is too much for you, use Edit/Find to look for key words.

And use HP's Web walker to find html documents that it knows of within HP that match your query. Beware that it only matches on URLs and titles, not the content, and sometimes it comes back with too many matches. But use it often at http://searcher.fc.hp.com/arachnophilia.

LETTER FROM LEW PLATT

HP's chairman, president and CEO explains the reasons why the company must alter its profit-sharing formula.

Judging by the number of messages I've received since I announced in May the possibility of changing HP's profit-sharing formula, there's a good deal of concern about how we will do it.

I understand your concerns. To many people, the idea of altering the way we calculate profit-sharing is unsettling. It's like we're tampering with something that shouldn't be touched.

However, there's ample evidence—both historical and practical—that a change is consistent with our past practices and is vitally necessary. I'll address many of your concerns in this letter and explain the Management Staff's thinking in detail.

Let's start with some history.

A year after forming their company in 1938, Bill Hewlett and Dave Packard started a bonus program so that employees could share in HP's success. The program was tied to manufacturing productivity.

During the following 20 years, the production bonus increased dramatically. Each time the percentage escalated to unrealistically high levels, Bill and Dave made adjustments.

As Dave explained in 1961, "...Our production bonus worked very well when we were smaller. Although it has been modified from time to time, as we have grown and as our operations have become more complex, the formula we use in computing this bonus has not worked well."

In January 1962, the company co-founders dropped the production bonus and replaced it with profit sharing based on a formula of 12 percent of pre-tax profits. Their thinking was that profit sharing would be somewhere between 3 percent and 10 percent—paid twice a year.

DAVID GRESE

In May, Lew met with the media and HP employees, including Hong Kong's Karen Wan, during very special unplugging ceremonies in Palo Alto (story on page 29).

As you can see on the graph on the opposite page, the profit-sharing percentage and HP's net profits have tracked reasonably well since 1962. But that began to change significantly three years ago. Since then, the net profit percentage has increased roughly 2 points (from 5.79 to 7.89 percent of revenue) while the profit-sharing percentage has grown by nearly 6 points (from 7.06 to 12.83 percent of pay).

One major reason this gap is widening is because our revenue has grown by more than 20 percent per year for the past four years while employment has grown at a much lower rate.

We recognize increased productivity has been a factor and we wouldn't

need to change the profit-sharing calculation if it were the only factor. The change in the way we do business also has caused the gap to widen.

Although we have an all-time high 108,300 regular employees, that figure doesn't include the thousands of jobs performed by other manufacturers, dealers, distributors, contractors and flex-force workers. Outsourcing enables us to grow quickly and helps make us more flexible overall.

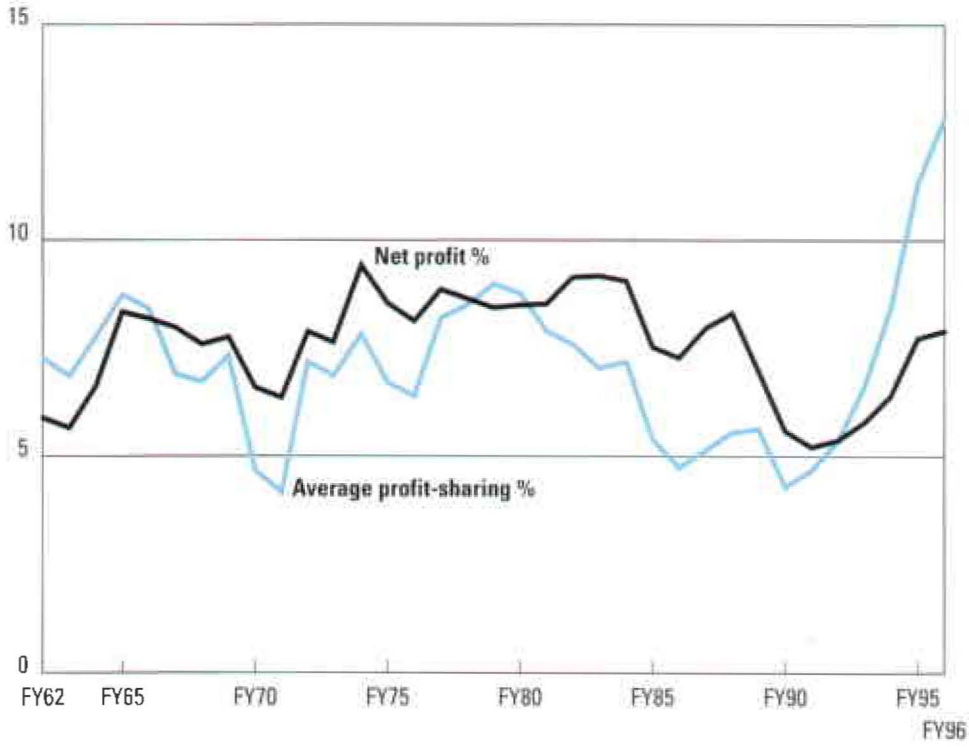
So our changing business model—where many things that used to be done by HP people are now done by others—makes us a much different company than we were in 1962.

