

A magazine for Hewlett-Packard people

March-April 1997

MEASURE



**Keeping
the faith**

Without even knowing it, HP employees have received a good deal of their daily HP news for the past 20 years from one person.

If Walter Cronkite is considered the most trusted person in American journalism, then the HP equivalent is Betty Gerard.

For two decades, Betty has been HP's most important news source. Ask Betty the correct name of an HP division and she probably can tell you its complete history—when the division began, every name it's had, a chronological list of its general managers and probably a list of every product manufactured there.

If Betty doesn't know the answer from memory, it's sure to reside on a neatly typed 3-by-5-inch index card in one of six old clunky metal file boxes in her office.

Long before there were sophisticated computer databases and Internet search engines, there were two fast and reliable sources of information in HP: Betty's brain and Betty's metal boxes.

Loyal readers recognize Betty's name as a *MEASURE* associate editor and writer. Mention a timely story or a prominent HP executive and chances are that Betty has written a story about that subject or person.

What many people don't know is that Betty has been the invisible force behind Newsgrams—the in-house almost-daily HP news service—for the past 19 years. Their headlines appear in the panels in the back of each issue of *MEASURE*.

And along the way, Betty took on the responsibility for keeping the HP organization chart up to date. She meticulously has tracked every revision, reassignment, realignment and reorganization.

Considering how inaccurate a printed org chart can be, the one on Betty's office wall—marked up, crossed over, penciled-in and dotted with yellow Post-it squares—has been the only truly accurate org chart anywhere in HP for most of the past several years.

Betty is a stickler for detail and one of the few people I know who gets downright passionate about commas. We've been known to debate the merits of what she calls a "gratuitous comma" for days on end.

And now, after 20 years with HP, Betty has retired.

You'll still see her stories in *MEASURE* when she can break away from her children, grandchildren, volunteer work and travel long enough to write. And I'm certain that many HP people will keep in touch with Betty for years to come.

Every person is replaceable, the saying goes, but HP won't be quite the same place without her. For all you've meant to HP, Betty, thanks.

—Jay Coleman



On the cover: Using HP analytical equipment, Dr. Holmes Morton diagnosed and now successfully treats Amish children who suffer from a hereditary disease. The photo feature begins on page 4. Cover photo by Clark Mishler.



Page 12



Page 20

FEATURES

4 Keeping the faith

In a world away from modern technology, HP analytical equipment helps a group of "special children" stricken with a rare disease.

9 It's by design

Some products, such as the HP Pavilion personal computer, get it just right—the right timing, right look, right feel, right features, even the right curves. It's no accident.

12 Bracing for the year 2000

When the calendar turns to the next century, some computers will read 2000 as 1900. Computer programmers around the world are already working on the problem. What is HP doing?

18 Arrivederci, Franco

Senior Vice President Franco Mariotti retires after 36 years of helping grow HP's important European marketplace.

20 Selling with a sense of humor

HP takes a leap forward with a new advertising campaign that tickles the funny bone.

24 A tale of two cultures

How do two companies mesh when 800 people join 112,000?

DEPARTMENTS

15 People

With camera in hand, Monte Smith explores the ocean's depths, capturing its wonders with award-winning photos.

22 Web-wise

Dr. Cyberspace announces a great new Internet/intranet contest.

26 Letter from Lew Platt

HP's chairman, president and CEO discusses the good news and the not-so-good news of HP's 1997 first-quarter results.

28 Your turn

MEASURE readers share their views on matters of importance.

29 Extra*MEASURE*

News from around the HP world.

MEASURE

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Keeping the faith

Story by Thomas Ulrich
Photos by Clark Mishler

In a world away from modern technology, HP analytical equipment helps a group of "special children" stricken with a rare disease.



above

Coats and hats hanging in a farmhouse cloakroom reflect the simplicity and conformity that is so important in all aspects of Amish life.

LANCASTER COUNTY, Pennsylvania —In late summer, ripened field corn billows across Bunker Hill, and the Fischer farmstead resembles an island on a sea of gold.

Blessed with the richest soil in North America and a climate perfect for farming, Caleb Fischer and 12 generations of kin have left their mark upon the land.

Four mules generate enough horsepower to turn the soil at Caleb's farm. Without electricity, butane lanterns light his farmhouse. The nearest telephone is a quarter-mile down the road. Because Caleb doesn't have an automobile, a horse named Chester fetches him back and forth to town.

Caleb and his family are Old Order Amish. They belong to a community living at the edge of modern society with spiritual values that reach back to the Protestant Reformation.

Most of the 16,500 Amish living in Lancaster County are descended from the 200 Swiss-German farmers who emigrated here during the 1700s. Because Amish forbid marriage outside the Old Order, centuries of intermarriage have afflicted them with hereditary diseases that threaten their heritage and strike their young in disproportionately high numbers.

Before Holmes Morton, a pediatrician from West Virginia, worked among Amish families from Lancaster County, researchers documented eight cases worldwide of a disease called glutaric aciduria. An inherited metabolic disorder, glutaric aciduria often strikes children between the ages of six months and five years. The disorder is triggered by childhood illnesses such as chicken pox or fever. Children stricken with the disease can suffer permanent brain injury that leads to a lifetime of paralysis or an early death.

Bewildered by a disease that strikes the Amish 10 times more often than the general population, Dr. Morton accepted a research fellowship at the Kennedy-Krieger Institute in Baltimore, Maryland. Working with Dr. Richard Kelley, he diagnosed 17 Amish children with glutaric aciduria. His studies showed that an additional 25 to 50 Amish born during the next generation could inherit the defective genes that cause the disorder.

Without treatment, nearly all would be disabled, and a quarter of them would die before age five.

Inspired to help these children, Dr. Morton traveled once a week from his home near Philadelphia to Lancaster County to work among the Amish. "The Plain People (Old Order Amish) call them God's special children," he says.

Because this disease devastates a child in a matter of hours and because it is impractical for Amish families to travel many miles to a university medical center for care, Dr. Morton knew he needed to build a clinic nearby to help these children.

"By the summer of 1989," Dr. Morton says, "it was clear that the grant I hoped to get from the National Institutes of Health was not going to work out." So he applied for a second mortgage on his home to raise money to build and outfit a local clinic.

Grateful for Dr. Morton's diagnosing and treating their granddaughter's illness during his weekly visits to Lancaster County, Caleb Fischer and

top right

Amish farmers use nineteenth-century methods to harvest field corn on one of the many family-owned farms in Lancaster County. The land was deeded by William Penn.



his wife, Rachel, gave him three acres of land as the site for the clinic.

Shortly before sunset on a blustery afternoon in November 1990, 12 Amish carpenters and farmers raised the Clinic for Special Children. With sledgehammers, Douglas fir timbers and oak pegs, they framed the post-and-beam building in less than a day.

"The only piece of expensive equipment I needed," Dr. Morton says, "was a mass spectrometer made by Hewlett-Packard Company."

Alerted to the plight of the Amish children by a front-page story in the *Wall Street Journal*, Hewlett-Packard co-founder David Packard donated an HP 5890 gas chromatograph, an HP 5970 mass spectrometer and an HP 9000 workstation for analyzing urine samples of children at the clinic.

"When Dr. Morton came to our home to explain that our daughter Rebecca had glutaric aciduria, Joshua and I thought he had made a mistake,"



above

Retired thoroughbred trotting horses, like this one, are sometimes purchased to pull carriages owned by most Amish families, who use them for transportation.



above

Dr. Holmes Morton—awarded the Albert Schweitzer prize for humanitarian medicine from Johns Hopkins University in 1993 for his work among the Amish—examines a sample about to be tested for glutaric acid in an HP mass spectrometer.

Keeping the faith

says Elizabeth Fischer, daughter-in-law of Caleb and Rachel. "But it didn't take long until she had a fever and Holmes admitted her to the hospital."

"If it weren't for Dr. Morton," Elizabeth says, "Rebecca would have ended up like many of Joseph and Sallie Lapp's children. Five out of seven of their children died or are paralyzed because of this disease."

"Joshua and I thank the Lord, but it is through Doctor Morton that my children stayed healthy."

"Holmes Morton has forced his way into the hearts of the Amish people," says C. Everett Koop, former U.S. surgeon general, "and based upon that trust has accomplished a remarkable service for them."

Dr. Morton recalls visiting an Amish family before he established his clinic. "We will be glad if you can learn to help these children," said the grandfather of a boy who had just died, "but such children will always be with us. They are important to all of us. They teach a family how to accept the help of others."

"As outsiders viewing Amish culture, we think their traditions are archaic or old-fashioned," Dr. Morton says. "We might think they don't have much to teach us, but we need to look at how successful they are at keeping families together and serving the needs of those within the culture—the disadvantaged through illness, injury, disability or age. These people have a much better way of dealing with these problems than other cultures have."

"Special children hope to suffer less and lead fulfilled lives through the help of others," Dr. Morton says. "Within their families and communi-



top

In this densely populated region of Pennsylvania, an Amish farmer's mule-drawn farm cart must share the road with cars.

above

Gardening and canning are part of an Amish woman's activities. Cucumbers, peppers, peaches and pickled vegetables called "chow-chow" are just a sample of the homegrown produce stored in Amish cellars.

above right

Hundreds of Amish roadside stands—a source of income for families—sell produce, baked goods and handicrafts.



right

Pennsylvania law requires that Amish carriages have reflectors, brake lights, side mirrors and headlights to make them safer and more visible on public roads.



