

A magazine for Hewlett-Packard people

January-February 1998

MEASURE

Are you
a wise
traveler?



The turbulence was so rough that the flight attendant shrugged his shoulders and wheeled the beverage cart to the back of the small commuter plane.

There would be no refreshments on this short hop from Chicago to Indianapolis.

This was a typical Midwestern storm. Dark clouds. A pouring rain. And winds that tossed the aircraft around like a dog attacking an old sock.

In his calmest voice, the pilot came on the public-address system to explain the problem:

"Ladies and gentlemen, I want to let you know what's going on here in the cockpit. As we passed through that storm, some moisture got between the double-pane glass in the aircraft's windshield where some electrical wiring is located.

"The moisture shorted out some of the wiring and our windshield cracked," the pilot said in his best low-key manner. "So we're going to land at the nearest airport. Please make sure that your seatbelts are fastened; we'll be landing in four minutes."

I immediately glanced at my family. Maggie, the 4-year-old, was happily coloring. Casey, the 6-year-old, was creating an adventure story with her Barbie doll. Kate, my wife, had a look of total panic.

The next four minutes would be the longest—and shortest—of our lives.

Every time I think of that flight, I think of life at HP today. Everything seems up in the air. We're buffeted by

one storm after another. The outcome is beyond our control.

We're passengers on a bumpy flight and we're not sure where we're going to land.

Of course, HP has had its share of careful maneuvers in our 59-year history. We've weathered nine-day fortnights, when employees took a pay cut to avoid layoffs. And we've made some calculated decisions, such as the move to RISC (reduced-instruction-set computing) technology.

But the stakes are higher today.

Like modern-day aircraft, we're traveling at dramatically faster speeds. There are more competitors than ever, and they're smarter every day. There's virtually no margin for error.

Fortunately, we have some built-in safety features: a set of values to guide us, a long track record of success and an experienced management team—the pilots—to steer us through the turbulence.

That doesn't mean that the "flight" will be smooth. We may change our course, and that shift in direction could be scary. But without the shift, we're in greater danger.

My family's Midwestern flight—cracked windshield, frayed nerves and all—landed safely. After a three-hour delay on the ground, we boarded another plane and continued on the journey to our final destination.

It wasn't the route or experience we expected, but life seldom is.

—Jay Coleman



MEASURE
On the cover: HP-employee pilot Margaret Watt prepares to land the de Havilland Twin Otter at the Roseville, California, airport. Inset: On an HP Aviation flight you can conduct confidential business more freely than on a commercial flight—one way that employees such as (from left) Bob Cox, Jan Belfor and Kevin Ross are making wise travel decisions. Photos by Diana Smith

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MEASURE is published in mid-January, March, May, July, September and November for employees and associates of Hewlett-Packard Company. It is produced by Corporate Communications, Employee Communications section, Mary Anne Easley, manager. Address correspondence to *MEASURE*, Hewlett-Packard Company, 3000 Hanover Street, 20BR, Palo Alto, California 94304-1185, U.S.A. The telephone number is (650) 857-4144; the fax number is (650) 857-7299; and the Internet address is jay_coleman@hp.com.

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Hewlett-Packard Company is a global manufacturer of computing, communications and measurement products and services recognized for excellence in quality and support. HP has 121,900 employees worldwide and had revenue of \$42.9 billion in its 1997 fiscal year.

Selected articles from this and past editions of *MEASURE* are available on HP.Now at <http://hpweb.corp.hp.com/publish/hpnow>.



MEASURE magazine is printed on recycled paper with vegetable-based inks.

Takeoffs and tradeoffs: on the road to wiser travel

In the November–December issue of *MEASURE*, we discussed the importance of business travel and its costly impact on HP's bottom line. Here, learn how you can ride the travel teeter-totter—a balance between smart choices and saving the company money.

By Grace Razo

Photographs by Diana Smith

Eight hundred twenty-two million dollars. That's big bucks. And also the amount of HP's travel-related costs in FY97.

It's a number that can easily be reduced by 10 percent, said Phil Wilson, Corporate Travel manager, in Palo Alto, California, in the November–December 1997 *MEASURE*.

Certainly, skimming the excess fat off business travel warrants serious attention in light of FY97's 16 percent increase in operating expenses. As CEO Lew Platt said in his November profit-sharing message: "This growth in expenses is what concerns me most. We need to keep a tight focus on the things that really matter for our business success. Spending to make these things happen is wise, and I fully support it. But all of us should question spending on anything else. Controlling expenses is an area where everyone in Hewlett-Packard can—and must—make a contribution."