We all enjoy double-digit profit-sharing percentages, but I think you can see that recent percentages haven't been a true reflection of the company's financial performance. It's important we continue to reward both our employees and shareholders equitably. When profit sharing gets too high relative to our net profit, we do not deliver an appropriate return to our shareholders.

That brings me to a point that several employees made immediately after I announced our mid-year results and profit-sharing percentage in May. A number of employees were upset because we dampened the joy of 12.83 percent profit sharing by mentioning a proposed change to the profit-sharing formula. Sometimes it feels like we can't celebrate anything without quickly adding a disclaimer.

Well, it's been obvious to the Management Staff for at least two years that a change in the profit-sharing formula was necessary. I felt that you needed to hear about that change directly from me.

The timing was important, too. Our second-quarter performance for fiscal



The profit-sharing percentage and HP's net profits have tracked reasonably well since 1962. But that began to change significantly three years ago.

year was good—not great, but good—and yet, the profit-sharing percentage was a record high. I couldn't in good conscience let employees celebrate unduly when (a) our earnings weren't nearly as good as our profit-sharing would lead you to believe, and (b) I knew that we needed to change the profit-sharing formula.

Honestly, I don't know what that new formula should look like. We've set up a task force of about two dozen general managers and personnel managers to take a thoughtful look at alternatives. By announcing the proposed change when we did, we gave you the opportunity to give us your feedback and we've received many thoughtful suggestions that will help the task force. Whatever we decide, it won't take effect until the end of the first half of fiscal 1997.

The task force wants the same things that all of us want: for profit sharing to continue to recognize employees' contribution to HP's success, for the formula to be fair and for HP to remain competitive in a fiercely competitive environment.

When you think about how much HP has changed in the past 34 years, it's amazing that our profit-sharing formula has lasted this long. Now, it's clearly time for a change.

Change is uncomfortable to all of us; that's perfectly normal. But I'm confident that we will come up with a formula that will be equitable and motivating. I hope you will agree, and I thank all of you for your feedback and understanding.

YUTAKA HAYASAKI

Celebrating the new Hachioji facility are HP Japan CEO Katsuto Kohtani; Harvey Zieber, HP's first employee; and Shozo Yokogawa, the first president of the Japanese joint venture.

The Hachioji Office combines seven- and five-story buildings—their floors connected by bridges across a glass-covered area—plus a one-story building.

Blessings for a new office building in Japan

By Betty Gerard

HACHIOJI, Japan—It was both a solemn and joyous day on April 26 when HP Japan (HPJ) formally accepted from the contractor the towering new Hachioji Office, which is built on the first site of the 33-year-old joint venture.