Keeping the faith

ties they are not merely the objects of compassion and love, but often their very source.” **M**

(Thomas Ulrich writes for HP's Integrated Systems Division in Sunnyvale, California. The names of the Amish in this story have been changed to protect their privacy.—Editor)

Who are the Amish?

Noted for their hard work and plain ways, the Amish shun many modern conveniences.

While men find work within the community as farmers, carpenters, cabinet makers and blacksmiths, women run the household, tend the kitchen garden and help with the harvest. Recently, the role of the woman within the Amish community has changed. A growing population and shortage of farmland within Lancaster County have pressed many women to work outside the home. Cottage industries such as bakeries, clothing stores and handicraft shops that women now run embrace Amish values. They are owned and operated by the family.

In keeping with their belief in adult baptism, Amish parents permit sons and daughters in their late teens to experience a surge of freedom called *rum-springa* or “running around.” After several years among the “English,” or “outsiders,” a young adult chooses to accept or reject the Amish faith. Seven out of 10 young men and women return home to carry on the tradition.



top

Racing back to their one-room schoolhouse after recess, Amish children are taught only those skills that are deemed useful and practical for their later lives, such as arithmetic, reading, penmanship and spelling.

middle

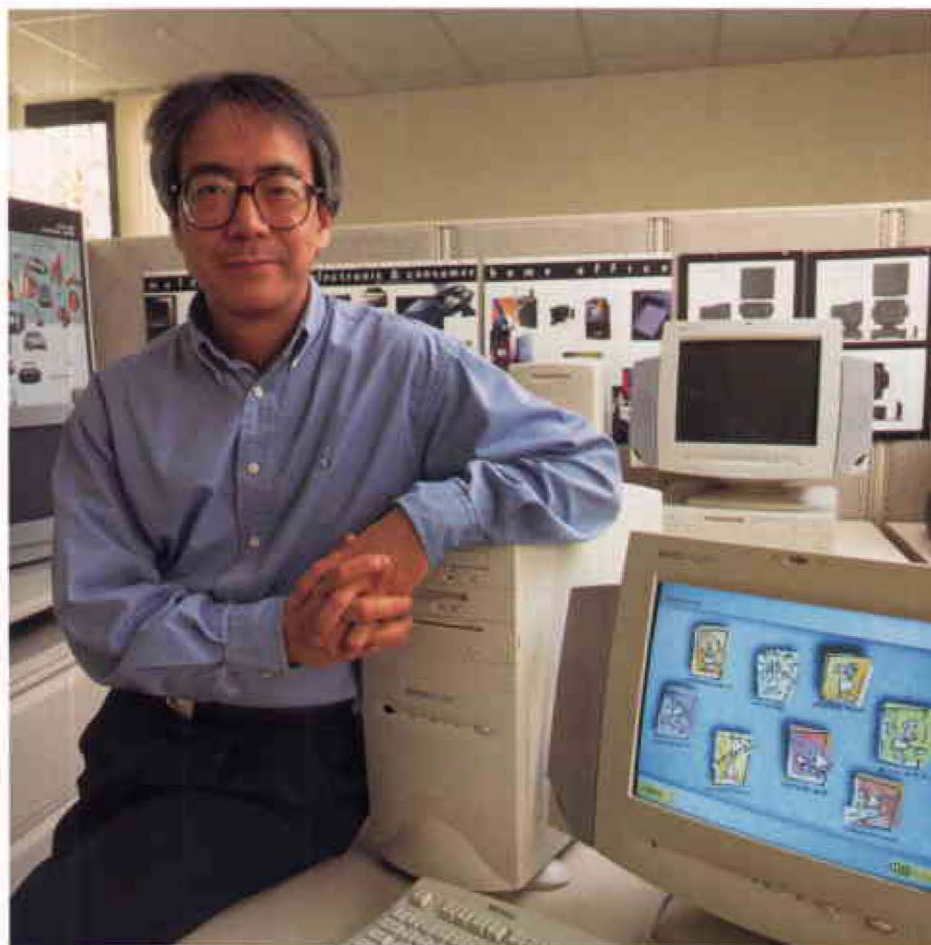
Amish quilts sold at the clinic's benefit auction are considered among the best in both design and stitching. Quilts are unsigned to avoid crediting makers, which would make them seem proud in the eyes of others.

bottom

Lines of carriages are parked outside Leola farmers' market during the annual auction attended by more than 7,000 Amish, Mennonites and “English” (a term used for anyone not Amish or Mennonite).

How
do you
measure
MEASURE?





JACK CARROLL

In the future, PC colors may match your home decor, says Peter Lee, who manages the HP Pavilion industrial-design activities for HP's Home Products Division.

Some products, such as the HP Pavilion, get it just right—the right timing, right look, right feel, right features, even the right curves. It's no accident.

It's by design

By Jean Burke Hoppe

Will the personal computer of the future be encased in solid cherry to add warmth to the decor, a space for it carved into family room entertainment centers and home theaters? Will putty and gray PCs give way to trendy designer colors like sage, pumpkin or cranberry? Will the PC's clunky, space-eating presence evolve into something sleeker, something wireless, something positively pleasant to behold?

Yes to all, says HP's Home Products Division's (HPD) Peter Lee, who manages industrial design (ID) activities for the award-winning HP Pavilion personal computer.

Compelling industrial design can definitely give HP's home products—and all products—a competitive advantage, says Webb McKinney, HPD general manager. "We are at the very beginning of 'domesticating' the computer," says Webb. "There's no telling how far it will go, but it's fascinating because the bar keeps being raised. If you've been in the stores, you know we are neck-and-neck with our competition. Some companies are getting much bolder in their styling."

Acer America's Aspire PC, which won awards last year for its avant-garde design, went beyond putty and black and produced emerald and deep purple computers. The Toshiba Infinia went for the stereo equipment look,

It's by design

incorporating knobs, buttons and even a remote control into its design.

HP provides a model for what's happening in the industry, says Jeff Smith, president of Lunar Design, who works with HPD on the Pavilion. "It's interesting to watch as these high-tech products go mainstream, as they're 'consumerized.'"

"Companies like HP have to look at design from a cultural standpoint. What's going on out there with the consumers? And how's our diversity and our heritage as a company working for us or against us in these markets? I think HP is perceived as an intellectual, introspective, analytical, engineering-driven, reliable company. You don't want to forfeit any of that—which you might if HP suddenly went 'hip.' There's a balance that makes much more sense for HP between hipness and reliability.

"The challenge for HP is in pacing this cultural evolution."

"That's the fence we sit on," says Peter Lee. "We want the Pavilion (and the Pavilion 2, which is due out this summer) to be elegant and convey ease of use and versatility. Yet it can't look frivolous, be perceived as not serious enough."

Fashion before substance never will be HP's style. But the Pavilion, with its smooth, soft and sophisticated look, is the furthest into "hipness" HP has ventured. That made its success and market acceptance particularly rewarding. Even mainstream magazines like *Esquire* took note. It went positively quivery over the Pavilion, saying it "offer(s) buttons and orifices so biomorphic that you feel you ought to say something soft and seductive before you touch them."

Peter says the Pavilion, which has won awards for both design and ease of use, is truly a home product. "We

wanted consumers, especially first-time computer buyers, to see it, understand it and want to use it. Everything about it has a sense of obviousness. You know why it's there. It's not contrived. Yet it's also artful. That's the design image we went for and very much, I think, what evolved."

The Pavilion got high marks from users and reviewers for the "out-of-box experience." The connectors are color-coded so there's no question of where cables plug in. The speakers slide into the sides of the monitor and connect to it, too. HP's Personal Page software interface for Windows 95 cheerfully gets you started, whether you're a beginner or a bona fide nerd. *Business*

Week magazine named the HP Pavilion 7285 its top performer in its annual computer buying guide.

The home market is hot and high-profile right now, but good industrial design is producing many other thoughtful and effective products from HP divisions around the world. That translates into happy customers.

Greeley Hard-copy Division's Jim Dow and Mo Khovaylo's

SureStore Optical 600fx Jukebox won a 1996 Industrial Design Excellence Award (IDEA), sponsored by *Business Week*, and also the 1997 Hannover Industrie Forum Design Competition award, another of the profession's most prestigious honors. The 600fx stores the equivalent of 1.5 million

"It's interesting to watch as these high-tech products go mainstream, as they're 'consumerized.'"



Raoul Dinter, who won 1996 Hannover design awards for the HP 8453 Spectrometer and the HP Series 1100 Liquid Chromatograph, confers with colleague Ulrike Jegle.

GERHARD GSCHIEDLE

300-page books on optical cartridges. A mechanical arm travels in the center of three vertical stacks and moves them to optical drives, where data is accessed. A viewing window lets operators see the machine work.

Industrial designers work on many aspects of a product. Jim says, "We try to simplify the use of the product for the customer. Most HP products contain excellent, but very complicated, technology. It's our job to develop controls, displays, graphical user interfaces and hardware that will make the technology accessible and easy to understand for the user. Successful ID has to create 'pull' for a product, by way of a strong visual statement that distinguishes it from the competition.

"The best designs marry all aspects of industrial design into a single whole. These are the designs that win awards—and delight customers."

The Waldbronn Division's Raoul Dinter, industrial design manager, agrees. He sees industrial designers as the customer's advocate. "Some people think we are artists, the magicians of color and radii. Aesthetics are an important part of ID, but the hardware user interface is more important—especially for industrial products.

"I've visited more than 100 labs in the past 10 years and the argument, 'This is what our customers say,' is a very good one."