Still, in this myriad of dollars and cents, how do you stretch those travel dollars without losing creature comforts? How do you travel wisely without making yourself travel-weary? On top of all this, how do you effectively, and wisely, save HP money?

"There's no one bullet that's going to hit all these targets," Phil says. "but there are creative alternatives."

Whether you're a savvy road warrior or rookie traveler, sensible choices are what matter most. This, however, doesn't necessarily mean a quest for the frugal frontier.

"Employees don't have to go to extreme circumstances," Phil says. "It depends on the time and situation. But savings come at some price."

HP's travel policy instructs employees to use HP-designated suppliers whenever possible. But Phil says, if a lower-cost, acceptable alternative is available, then employees should make choices based on their specific needs.

"In the case of hotels, many of the negotiated deals are done with a broad spectrum, from full-service to economy hotels. Employees need to select the level of property that fits the specific business needs of the trip. Many times it makes sense to choose a lower-cost hotel and save HP money."

Here are Phil's two biggest cost-savings tips:

- Plan ahead.
- Don't travel.

But let's get real. Work demands sometimes don't provide these

options. If these two tips don't work for you and a trip is on your horizon, Phil offers these cost-saving suggestions:

- Be flexible in working with HP's travel counselors to

book your trip. Give the travel counselors sufficient information so they can best accommodate your travel needs. Together, work to create a low-cost alternative.

- Be aware that international business class can cost three to 10 times as much as coach.

- Plan, book and take the hit. Be willing to book cheaper restricted airline tickets at the risk of paying a small penalty if your plans change. The unused ticket can also be applied toward a future trip.

"There's no one bullet that's going to hit all these targets, but there are creative alternatives."



Meet the world without leaving home

It was a matter of \$50,000 that urged the Americas Geographic Operations Education (AmEd) department to stay put. Instead of a costly conference that involved travel, the group chose to have an audioconference at one-fifth the price.

It wasn't, however, your typical audioconference—the usual kind that connects participants with a standard telephone call. It was a five-day electronic conference with real-time interaction and collaboration among 50 participants.

The technology behind AmEd's virtual meeting is a software application



called NetMeeting, a relatively new application from Microsoft.

NetMeeting allows you to have a meeting with team members no matter where they are. In this case, participants from Latin America, Canada and the United States attended general sessions with presentations and break-out sessions as though they were involved in a traditional face-to-face meeting.

"This was a tremendous step in using today's technology to its best advantage," said one participant in an online survey conducted after the meeting.

Although the group was "jazzed" that they were using a leading-edge technology, most agree NetMeeting never will replace face-to-face meetings completely.

Also, the technological glitches during this pilot meeting lessened enthusiasm

among some participants, says Angela Woodhouse in AmEd.

"NetMeeting has some limitations," acknowledges Tim DeLamatre, an IT engineer in HP's Technology Infrastructure Services (TIS) Media Solutions. "It's very effective with 10 or fewer people and somewhat less effective with 10 to 20. And like this meeting, it needs to be managed carefully if there are 20 or more people." Tim adds, "Identifying the glitches during this pilot phase has helped improve the eventual released version of NetMeeting."

As a travel alternative, you sure can't beat the price. For more online information about TIS Media Solutions, visit <http://mmedia.cup.hp.com>.

- On occasion, take an extra stop rather than fly direct. If it's feasible, consider staying over a Saturday night for airfare savings, and visit friends, family or sightsee at that destination.

- Don't gauge the trip on airfare alone. If there's an off-site meeting involved, look at total meeting costs. Traditional locations may not be as ideal any more, such as the Bay Area, where the cost is rising dramatically and hotel room rates are approaching \$200. A great online resource is the Meeting Planning Assistance Program Web site at <http://domino.corp.hp.com/meetplan/>.

- Consider HP Aviation as the first option on applicable flight legs. Like any airline, most of the cost is fixed. Full flights are very cost-effective.

Cost-cutting on business travel isn't always about penny pinching. Time, productivity and juggling work/life demands also are essential elements when making travel choices.

The best advice to keep in mind is that traveling smart, not simply traveling, is what counts.

The next few pages of *MEASURE* are filled with travel wisdom that may one day prove profitable both to you and to HP.

Also, stop by Corporate Travel Management's Web site: <http://hpct.corp.hp.com/travel>.



Why do we have Corporate Aviation?

HP's aviation department and its fleet of four aircraft offers HP-employee passengers both tangible and intangible benefits:

- **Balancing work/life demands**—

With daily round-trip flights from the Bay Area to Roseville, California, Fort Collins, Colorado, and Corvallis, Oregon, employees can conduct out-of-town business and return home the same day.