The occasion began with a traditional Shinto ceremony to mark the transfer of the facility from the contractors to HPJ. A Shinto priest invoked the blessing of a divinity on the new building. Attendees responded in groups with rhythmic handclapping. They represented HPJ; the joint venture's two parent companies, Hewlett-Packard and Yokogawa Electric Corp.; the employee union; and the construction firms of Obayashi Corp. and Nakano Corp. The HP contingent was led by Executive Vice President and Chief Financial Officer Bob Wayman. Corporate Real Estate Director Laine Meyer and project manager Bill Roberts also took part.

Among other guests at the ceremony was a group of HP retirees from California, many with personal ties to Japan.

There were many warm greetings at the party that followed as HPJ veterans and retirees found old friends among the visitors. John Brown, returning to Japan for the first time since 1978, spent four years as vice president of Yokogawa-Hewlett-Packard (YHP), as HPJ was called until 1995. He served with Ken Sasaoka, retired YHP president, and Toshio Muraoka, retired YHP vice president of sales, who were back for the event.

Yas Shimoguchi, leader of the retiree group, and Tosh Kondo had served as interpreters at HP's Palo Alto, California, headquarters for the first 15 years of the young joint venture when visitors from YHP came for meetings. Yas and retiree George Kan had each worked for several years at YHP. Retiree Zella Williamson had developed YHP's early parts-ordering system for buying from U.S. divisions.

Two spry octogenarians at the party received special attention. Shozo Yokogawa was the first president of YHP and is a former HP director, while HP retiree Harvey Zieber was the first employee hired by Bill Hewlett and Dave Packard when the company began.

The spacious new facility combines three buildings and has triple the space of the sprawling old two-story building it replaces. It is a key part of an overall plan to consolidate HPJ sales people close to customers in downtown Tokyo offices while supporting admin and other functions are located further out in Hachioji. It also houses R&D and marketing of OFG Japan, while production of semiconductor test equipment remains in a separate building on the site.

The result, all agreed, is a spectacular new addition to HPJ's real-estate portfolio. M

EXTRAMEASURE

News from around the HP world

By Tena Lessor

HP in the running in Boston

April 1996 marked the 100th anniversary of the Boston Marathon. At least two employees carried the HP banner proudly during the historic race.

Paul Cannon, a customer information and support manager at the Little Falls Analytical Division in Delaware, recalls that day. "I ran easy and slow to experience every step of this historic event. This was my slowest career marathon by far, but the most exhilarating running experience of my life." Paul met a time standard to run as a qualified runner.

For Sue Hess, a supply manager at Little Falls and a non-qualifying entrant, her third Boston Marathon was equally significant. "It was a once-in-a-lifetime event."

Both Paul and Sue felt strong crowd support for HP. "With our HP running outfits, we were well noticed throughout the course," Paul says. "No less than 25 times did I hear people yell to me things like, 'Go HP' or 'Hewlett-Packard, we love you.' Talk about a great boost during a long race."

BOSTON GLOBE PHOTO

The 100th running of the Boston Marathon attracted thousands of people, including several HP employees.

DAVID GHILSE

Bob Walker, HP chief information officer, pulls the plug on the company's last mission-critical mainframe.

HP unplugs—and moves away from the pack

"HP is leading the pack, and there is no going back," CEO Lew Platt told several hundred employees in May during a ceremonial unplugging of the last mainframe serving a mission-critical system.

HP, long an advocate of open systems and client/server solutions, now is the largest company in the world without a mainframe running its mission-critical applications, says Jim Murphy, mainframe alternative and datawarehouse marketing manager in the General Systems Division.

This shift is not sudden, but a gradual change over the last seven years. The reasons for the switch are simple and practical, says Jim. "Mainframes are cumbersome, expensive and inflexible. The smaller systems are cheaper and more flexible."

Although many people think that big companies need mainframes to perform large tasks, HP shows this is not the case. "We're doing what we're asking our customers to do," Jim says. The conversion began when he worked in Corporate Marketing and International Services (CMIS).