Raoul most recently won a 1996 Best-of-Group Hannover design award for the HP 8453 Spectrometer, and the HP Series 1100 Liquid Chromatograph he designed was named one of the top 10 products of the year.

Jim Girard, who has designed and won awards for the LaserJet 2P, 3P, 4P and HP's first DeskJet Portable printer, is on a two-year fellowship



HP Greeley (Colorado) Hardcopy Division's Jim Dow (left) and Mo Khovaylo designed the HP 7978 tape drive that's part of a permanent collection at a German design museum.

at the Art Center College of Design in Pasadena, California, focusing on multimedia and Internet design.

Jim, who holds 14 mechanical and design patents, worked in Singapore for Frank Cloutier, former G.M. of the Mobile Computing Division, when he designed the Portable Deskjet, which won an IDEA Gold Award, the highest honor. "Frank provided the perfect atmosphere for design work, and that's the key to success," Jim says. "He was really supportive of the function, and that has to flow from the top. Otherwise, working in the R&D lab can be like working on Planet Vulcan with a bunch of Mr. Spocks."

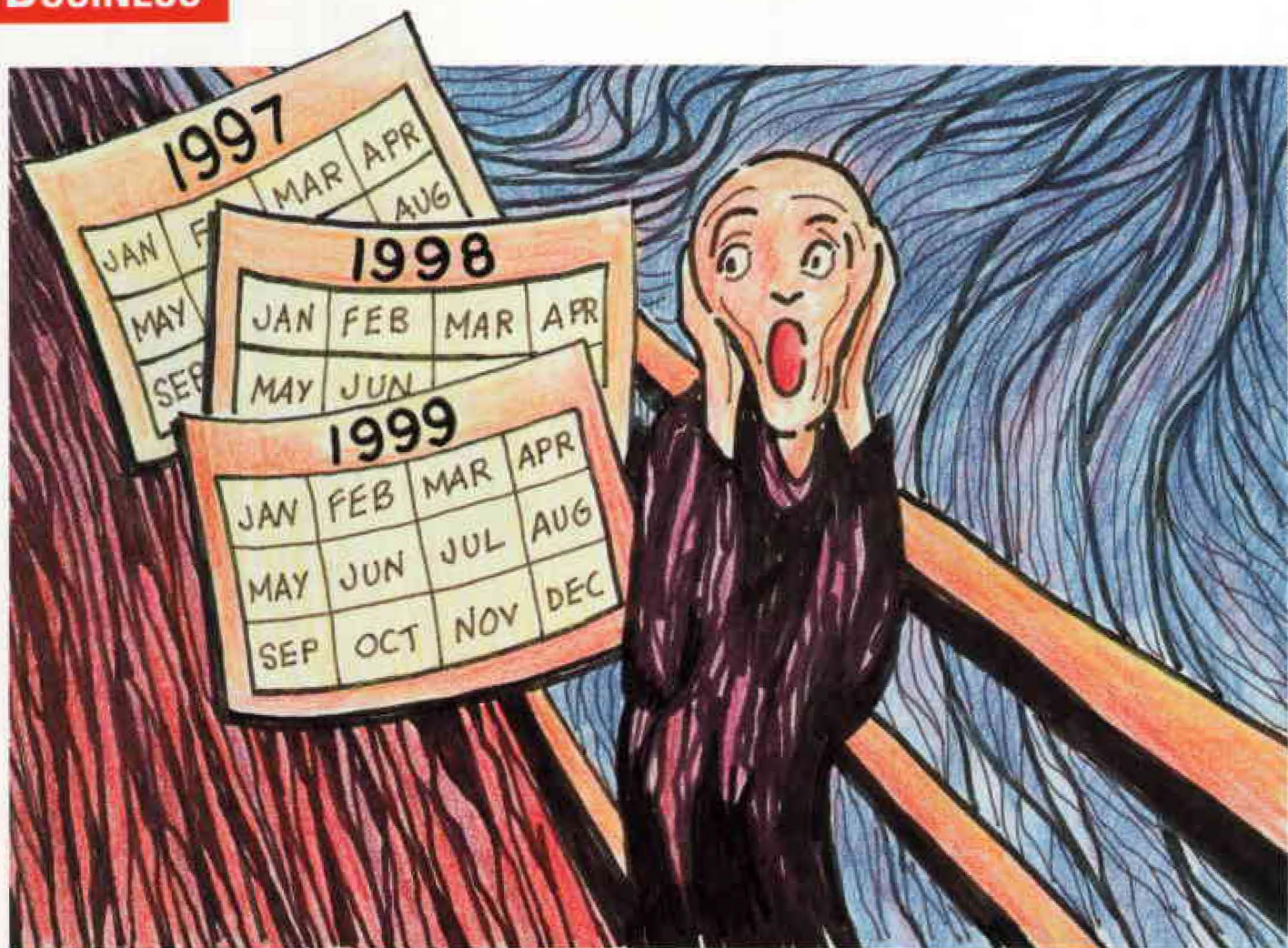
Dave Skinner, senior industrial designer with the Integrated Systems Division, most recently won a 1996 Hannover award for the Automotive Diagnostic Scan Tool—Tech 2

that he and Gil Lemke designed for General Motors.

Dave says his perception of ID has changed in his seven years with HP. "It used to be me imposing my perceived solutions on problems. Now, I do much more research, visiting customers and studying their environment."

And that's the bottom line. Knowing "how to dress" is one thing, but the most elegant, well-designed product is worthless if it doesn't fit the customer. **M**

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



BASED ON EDVARD MUNCH, "THE SCREAM." CREDIT PAGE 3

Bracing for the year 2000

By Betty Gerard

When the calendar turns to the next century, some computers will read 2000 as 1900. Computer programmers around the world are already working on the problem. What is HP doing?

You wouldn't think two little zeros could cause so much trouble.

But the changeover from the year 1999 to 2000 poses a monumental conversion challenge to computer programmers around the world. Anything that has a date is potentially affected by the flipover of the calendar to 2000.

In earlier years, programmers shortened date entries from four numbers to just two to save then-scarce and expensive memory. Thus, 1997 became 97 to computers—however, some will read 2000 as 1900 if something isn't done to reeducate them.

Among the scary scenarios of what might happen is that computers around the world will corrupt or mishandle data, or just stop completely.

The Gartner Group consulting firm has been quoted widely as estimating that keeping computers running right will require changing a staggering number of lines of code with a cost of \$300 billion to \$600 billion worldwide.

A multidivisional, multifunctional effort is under way throughout HP to ensure that its operations will run smoothly when the millennium arrives and ensure that customers can do the same.

As Chief Information Officer Bob Walker says ruefully, "No sources of funding will appear magically to pay for this effort. We have to spend hard-to-get money taken from new initiatives just to keep running our business as usual."

Last August he issued a strong call for action throughout the company. At Corporate IT, Heather Tripp heads a Year 2000 Coordination and Assistance Center that will assess the full extent of HP's exposure and serve as an information clearinghouse.

Admittedly, it's a challenge to dig into old source code to find all date references. Decisions must be made on whether to replace a program altogether, to retrofit it—installing full four-digit capability or coding work-arounds for two-digit dates—or to junk it.

The bulk of HP's Y2K (short-hand for Year 2000) work will involve homegrown applications, with those that are mission-critical the first in line.

One example is the HEART system that manages world-wide orders. HEART alone interfaces with 100 other systems and distributes Order Process Communicator files (the "blood" between applications) to more than 600 locations. Vendor billing and support agreements run off HEART.

Also sweeping and complex is the procurement system (PROMIS) used by factories for materials planning. PROMIS is centrally supported by Product Generation Information Systems (PGIS).

"Dates are critical for us," says Garry Gray, PGIS director. "We try to give a supplier an idea of our future needs. If a computer misreads the date 2000, bad information could result in a shortage of parts and stop production."

It's essential to locate places where dates are used and modify the sort logic so the system won't read 2000 as 1900 and put a message at the bottom of a queue or relegate it to an error file.

To compound the problem, factories have many local, unique interfaces to the PROMIS system, each of which must be made compliant with new date formats. MM/3000, used in 60 HP manufacturing sites worldwide, has a patch completed for Y2K compliance for versions A.09.11 and C.00—which only half are using.

Changes are difficult and time-consuming to test. "And when you think things are OK, you have to reinstall all systems simultaneously," Garry points out.

There are some bright spots and opportunities with Y2K, however.

The PeopleBase program is replacing all human resources (HR) software with a completely new system. PeopleBase is using PeopleSoft, a software package from an outside vendor that was introduced in 1987 and is 2000-compliant. Since 1991, all but one of the major HR legacy systems have been decommissioned, with Payroll and

Benefits the last critical transition yet to come (see box on page 14).

"It was time to roll over all HR software, which was old and fragmented," says Becky Everett, PeopleBase program manager. "We needed to unify and update the functionality in our legacy systems. In the process, it solved the Y2K issue for us."

On the financial side, the consolidation of financial services over the past seven years has smoothed out many potential problems, says Jerry

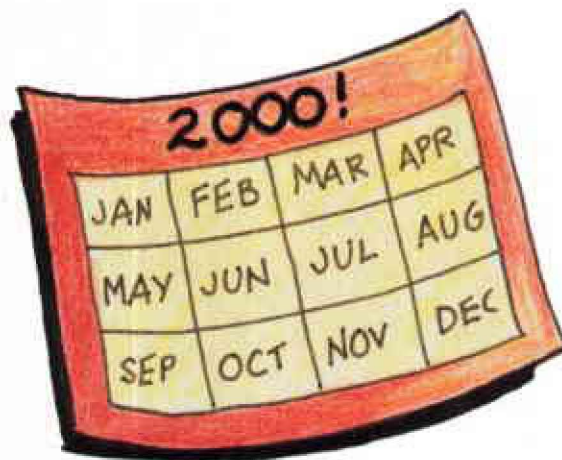
Schaefer of Worldwide Financial Services IT in Colorado Springs, Colorado. Since 1987, the plan has been that any new development or system purchases must address the Year 2000 issue. Other systems have been retrofitted routinely.