The project took months of work by IT experts from some 20 HP organizations with processes running on the mainframe, including the big order management systems HEART and COCHISE. Folks from CMIS, various Corporate IT teams and the Palo Alto data center joined teams from GSY, the Commercial Systems Division and user groups for the celebration.

BILL SEIBERT

Kris carries the Olympic torch.

A run of a lifetime

Kris Seibert, a marcom program manager in HP's Worldwide Customer Support Operations, awakened May 3, 1996, laced her running shoes and headed out the door for a run.

This was not a casual morning jog, but a run of a lifetime. One of 10,000 torchbearers, Kris was selected by the United Way of Mountain View, California, for her outstanding community involvement. She carried the Olympic flame one kilometer closer to its destination—Atlanta, Georgia—and the 1996 Olympic Games.

"I was so excited, I could hardly breathe," Kris says.

JOYCE NALTCHAYAN

Mark Canepa, Workstations Systems Division G.M., talks with reporters during the Library of Congress event.

Putting HP on the map

Internet surfers will be able to find their way a little easier by the year 2000, thanks to an HP donation of $600,000 in computer equipment to the United States Library of Congress.

The donation will enable the library to make a large collection of maps, atlases and other cartographic materials available on the Internet by the year 2000.

The suite of donated equipment is built around the HP 9000 Model K400 server, and includes HP Pavilion PCs, optical-storage devices, several HP 9000 workstations, HP LaserJet and DeskJet printers, and an HP DesignJet color plotter.

BOTTOM LINE

Hewlett-Packard reported a 25 percent increase in net earnings, 33 percent growth in net revenue and 24 percent increase in orders for the second quarter of the 1996 fiscal year, ended April 30.

Net earnings for the second quarter were $723 million, or $1.37 per share, on approximately 528 million shares of common stock and common-stock equivalents. This compares with net earnings of $577 million or $1.10 per share in the same quarter a year ago.

Net revenue for the quarter was $9.9 billion, compared with $7.4 billion in the year-ago quarter.

Orders for the quarter totaled $10.1 billion, compared with $8.1 billion in the FY95 second quarter. U.S. orders increased 33 percent to $4.7 billion, while orders from outside the United States grew 18 percent, to $5.4 billion.

Operating expenses for the second quarter were 23.7 percent of net revenue, compared with 25.6 percent of net revenue in the year-ago quarter. Recent acquisitions of Convex Computer and certain assets of SecureWare Inc. contributed to this quarter's growth in operating expenses.

CSO CHANGES

The Computer Systems Organization (CSO) under Vice President and General Manager **Dick Watts** has created three new business units and one new group, reassigning entities of two former groups. They are:

- A new Commercial Systems Business Unit under G.M. **Glenn Osaka.**
- A new Technical Computing Business Unit (TCBU) under G.M. **Bill Russell.**
- A new Enterprise Middleware Business Unit under G.M. **Tilman Schad.** It replaces the former Software Business Unit.
- A new Solutions Delivery Group under V.P. and G.M. **Manuel Diaz.**

CSO's former Solutions Integration Group and Computer Systems Group no longer exist.

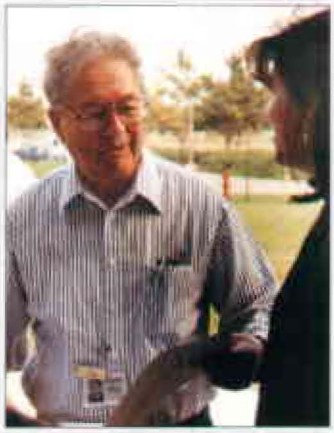
In addition, the Order Fulfillment Group under V.P. and G.M. **Dick Love** has moved to an organization structure based on 10 processes across all CSO computer manufacturing.

You're never too old...

You'd think that 83-year-old development engineer Bob Teichner would be ready for an easy chair and a well-deserved retirement. Think again.