"But we still have work ahead of us," Jerry says.

Plans are being developed and carried out separately by financial teams in Europe, the Americas and Asia Pacific since their general accounting systems have some geographic differences.

For Worldwide Customer Support Operations, 2000 already is here. Its Business and Technology Solutions group, which provides software tools for support administration and HP's response centers, has had to adapt many systems to cope with customer-support contracts that extend beyond 2000. Martin Theophilus in Bristol, England, is completing the assessment of 50-plus applications.

HP's businesses have found hundreds of software applications that currently run their own operations—some





bought from outside vendors and some from HP organizations that no longer exist.

Medical Products Group systems alone have 20 million lines of code and more than 240 applications, Charlie Schiappa of MPG IT has found in his assessment. Each must be looked at for necessary date changes, fixed and tested.

"It's hard to tell from the outside looking in," Charlie says. "You have to get out your microscope."

For the Computer Organization, protecting customers is a special concern. Dick Watts, vice president and general manager of the Computer Systems Organization (CSO), has asked each division to commit to a goal of shipping hardware and software products that are Year 2000-ready by the end of FY97 at the latest.

Where needed, patches or updates will be ready to allow any customer with an HP product still supported to attain 2000-readiness.

Billie Abrams, Open Systems Software Division marketing manager, is coordinating the 2000 marketing effort across CSO.

At the Enterprise Systems Division (ESY), John Verrochi and Janet Gee are spearheading the initiative. John reassures customers that PA-RISC-based servers are already 2000-ready, and the HP-UX 10.30 operating system shipping this quarter has completed year-2000 functionality. Updates will be provided free to customers with support for HP-UX 10.01 and later releases.

Like the HP 9000, HP 3000 PA-RISC-based servers are 2000-ready, and MPE/iX will have a 2000-ready release (6.0) by the end of the year. Most NetServers are 2000-ready, except for a few that will need a clock reset on 1/1/2000. HP Vectra PCs store the year on four digits; models introduced since the end of 1995 handle the rollover automatically, while others can be reset easily to 2000.

Mainframe customers face the biggest challenge. Due to the complexity and cost of trying to fix aging applications, they may choose to replace them with 2000-compliant client/server systems. The Professional Services

Organization offers transition, architecture and IT management services designed to ease the conversion process.

At ESY, Janet Gee has gathered a portfolio of partners that can complement HP's products and services to help customers solve their Y2K problems. Since independent software vendors are responsible for their own YK2 readiness, HP keeps them informed on changes it has made that might affect their applications.

Capturing and correcting those elusive two-digit dates has the attention of IT people worldwide. It's a daunting but critical task, with a calendar-dictated deadline that will not slip. **M**

Will I get paid in January 2000?

Don't worry. A team of Corporate Payroll systems programmers headed by Nancy Alens is completing 2000 conversion.

The 30-year-old Employee Master File (EMF) will be replaced. As part of the PeopleBase program, all employee-resource data will be on the same system. Payroll and Benefits is the final piece to go into place, and will be ready in time.

Software from PeopleSoft is being used as the base, with modules added to accommodate HP-specific needs such as the stock purchase plan.

Payroll intersects with other linked U.S. systems, and interfaces are being reworked with the Payroll Service Center, Corporate Benefits and its TABS electronic system, the U.S. Employee Service Center, TAXCAP and Shareholder Records, each of which is examining its own system.

All the strenuous behind-the-scenes changes should be invisible to the employees counting on being paid as usual in January 2000. "We *have* to be able to pay people accurately and on time," Nancy says.

Deep quest for perfection

By Tena Lessor

With camera in hand, Monte Smith explores the ocean's depths, capturing its wonders with award-winning photos.

Monte Smith has only one regret about his arms-length encounter with a white-tip reef shark: His photos were blurred.

"I was diving at night in Borneo, East Malaysia, in December 1994, when my dive light beamed on a white-tip reef shark about 40 feet below me," he says. "The shark went into attack mode—arching its back, extending its fins and swimming with a jerking motion. I seriously considered feeding it my camera housing, but when it got within three feet of me, I tripped the camera shutter release and fired both strobes. The shark broke its attack and headed back into the depths. Unfortunately, the pictures didn't turn out too well."

As you might guess, Monte wasn't going for a leisurely swim at the neighborhood swimming pool. When he's not managing marketing communications in the Test and Measurement Organization in Santa Clara, California, Monte's scouring the ocean's depths, capturing its spectacular images on film.

And as you also might guess, he's become quite familiar with the underwater world. "I spend more time underwater in a year than most people



BEN TETZNER

Monte Smith is happiest when he's pursuing his passion for underwater photography.



MONTE SMITH

From a 1-inch nudibranch in the Red Sea (pictured) to killer sharks off Borneo, Monte has seen it all in the watery world beneath the surface.

Deep quest

MONTY SMITH

do in their whole lives," says the accomplished underwater photographer.

It all started out as two separate hobbies: photography and diving. Seven years ago, Monte combined the two and discovered a new passion—underwater photography.

Who would have thought this inner-city kid from San Francisco would swap the city's hurried streets for earth's calm waters? Despite his urban surroundings, Monte recalls being drawn to aquatic environments as a youngster. "I used to go down to the railroad tracks that went through the industrial area of the city," he reflects. "There was a drainage canal next to the tracks. I would catch frogs and fish, bring them home and put them in my fish bowl to watch."

That fish bowl has become waters around the world. Monte travels to such places as Malaysia, Micronesia, Thailand, Honduras, the Red Sea, and the Cayman and Solomon Islands. On weekends, he can be found diving off the Monterey, California, coast.

Creating successful photographs underwater is no easy undertaking, especially when your life is hanging from a limb—*literally*. Monte and 11 other divers found themselves bobbing above a 2000-foot drop in the Cayman Islands five years ago, when their boat hit a reef after a mooring broke in the middle of the night. "We bounced around the reef all night with three feet of water in what was left of our boat, which was kept from drifting away only by a large coral head that was sticking up through the



Monte spends more time underwater in a year than most people do in their whole lives.

bottom," Monte says. Luckily, no one was hurt, and they were rescued the next morning.

In addition to surviving shipwrecks, Monte faces a heavier challenge: the equipment. Monte carries a hefty host of Hugyfot and Ikelite camera housings, Canon F-1 and Nikonos III and V cameras, and eight light strobe lights.

"You wouldn't want to go on a hike with all this stuff on," Monte jokes. "Thankfully, I don't dive with all of it on at the same time. And the gear is weightless once I get in the water."

As a long-time active member and current president of the Underwater Photographic Society of Northern California, Monte participates in monthly competitions. Over the last few years, he increasingly has won those competitions.

In October 1996, Monte won the prestigious "1996 Nikonos Shootout,"

a nationwide underwater photography competition sponsored by camera-maker Nikon. After winning a regional competition held in Monterey, California, Monte went on to become the competition's grand-prize winner.

"To an underwater photographer, winning this competition is equivalent to a race-car driver winning the Grand Prix," he says. "This means I have arrived at a point in my photography that has been a personal goal."

Monte's winning photo can be seen in the 1997 Nikonos Shootout calendar, as well as in the April issue of *Skin Diver* magazine.

For Monte, underwater photography is a never-ending quest for perfection. And that quest keeps Monte diving. But what else keeps him immersed? "I never know what wonderful treasure of nature I'll find on my next dive." **M**

Monte won the 1996 Nikonos Shootout underwater competition with this photo.



Senior Vice President Franco Mariotti retires after 36 years of helping grow HP's important European marketplace.



At his retirement dinner in Geneva, Franco Mariotti hears a tribute from Bill Hewlett read by Germany's Menno Harms. (From left) Joan Platt, Franco, Menno, Lew Platt, Adé Mariotti.

Arrivederci, Franco

By Betty Gerard

When a hit-and-run accident hospitalized Franco Mariotti for nine months in 1961, it changed the course of his career.

Franco retired on December 31, 1996, as senior vice president for Strategic Initiatives in Europe. From 1977 to 1994 he served as managing director of Europe/Middle East/Africa and earlier headed HP Italy for six years.

But in 1961 he was a young engineer planning to focus on technology, not management. As Italy's top engineering student that year, he'd won a scholarship to study for a master's degree in electrical engineering at a premier U.S. university. He chose the University of California at Berkeley, which led to an interview with Bill Hewlett in nearby Palo Alto.

The company had just dipped a toe into Europe, starting a sales operation in Geneva, Switzerland, with one employee and wanted to hire two more. "Hewlett tried to talk me into moving to Europe and working in marketing," Franco recalls. "But I wanted to get my degree, spend some time in HP Labs in Palo Alto, and then leave the company and return to Italy to work in R&D for some other company. Italians don't like to live abroad."

He did accept a short-term research assignment in HP Labs. Then, on a business trip to Pasadena, California, fate, in the form of a reckless driver, slammed into his plans. During his long hospitalization, Franco had frequent visits from sympathetic HP people. "I acquired a deep affection for HP because they really helped me out," he remembers. This time he accepted an offer from the company to work in Geneva.

The small Hewlett-Packard S.A. (HPSA) office in downtown Geneva in 1961 had 14 employees, with three engineers "who did everything," he recalls, including visiting customers throughout Europe with a demo bus.

Franco never returned to do research at HP Labs but used his technical background to train the new HP sales forces being put in place throughout Europe. HP already had a presence in Germany and was now setting up sales forces in France, Belgium, Holland and the U.K.

In 1964, Franco was given his first assignment as a general manager, at age 28. He was sent to Italy "with a \$50,000 check for our capital and a green light to hire everybody from the accounts manager to the janitor."

When Franco arrived in Italy, HP's sales volume in that country was \$1.2 million per year—and total European sales were some \$12 million dollars, about one-fifth of the company's total sales.

While running HP Italy from a headquarters in Milan, he picked up two other hats. He was area manager for Italy, Switzerland and Germany, and when the company introduced its first computer in 1966, he added responsibility as European Marketing Manager of Computers. Marketing and sales management for computers was run from a center in Milan.

He next relocated to Geneva as Europe's general marketing manager for calculators. The 9100 desktop calculator—later renamed "desktop computer" in Europe—had been introduced in 1968 and met with great success in Europe, while the 2116A minicomputer found many applications in new fields for HP.

The HP 35 pocket calculator that came out in 1972 was a marketing challenge. The first retailer in the world willing to handle it was a little shop near the Sorbonne in Paris, which sold it at a discount to students—something new for HP.

After driving the early development of HP's sales strategy in computers and calculators, Franco was promoted to general marketing manager for Europe in 1976. The following year he succeeded Dick Alberding as managing director for Europe.

In 1977, Europe had net revenue of about \$400 million, one-third of HP's worldwide total of \$1.3 billion. By 1994, net revenue for Europe/Middle East/Africa had multiplied by a factor of more than 20 to \$8.4 billion as HP's worldwide sales reached \$25 billion. Marketing innovations such as dealer channels and partner programs that started in Europe were later adopted across the company.

On Franco's watch, the geographic boundaries also expanded, as responsibility for a host of Middle Eastern and African countries, including South Africa, shifted to what became known as Europe/Middle East/Africa, and new sales subsidiaries were formed throughout Eastern Europe, Greece, Turkey and Portugal. New manufacturing operations and HP Labs Bristol were started in Europe.

During Franco's 18 years as managing director, Europe achieved a 21 percent Compound Annual Growth Rate (CAGR). As CEO Lew Platt told him, "Each one of the

24,000 European employees of the company owes you an especially great debt for your persistence in convincing the company to invest substantially in operations in Böblingen, South Queensferry, Pinewood, Bristol, Lyon, Grenoble, Amsterdam, Bergamo, Barcelona and Dublin during the '80s and '90s."

With retirement approaching, Franco turned over the duties of managing director to Vice President Franz Nawratil in 1995 and took on a broad strategic charter for new initiatives. This has



Bill Hewlett and Franco Mariotti in Geneva in 1969.

meant helping the company define some new multibillion-dollar business opportunities. He has been particularly active in the area of telecommunications.

Franco often has visited European Union headquarters in Brussels to represent HP in its programs, and served as the point man for the company's involvement in the rapidly emerging information society in Europe. He increased HP's high-level outside contacts by founding a roundtable for heads of the American multinationals in Europe and serving as its first chairman. He remains an official advisor to the EU Commission in a variety of fields "to help Europe build a more competitive environment," he says.

"Franco Mariotti was a remarkable engineer in fulfilling his job representing Hewlett-Packard in Europe," said Bill Hewlett. "Dave and I always appreciated his dedication, loyalty and hard work."

"I want to extend a profound 'thank you' to Franco for the tremendous contributions he has made in Europe." **M**

Selling with a sense of humor

By Grace Razo

HP takes a leap forward with a new humorous advertising campaign that tickles the funny bone.

BOISE, Idaho—Spurred by a recent HP television commercial, a Boise real estate agent called the local HP site asking where he could get one of the new lawn mowers HP has for sale.

Process the purchase order and deliver the merchandise? Not this time. 'Cause for sure, HP isn't selling lawn mowers.

But it is selling the new HP LaserJet 5Si "mopier"—rhymes with copier—which prints multiple originals, collates and staples. "It does everything," says the commercial's bow-tied narrator, "but mow the lawn."

Shot on location at the HP facility in Boise, the commercial's five stars—actual HP Boise engineers—speedily set out to do just that. Make the mopier mow.

Before you know it, the mopier races around a grassy knoll outside the HP site—chewing up green blades with the hunger of a household mower. (Not a computer-simulated event. The mopier prop actually does mow!)

The ad is one of four TV spots—two for the HP LaserJet 5Si mopier and two for the HP DeskJet 690 series home printers—created by ad agency Goodby, Silverstein & Partners, whose claim to fame is the hot U.S. "Got Milk?" campaign. With HP's slogan, "Built by engineers. Used by normal people," the national ad campaign is possibly the most unconventional one in HP's history.

Susan Cole, advertising manager in the Hardcopy Commercial Marketing Center, says the ads not only promote HP products, but its 50-year heritage of engineering excellence.



Todd Fischer, (right) described in techno talk the unique aspects of the mopier.



A mother gets an eyeful of her son's tidy room, created with an HP DeskJet 690.

The use of humor to get this message across, however, is quite a departure from HP's past conservative marketing.

"Humor is a great way to add a new, human dimension to the HP brand," Susan says. "Traditionally, HP is well known for quality, reliability and compatibility. But at a time when competition is increasing, we felt it was important to put a human face behind these characteristics. It's a way to reinforce what people already know, but take it a step further. These ads convey our brand differentiator in a fun, playful way. People notice them."



In one popular TV ad, an interviewer is shown with HP engineers (from left) John McVey, Joe Wallace, Rob Christiansen, Natalie Willson and Andy Regimbal, who built the mopier.



The crying doesn't stop until granddad grabs a family portrait and prints a picture of mommy, which he wears as a mask, successfully quieting the baby.



"Playful" is a good way to describe the two commercials for the HP DeskJet 690, which guarantee laughs. They show "normal" people at home using their DeskJet—which offers photo-quality output—in creative and unexpected ways.

In "Babysitter," a grandfather soothes a crying baby by making a life-sized "mommy mask" with his printer. And in "Room," a boy avoids cleaning his room by using his printer to create a photo-quality image of a tidy room, which he rigs over the key-

hole of his bedroom door. When his mother looks in—Wow!—she's amazed to see the spotless room.

But amid the levity and laughter, some people have voiced concerns about the campaign, especially its "Built by engineers. Used by normal people." slogan. The concern is: Engineers are exceptionally talented, bright individuals. But instead of portraying them as such, do these ads promote the typical stereotype of the "engineering nerd"?

"We were very sensitive about not offending engineers," Susan says. "In

addition to the research done with our key targets, we conducted extensive research with both HP engineers and engineers in other companies to evaluate whether the approach would work. Responses were very positive. In fact, the majority of engineers we talked with were proud they had different skills than a 'normal' person, and felt we were elevating their status, not demeaning them."

Todd Fischer, a development engineer in HP's LaserJet Printer Division, was chosen from 65 aspiring HP actors to star in what's called the "Translation" commercial. He candidly adds, "My wife says I look 'dorky' in the commercial. If I am honest with myself, I am dorky at times. I love engineering. I wonder how everything works. When I get into a good technical discussion, someone on the sidelines can easily see the passion I bring to engineering."

In the 30-second spot, Todd explains the features of the mopier in technowizardry verbiage—an engineer's daily diction—while a narrator translates his words for "normal" people.

It was Todd's natural talent that succeeded in landing his screen debut, says Jeff Goodby, ad agency partner who directed the commercials. "He was able to talk in technical lingo at the drop of a hat. This is why we cast him in the spot. He only had to be himself." **M**

(MEASURE intern Grace Razo is majoring in communication at Santa Clara (California) University.—Editor)

ASK Dr. Cyberspace

How would you describe a successful Web page? It looks great? It gives you the information you want? It loads quickly? It's interactive? It's fun? It's informative?

You have a chance to define success for me in your very own terms (and win fabulous prizes at the same time) with the contest we're announcing in this month's column. See the box on the opposite page or visit my on-line clinic at <http://hpweb.corp.hp.com/Publish/cc/doctorc/main.htm> for all the details.

One of the grandest success stories here at HP is the external Web site <http://www.hp.com>. If you haven't visited it recently, you'll find that it's a big success, in more ways than one.

First, it's huge. There are 44,000 "pages" of information organized into nearly 100 broad content areas. There are pages for HP's ultrasound-imaging systems and our Pavilion PCs. You can read the latest annual report and find the perfect printer for your home. Those 44,000 pages of mostly product information make HP one of the largest commercial sites on the Web today.

Another measure of its monster success is the number of customers (and employees) who swarm to the site each day. The site averages more than 2 million hits daily. Now, "hits" don't match up neatly with numbers of visitors or numbers of visits, but they do provide one way to gauge success.

Another way of measuring success is to look at the "traffic" a site generates. HP's external Web site delivers an average of more than 18 gigabytes of data to customers each and every day. That's the equivalent of shipping a library with 36,000 books on its

shelves out the door each day. Even more staggering is the 15 to 30 percent growth in traffic each month.