When friends and co-workers in the Components Group in San Jose, California, said good-bye to Bob in March, it wasn't to celebrate his retirement, but to wish him well on his new job with HP's Electronic Assembly Technology group in Palo Alto, California.

Bob came to California in 1958 to work with famed scientist and inventor William Shockley, with whom he helped develop silicon-wafer-processing techniques. Bob joined HP Associates, which later became part of the Components Group, in 1961 as its ninth employee.



KELLY MITCHELL

There's no retirement for 83-year-old Bob Teichner, who's still going strong.

In his new job, Bob, who has earned six patents in 34 years at HP, attaches "flip chips" to printed circuit boards.

—Kelly Mitchell

(Kelly Mitchell is a senior communicator in the Components Group in San Jose, California.)

On the road in Atlanta

ATLANTA, Georgia—Hewlett-Packard, SkyTel Corp. and Etak Corporation have developed a Personal Travel Guide to help Atlanta, Georgia, visitors from June 1 through September 30 receive traffic and travel information quickly and easily.

The Personal Travel Guide consists of an HP 200LX Palmtop PC and SkyTel 2-Way pager installed with an Etak database containing a digital street map of Atlanta and surrounding areas, and locations such as lodging, restaurants, public transportation.

Centrally located in Atlanta's traffic-management system via HP X-terminals, information is dispersed to an Etak Traffic Workstation running on an HP Vectra PC, the SkyTel 2-Way pager and TRW system.

BOARD ACTION

The board of directors promoted Treasurer **Larry Tomlinson** to vice president.

The board also approved a 2-for-1 stock split effective June 21 for shareholders of record on that date. The last stock split was March 24, 1995.

The quarterly dividend was raised 20 percent, payable on July 10 to shareholders of record June 19.

PPG CHANGES

The Personal Information Products Group (PPG) under G.M. **Duane Zitzner** has created a new Extended Desktop Business Unit (EDBU) under G.M. **Jacques Clay.** The former Grenoble (France) PC Division has been split into three new operations, part of EDBU: the Small Business Computing Operation under **Eric Cador,** the Commercial Desktop Computing Operation and the Performance Desktop Computing Operation. EDBU also includes the Mobile Computing Division.

In addition, the former Roseville (California) Networks Division (RND) has been renamed the Workgroup Networks Division. The Direct Connect Operation which had been in RND now reports directly to Zitzner.

OTHER CHART CHANGES

In the Information Storage Group, the Boise, Idaho, operations of the Storage Systems Division (SSD) under **Art Lane** as G.M. have been elevated to a separate entity status. There is now an SSD-Greeley and an SSD-Boise.

The former Convex Technology Center of HP has been renamed the Convex Division under **Pierre-Francois Catte** as G.M.

NEW HATS

In CSO, **Rick Justice** to G.M., CSO Worldwide Sales and Marketing ...**Keith Goodwin** to G.M., CSO Americas Sales and Marketing... **Janice Chaffin** to share G.M. responsibilities at the General Systems Division with **Carol Mills.**

In the Microwave and Communications Group, **Debra Dunn** to G.M., Video Communications Division...**Bill Savage** to G.M., Queensferry Microwave Division.

Good morning, San Francisco

San Francisco, California, is known for its exciting night life, but Dan Soto, an IT solutions specialist at HP's Mayfield site in Mountain View, California, captured a different, more subtle scene.

It was an early Sunday morning in February 1996. The sky was crisp and clear. Dan and his wife, Caroline, traveled to San Francisco for an orchid show at Fort Mason and decided to go to the pier. "The city was beginning to wake up," he says.

"Beyond the rustle of the waves, I could hear the distant hum of the city's emerging hustle and bustle."

There isn't a memory or a cute story attached to the photo, Dan says. He just felt intrigued by the scene. "The fishing pier along the Embarcadero backdropped by the Transamerica building made an ideal shot."

DAN SOTO

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