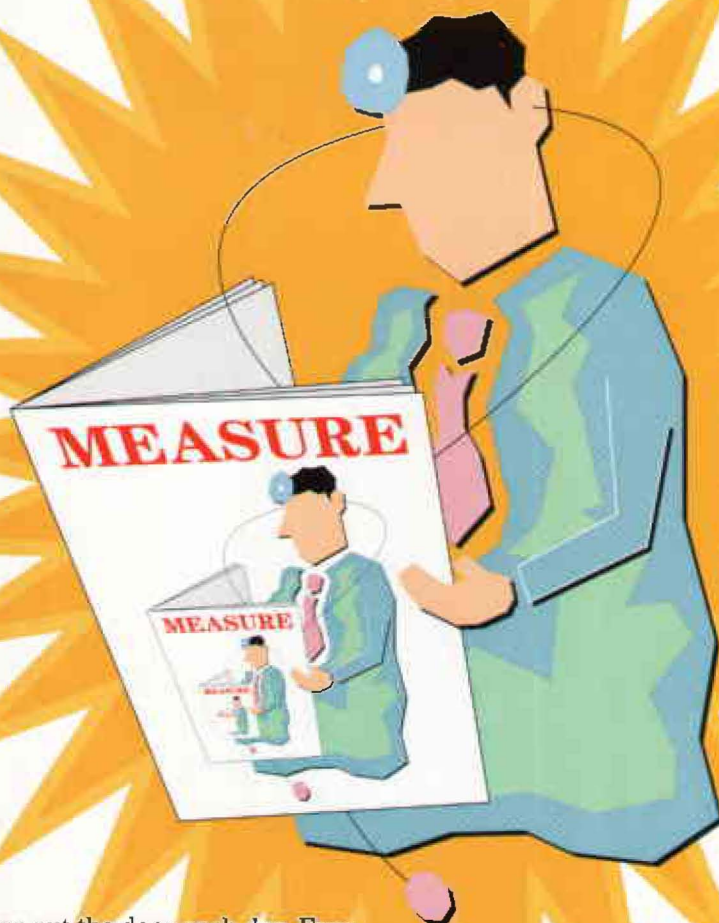
Spend some time on the site reading about one of the world's toughest bicycle races for women, sponsored by HP and run in the mountains of Idaho. It's the HP International Women's Challenge Cycling Race, and you can pedal along at <http://www.hp.com/go/iwc>.

Another interesting stop on the Web site is at *E Business* magazine, an editorially cool site within the overall HP site. The URL is <http://www.hp.com/Ebusiness>. There's always a new, fascinating article to read. In February, for example, cybershrink

Sherry Turkle, MIT professor and computer sociologist, talked about the psychological impact of the on-line experience.

Customers also can see HP's answers to viewing and printing images from the Internet at <http://www.image.hp.com>. Be sure to visit the Texture Farm and browse Bullock and Jones' on-line catalog of menswear to see how this imaging technology may affect how companies conduct business in the months ahead.

"If only HP knew what HP knows." Wouldn't you like to find just the right



person in this huge company to talk to about the digital compression of audio and video signals? Or any one of a number of primarily technical topics? With the new Connex service from HP Labs in Palo Alto, you can search the profiles of hundreds of HP people who've registered their skills and experiences. You can add your own profile to the growing internal database on this site at <http://lib.hpl.hp.com/Connex>.

Do you work in a quality function in HP? Then you ought to know about the on-line Center for Quality of Management at www.cqm.org. The center got its start in the 1980s when a group of seven Massachusetts-based companies decided to band together to find ways to push the concepts of Total Quality Management through their organizations. Read about this outside association's seminars, courses and library.

Finally, what's the world coming to? A green HP printer? With alligator eyes and a gaping jaw where your output appears? Whatever happened to the traditional bulky beige box with the HP logo? Vancouver Division's industrial-design team has a new home page managed by Dan Dwyer where you can see computer renderings of printer and PC designs that *might* make their way to market in the future. You can see this internal-only site today at http://hpweb.vcd.hp.com/rd/id/id_homepage.htm.

Don't forget to visit my clinic, open 24 hours a day on HP's intranet, at <http://hpweb.corp.hp.com/Publish/cc/doctore/main.htm>. Send your comments and questions to me at doctore@corp.hp.com anytime. And check out the Dr. C Challenge today.

Take the Dr. C Challenge!

What is the Dr. C Challenge?

A contest with fantastic prizes open to HP employees worldwide. This is a cool way to find out how the Internet and HP's intranet are benefiting the most important people—you!

What are the contest rules?

In 100 words or less, tell me how the Internet or HP's intranet have helped you do your job better. I want your best example of using the Web—externally or internally—to do your job more efficiently. Is it saving you and the company time, money or other valuable resources? Has the Web enhanced your productivity, stimulated your creativity? Maybe it's doing all these things, and more. Tell me how.

And don't nominate your own Web site—it's unbecoming. Besides, if it's really good, we'll hear about it from your customers.

How do you enter?

All entries must be submitted electronically through cyberspace (that's where I spend most of my time), using the entry form at <http://hpweb.corp.hp.com/Publish/cc/doctore/main.htm>. Simply fill in the blanks, write your best Internet or intranet example and send!

When is the deadline?

All entries must be received by April 30, 1997. A panel of esteemed Web judges—industry leaders and even some people named "Web"—will review the entries and decide on the winners. All winners will be announced in the July/August issue of *MEASURE*. They also will be posted at my on-line clinic at <http://hpweb.corp.hp.com/Publish/cc/doctore/main.htm>.

What's in it for you?

Great prizes will be awarded in two categories: Internet example and intranet example. Prizes are as follows:

- Two First Prizes: HP OmniGo 100 Organizer Plus
- Two Second Prizes: HP DeskJet printer
- Two Third Prizes: One-year subscription to your choice of *Wired* magazine or *Internet* magazine
- Lots of Merit Prizes: Dr. C T-shirts (check out the artwork on page 22)

Catch the contest fever! Good luck—I'll be searching for your entry in cyberspace.





Convex employees gave their personal touch to this patio wall at the company's headquarters by hand-painting and signing the bricks.

A tale of two cultures

By Jim Haberkorn

How do two companies mesh when 800 people join 112,000?

RICHARDSON, Texas—When HP bought supercomputer manufacturer Convex Computer Corporation in December 1995, Convex employees jokingly wondered, "Where do they keep all the timecards?"

Convex was a company of only 800 employees, but had a totally electronic timecard system. HP has more than 112,000 employees and uses hardcopy timecards. Naturally, Convex employees wondered just how big that warehouse had to be. And where was it located? Let's see. HP has been around since 1939 and there are two timecards per month per employee. Hmmm... You can see how it might cause someone to pause and think.

When one company buys another, it's more than just an acquisition of buildings or technologies or systems. People are involved. Cultures, as well as assets, must merge.

Change is inevitable. The whole supercomputer industry had shifted dramatically. The big fear at Convex prior to the acquisition was that they might not survive. They needed to be bought by a larger company. But the second biggest fear was that they might be bought by some huge company whose culture was incompatible with theirs. Many Convex employees previously worked at Texas Instruments or EDS or IBM where white shirts, ties and rigid discipline were the norm. The Convex culture was quite different.

Nathan Zelle left HP's Portable Computer Division in Corvallis, Oregon, in 1987 to work for Convex. The somber business climate at Corvallis in those days contrasted sharply with his early Convex experience.

MEASURE March-April 1997

1. How much of this issue did you read?

☐ All of it

☐ Most of it

☐ About half

☐ A few articles

☐ Just looked at the photos

☐ None of it

2. Which article did you like the most in this issue? _____

3. Which article did you like the least in this issue? _____

4. What comments or suggestions do you have for future stories or photo features? _____

5. HP location: _____

Jay Coleman, Editor

MEASURE magazine

Interoffice mail—MS/20BR

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Palo Alto, California 94304-1185

USA

"When I first came to Convex, I was sitting in a large room being introduced to other employees. I looked around and the walls were completely covered with brightly colored handprints and body prints. There were even footprints on the ceiling.

"Someone noticed my surprise and told me that a finger-painting activity at a recent employee party had gotten a little out of hand. I knew right then that things were going to be different."

But a couple of other things stood out, too. All the engineers on his design team knew by heart the dimensions of a Boeing 747 cargo door. Goodbye calculators, hello supercomputers. He also noticed the long hours

everyone was putting in. It was Convex founder Bob Palick who coined the company motto, "Work hard, play hard."

In the Dallas metro area, where Richardson-based Convex is headquartered, everyone knew about HP. HP was the toughest interview in the region. Convex was the second-toughest. In a technical world turned upside-down by the move away from supercomputers, Convex survived longer than almost everyone else in the business. Even longer than longtime industry icon Cray Computer Corporation.

Sales rep Bob Shafron worked for HP for 14 years before coming to Convex in 1994. "Convex was highly recommended in the computing business," Bob says. "They had a really unique product design. They also are the ultimate open-door company. It's a company that communicates almost hourly via e-mail. Everyone has access to anybody and everybody."

Work hard. "It's a very entrepreneurial company," says hardware design engineer Mike Andrewartha. "We did a lot of crazy things. Anything to sell a system. There was a lot of customer interaction. We'd sometimes redesign a system in the field if we found that what the customer ordered was not really what they wanted. It was extremely common to work till 2 a.m."

A good technical fit

In less than a year after Hewlett-Packard acquired Convex Computer, the renamed Convex Division rolled out two powerful new PA-8000-based high-end computing systems—the Exemplar S-Class (up to 16 CPUs) and X-Class (up to 64 CPUs)—that dramatically extend the high-performance and high-capacity parameters of technical servers.

Among those ordering the systems are the National Center for Supercomputing Applications and Lockheed-Martin, system integrator for the Federal Bureau of Investigation's AFIS fingerprinting project. Exemplar customers have access to experts in tuning high-performance solutions at Convex' Advanced Technology Center.

The Convex Division is collaborating with the Ohio Supercomputer Center to develop advanced tools for Message-Passing Interface (MPI) applications, and has a \$30 million multi-year project with the California Institute of Technology to develop technology in support of Grand Challenge applications.

Play hard. Their company picnics are the stuff of legends. One year they brought in 30 dump trucks full of sand and had a beach party in the parking lot. They built a slide and filled wading pools full of purple Jell-O. Senior company executives slid into the Jell-O while employees judged their form on a scale of one to 10. They filled the sloped receiving dock driveway with bubbles and people "bubble-danced" the night away.

In 1989, when they moved into their new building adjacent to the University of Texas campus, employees hand-painted and signed the bricks for the patio retaining wall. They left their handprints in the

now-dry cement of the patio sidewalks. They also planted a tree on the grounds for every employee who had died over the years.

"Convex really appreciates its employees," says company wellness manager Carol Brandle. "Since 1989, there's been a non-sales appreciation event called 'Starfest' that allows peers to nominate their fellow employees for recognition. The award ceremony takes place during a chartered paddle-wheel boat cruise and includes about 10 percent of the work force."

Finance staff member James McBride appreciates life's ironies. He left HP in 1992 to join Convex. Now, he's an HP employee again. He likes Convex's small-company feeling but was glad to see HP step in. "I like the idea that it's a big company. It provides security, market presence and credibility. HP also brings with it a healthy discipline. It's a very results-oriented company that reacts pretty quickly when things don't go well. Culturally, the companies are similar." **M**

(Jim Haberkorn is a marketing-channel communications manager at HP's Enterprise Storage Solutions Division in Boise, Idaho.—Editor)

HP's chairman, president and CEO discusses the good news and not-so-good news of HP's 1997 first-quarter results.

The mid-February announcement of our first-quarter financial results for fiscal year 1997 (FY97) was an occasion for simultaneous celebration and concern.

So I believe it's very important in this letter to clarify why we have good reason to be delighted with our progress in some areas, yet dedicated to improving our performance in others.

First, the good news.

Net earnings for the first quarter were a record \$912 million, or 87 cents per share, which was well above analysts' expectations. It's been a long time since we shocked the financial community with such positive results.

We achieved those net earnings in a quarter when our revenue growth was only 11 percent.

I'm quite pleased with our **profitability**. Our operating profit was 12.4 percent and net profit was 8.9 percent—the highest net-profit margin in more than eight years. Operating profit, you may know, is our profit before taxes, expenses and “other income” are taken out; net profit is the amount after those items are factored in.

The profit outcome was helped considerably by slower growth in the cost of sales, which increased by just one-half percentage point compared with a year ago. That's a really great outcome. Some of the factors that contributed to this were reduced pressure to lower prices in the PC market, the strength of the U.S. dollar against

the Japanese yen in the LaserJet printer market and a higher proportion of revenue coming from sales of LaserJet and inkjet supplies, which have a lower cost of sales than printers.

HP employees also did a good job of holding the line on **operating expenses**, which rose only 10 percent. We hired a comparatively small number of employees (800) during the quarter and continued to emphasize expense controls in areas such as non-essential travel and meetings. So the expense outcome was decent, but not good enough if our revenue growth is going to stay in the 11 percent range.

Asset management, especially **inventory**, was a real strength. A year ago, inventory growth (54 percent) was twice as fast as revenue growth (27 percent). We were not happy with that. In Q1 of FY97, inventory declined 8 percent while revenue grew 11 percent. That shows great improvement, especially in PCs, inkjet printers and our systems business.

Better inventory performance and strong earnings were key factors in a superb quarter for **cash** generation. We generated more than \$1.4 billion. That's evidence that we're running the business more tightly.

Now the not-so-good news.

The 9 percent growth in **orders** and 11 percent growth in **revenue** were not as high as we had hoped, but we believe there are some reasons for this: The stronger U.S. dollar compared with other currencies reduced our order growth by about 2 percent-



Lew Platt celebrates 30 years of HP service with fellow honorees (from left) Carol Nakamoto, Mary Smith, Jeannie Diaz and Bobbie Gomez in Palo Alto, California, in December 1996.

age points and our exit from the disk-mechanism business last July meant that we were comparing to a quarter last year when we were taking orders in that business. Without these and a few other factors, our order growth would have been somewhere around 13 percent.

The good news in orders was the strong growth for PC servers, home PCs and service and support. We also experienced improved order growth for semiconductor test and components compared with the fourth quarter of '96. However, order growth remains an area of concern.

Revenue growth, not unexpectedly, fell as order growth fell. We expect revenue growth will roughly track order growth the rest of the year.

When you're in a period of hyper growth, as we have been, more of your time and resources are focused on managing the growth. During a period of slower growth, it's especially important to make sure that we're managing the business well in a number of areas.

What are these areas?

- **Customer satisfaction.** While taking really good care of customers is always important, it's especially important in a time of lower growth because you can't afford to lose good customers.

- **Expense management.** As we did in the first quarter, we have to manage expenses carefully. Like dieting, you can't relax and ignore the discipline that helped you achieve good results.

- **Product introductions.** We must continue to introduce new products—and on time. We have some important new-product introductions scheduled in the next few months, and we need to execute them superbly.

- **Orders.** We need to capture new orders aggressively. We're taking steps to provide more support for our sales organization, including help from HPP's top executives.

We face another tough comparison in Q2 compared with last year when orders increased 24 percent and revenue grew 33 percent.

The conditions that lead to lower growth—including pricing pressures, stiff competition and sluggish markets—are still with us today, and we expect these conditions to persist throughout the year.

The keys to our success remain: generating new orders, carefully managing our expense growth and aggressively managing our assets—particularly inventory.

I encourage all employees to take the lessons of Q1 to heart and apply them as we move through the year.

Lightning strikes twice

MEASURE's quality-control procedures flopped for the second issue in a row in January-February as Edwin Hurd's Parting Shot photo was printed backward. Loyal readers will remember that Lon Overacker's photo of Half Dome was flopped in the November-December 1996 edition.

The MEASURE staff believes that it has adopted new procedures that will prevent the mistake from happening again.

Our apologies to Edwin.—Editor

Hard-hitting and true

Thanks for the article about Khaya Dlukulu in the January-February MEASURE. It's timely, factual, hard-hitting and true.

Here's hoping we can use this sort of information for the bettering of HP.

STEVE CAMPBELL
Bristol, England

More on volunteering

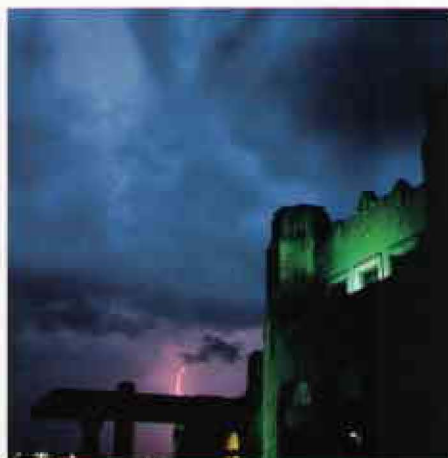
I ran across your recent "From the Editor" column and was very interested in your statement that HP allows employees in the United States to spend four hours a month volunteering at local schools. Where can I find out about this program?

Thanks for an always entertaining magazine.

KAREN EISCHEN
Santa Rosa, California

The personnel policy explaining time off for volunteering is at this unbelievably long Web site: <http://hpcc56.corp.hp.com:4104/dw/pers/d/ww/wrklf/wlist.txt/text.txt>.

Please note that the policy, in part, says, "All benefits, programs and work options may not be available to all individuals at any one time."—Editor



Edwin Hurd's striking photo.

Mentoring explodes

After reading the K-12 stories in the January-February MEASURE, I thought people might like to see an update to the HP E-Mail Mentor Program, which MEASURE wrote about in its September-October 1995 edition.

The program expanded 470 percent in 1996 to include more than 3,000 participants. More than 1,500 students and 150 teachers are involved in tele-mentoring relationships with HP employees. That spans 246 schools from 40 U.S. states.

We plan to expand the program beyond HP by creating a free franchise package that other organizations can use to duplicate the program. Check the World Wide Web site for the latest information: <http://mentor.external.hp.com>.

DAVID NEILS
Fort Collins, Colorado

ER update

In addition to the medical equipment described in the January-February ExtraMEASURE section, we also loaned the TV show ER an HP CareVue system, which runs on four flat-screen displays.

These flat screens can be seen prominently each week on the desk in the nurses' station area.

MARK DUCHARME
Andover, Massachusetts

A second opinion

Shame on HP! Page 31 of the January-February MEASURE shows seven beaming actors and actresses, the proud recipients of new HP medical equipment. The thought of functional HP lifesaving products being lent to complement the cardboard facade and dripping ketchup that are the ER set almost makes me sick. The ailing poor, not Hollywood, need loans of this sort.

Product placement of HP LaserJet printers is fine. In the case of HP medical equipment, however, it strays toward mis-allocation. Let dashing icons flash their perfect teeth next to some equally insubstantial prototype unit or factory-floor reject.

DAVE ZOISS
Santa Rosa, California

Correction

Bill Huling, director of corporate relations for Cornell University, was misidentified as Paul Brenner in a photo caption in the January-February 1997 MEASURE. We sincerely regret the error.

Please send mail

Do you have comments about something in MEASURE? If we publish your letter, you'll receive a Dr. Cyberspace MEASURE T-shirt (one size fits most), similar to the artwork on page 22.

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

EXTRAMEASURE

News from around
the HP world

By Tena Lessor

Top-notch in quality

The 1996 President's Quality Award (PQA) recipients are a first-rate bunch, shining in quality methods, customer and employee satisfaction, and financial performance.

Announced in January, the five winning entities are:

- Computer Peripherals Bristol (CPB) for revenue growth averaging 54 percent over the last three years, with profit growth at nearly twice the rate of revenue.

- Test and Measurement Japan Field Operation (TMO JFO), a PQA recipient in 1994, for averaging an annual growth rate of 28.5 percent, doubling its orders and consistently being over target since 1993.

- Optical Communication Division (OCD), also a PQA recipient in 1993, for more than doubling its revenue, averaging a 30 percent growth rate since 1993, and increasing

its net profit in FY96 by 14.9 percent.

- United Kingdom Customer Service and Support Organization (UK CSSO) for meeting or exceeding financial targets during the last three years, averaging a growth rate of 15.5 percent and increasing net profit by 13.5 percent.

- United Kingdom Computer Systems Organization (UK CSO) for a 21 percent growth rate, the highest of all larger CSO entities in Europe in FY96, as well as the lowest cost-per-order-dollar rate of 12 cents in CSO Europe.

General managers accepted the award on behalf of their entity at the Management Council Meeting held in March.

CEO Lew Platt will visit the winning entities during 1997 to congratulate employees personally.



Who's going to the movies?

The results are in for the "Go to the flick on *MEASURE*" contest. Below are the 10 lucky names pulled in the drawing held on January 15. Each has won free admission for two to a movie in his or her home town. (This drawing, announced in the November-December 1996 *MEASURE*, was related to the release of *The Associate*, a movie featuring HP and several HP products.)

The 10 winners are:

- Mark Armstrong, Ontario, Canada
- Gwendolyn Ash, Paramus, New Jersey
- Janet Henry, Vancouver, Washington
- Debbie Hernandez, Cupertino, California
- Ashok Kumar, Cupertino, California
- Laura Niccolini, Rome, Italy
- Theresa Norris, Fort Collins, Colorado
- Colin Sledge, Irving, Texas
- Norma Rose, San Diego, California
- Robert Wing, San Jose, California

MEASURE thanks the 251 employees who sent in entry forms.

See you at the movies.



Quoteworthy

“ [Lew Platt] runs a great printer company. They hate it over there when I say that. They've got pictures of me on the wall they throw darts at... They hear me talking and they run around inside of HP waving and going 'AAAAHHHHH!!' But I'm good for them. They wouldn't work as hard if I wasn't making all that noise.”

Scott McNealy, CEO, Sun Microsystems,
San Jose Mercury News



Matthew Polis, who suffers from leukemia, got his wish to meet magician David Copperfield last November in Las Vegas.

A magical wish comes true

ATLANTA, Georgia—Happiness comes in many ways. For 10-year-old Matthew Polis, it came in the form of a wish come true.

Matthew, son of Barry Polis, a technical consultant at HP's Atlanta (Georgia) Business Center, suffers from leukemia.

After he was diagnosed in October 1995, he and his family connected with Children's Wish Foundation, a nonprofit organization with a mission to bring catastrophically ill children's dreams to life by granting them a wish.

Matthew, a magic buff, idolizes magician David Copperfield. When it came time to decide on three wishes, Matthew only had one—to meet his idol.

Matthew and his parents were flown to Las Vegas in November 1996 for one of David Copperfield's performances and then met with the magician backstage. "It was a wish come true for Matt," Barry says.

It was also a memorable moment for Barry. "After watching Matt go through many struggles, there's no feeling like seeing him just as happy as can be."

BOTTOM LINE

Hewlett-Packard reported a 15 percent increase in net earnings, 11 percent growth in revenue and a 9 percent increase in orders for the first quarter of its 1997 fiscal year, ended January 31.

FY97 Q1 compared with the year-ago quarter (in parentheses):

Net earnings were a record \$912 million or 87 cents per share on some 1.05 billion shares of common stock and common-stock equivalents outstanding (\$790 million or 75 cents per share); net revenue, \$10.3 billion (\$9.3 billion); orders, \$11.0 billion (\$10.1 billion).

CO CHANGES

• In the Computer Systems Organization, the Enterprise Systems Business Unit (ESBU) has changed the name of the General Systems Division (GSY) to the Enterprise Systems Division. A new Electronic Commerce Operation comprises some former GSY activities....A new Telecom Products Unit under G.M. **Christian Van Ghelder** comprises the Telecom Network and

Telecom Platform divisions, the Singapore Network Operation and OpenView/ Telecom activities.

• The Internet Technology Group has formed a new Internet Imaging Operation under G.M. **Srinivas Sukumar**.

• The Inkjet Supplies B.U. has elevated a former operation to division status: the Inkjet Media Division under **Sangeet Chowfla** as G.M. A new Specialty Printing Systems Operation has been formed under G.M. **Doug Watson**.

• In the Personal Information Products Group, the Workstation Systems Division has been consolidated at the Fort Collins, Colorado, site. **Chris Christopher** is the new G.M.

• Other changes in Computer Organization (CO) groups: the Software Services and Technology Division is now the Software Services Division...**Todd Reece** to G.M., Open Systems Software Division...**John Wheeler** to G.M., Systems Technology Division...**Jim Sherriff** to G.M., Professional Services Organization...**Jaime Nieto** to G.M., Latin American Distribution Organization.



An HP donation is helping former San Jose (California) Sharks hockey player Jaroslav Otevrel (left), who now is paralyzed.

Making a difference

ESPOO, Finland—Gifts can make a big difference. And that is true in the case of former Czech ice-hockey player Jaroslav Otevrel.

Jaroslav was seriously injured while playing hockey on a Finnish team in February 1996, resulting in paralysis from the neck down.

Routine tasks of switching the lights on and off, and changing the position of his bed are possible now for Jaroslav because of an HP Finland donation of a high-end HP Vectra PC equipped with special, customized hardware and software.

The purpose of the system is to help Jaroslav live as independently as possible.

Devices built into and around the system also make it possible for him to run digital TV and video and connect to the Internet. He can even send and receive e-mail.

Jaroslav had played for the San Jose (California) Sharks, a professional U.S. hockey team. He was playing for Porin Assat ("Pori's Aces"), one of the top ice-hockey teams in Finland from the southwestern town of Pori, when he was injured.

ORDER FULFILLMENT

Dick Love, vice president and general manager of the Order Fulfillment Group (OFG) within CSO and longtime international manager, retired in March.

The former OFG has been reorganized. Its re-engineering and manufacturing functions are now split between the Technical Computing B.U. (TCBU) and ESB.

In TCBU, **Tom Viola** has been named workstation manufacturing manager with responsibility for workstation production in New Hampshire, Colorado, Puerto Rico, Germany and Japan.

OTHER CHANGES

- In the Measurement Systems Organization:

The Components Group's former Communications Components Division (CMCD) has been reorganized. Its semiconductor portion has been combined with the Optical Communications Division into a new Communication Semiconductor Solutions Division. G.M. is **Bill Sullivan**....Other CMCD product lines are now part of a newly formed

Wireless Infrastructure Division under G.M.

Dave Allen.

In the Information Storage Group, **Jerry Shea** to G.M., Colorado Memory Systems Division.

- In the Test and Measurement Organization, the former Lake Stevens Instrument Division is now the Lake Stevens Division.

EUROPEAN CHANGES

In Europe, **Franco Mariotti** retired as senior vice president—European Strategic Initiatives (see page 18 in this issue).

Hans van der Velde to G.M., Nordic and Benelux, **Froede Haugli** to country G.M. Norway, and **Lars-Olof Zetterlund** to country G.M. Sweden.

Andy Belcher to G.M. of the Telecommunications Systems Division in Scotland.

GETTING TOGETHER

HP has signed an agreement to buy Rockland Technologies, Inc. in Newport, Delaware, a maker of high-performance liquid-chromatography columns and packings. It becomes part of the Chemical Analysis Group.

Modest, yet picturesque

HALSTATT, Austria—It was a rather adventurous trip to Austria for Glen Aukstikalnis, a procurement engineer in the InkJet Supplies Business Unit in Corvallis, Oregon.

Glen and a cycling buddy arrived in the small mountainous country, draped with vineyards and ancient castles, in September 1994 with no hotel reservations, no itinerary and no plan.

The only objective of this two-week sojourn was to ride, ride, ride—400 miles in all. “We rode a complete loop beginning in Salzburg to Innsbruck and back to Salzburg,” Glen says.

Early one morning, Glen set out on a 20-mile trek to Halstatt—an historic salt-mining city that juts out into a lake at the base of a cliff—with his Diamondback



mountain bike, a saddlebag and Canon T70 camera.

After riding through 20 miles of grassy hillsides, Glen entered a tunnel. As he popped out of the dark

passage, a view of this modest town emerged.

“Off in the distance I could see a small boat. Next to it was a man who seemed to be standing on top of the

water,” Glen explains. “I leaned over a wooden railing and snapped my last exposure.” Result: this beautiful scene.

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