- **Efficiency**—Corporate Aviation enables HP to maximize its two most important assets: people and time.

- **Time savings**—Using corporate aircraft as "a small office in the sky" allows travel time to become productive time. Plus, flight time is reduced by providing point-to-point service,

178 miles per hour; 17 passengers; 575-mile range

using smaller airports closer to final destinations.

- **Cost savings**—Depending on your destination, you can save on total trip costs as long as there is no need for a hotel room, rental car, meals and other travel incidentals.

- **Privacy**—Conversations on HP aircraft remain confidential and are not at risk of being overheard by non-HP employees.

- **Safety**—HP Aviation has compiled an outstanding safety record.

Tactical tales from the tarmac

Travel-tested and true, HP business travelers share their on-the-road experiences that may help you on your next trip.

- **Sietske Roelinga**, The Netherlands: The European Marketing Organization (EMO) was able to make a deal with KLM Airlines for an Amsterdam-Barcelona-Amsterdam flight during a certain period. With a 20-participant minimum, KLM guaranteed an Apex-fare—fare that requires a Saturday-night stay—although there was no weekend involved. HP Travel Management discourages individual negotiations with airlines, but **Fred Jansen**, HP Netherlands travel manager, says, "There is a difference between a negotiation by employees with an airline and a deal with an airline. In this case, EMO knew that it had a big group (the final number was 48 people) for one destination for a certain date. In cooperation with our travel desk, we were able to save money."

- **Chris Briggi**, Roseville, California: If you've acquired any \$25 discount coupons from United Airlines as compensation for misrouted luggage or other inconveniences, turn them in to your HP travel office rather than let them expire. As Chris discovered, you can't combine coupons or use them for the \$50 rescheduling fee, so the best use is for future HP travel.

- **Bill Brudenell**, Boise, Idaho: On a recent business trip, Bill stayed at an economy hotel rather than the more costly, full-service preferred hotel and saved HP \$80 per night. "We should plan our travel as though we are self-employed in a small business," Bill says. "We are employee/owners."

- **Maddi van Amstel**, Brussels, Belgium: Be wary of rip-offs by Swedish taxi drivers. From the Stockholm airport to the HP office, the taxi price should be around 300–350 Swedish kronas (SKR). Maddi paid triple that amount. She says, "I had no idea that SKR 951 was regular theft. The local travel manager explained to me that this happens often and the HP record is SKR 2000." Signs in taxi stations encourage passengers to agree on the price before taking a cab ride.

- **Odel Frett**, Atlanta, Georgia: If your meeting ends early and you want to change your flight, save a few dollars by calling the airline directly or travel agency to check flight availability. Odel has booked standby, gone directly to the gate for a seat assignment and saved HP the \$50 change fee. He says, "I've done this with 100-percent success."

- **Tim Harper**, Boise, Idaho: Ignore the frequent-flyer stuff. Travel efficiently at the lowest fare that meets time constraints, rather than the airline that gains the most frequent-flyer miles.

- **Susan Strait**, Englewood, Colorado: Enjoy all the comforts of home on long-term engagements by staying at an executive apartment instead of a hotel.



506 miles per hour, 10 passengers; 2,500-mile range *Falcon 50*

506 miles per hour, 8 passengers; 2,500-mile range *Astra SPX*

One Astra for Colorado and one for Oregon *Astra SPX*

de Havilland Twin Otter

HP and its magnificent flying machines

It all began on December 17, 1903, from the top of Kill Devil Hill, North Carolina, with two brothers, a 12-horsepower engine and 27 miles-per-hour headwinds.

Powered air travel, that is.

Today, flying is more than a dream. It's a hobby, a profession, a global industry and for HP, a vital resource for conducting business.

Whether it's flying one of HP's shuttle planes or a one-time mission-critical business flight on the Falcon 50, HP Corporate Aviation averages almost no "dead-head" time—flying empty. Without this 29-member department, employees would find it difficult to fulfill many of HP's business demands.

Just ask Benny

Garcia in the Latin American Distribution Organization, who organized a trip for the Computer Organization's (CO) Latin-American board last August. The board blitzed six cities in six countries on a five-day whirlwind business tour to communicate FY98 CO organizational changes. Although this was HP Aviation's first international multiple-city tour,

Benny says, "The crew built our confidence right away."

"The trip was precisely planned by HP Aviation. It was very hectic, very full and would have been difficult to do on a commercial airline."

Benny adds that the trip turned into a team-building exercise for five Latin



HP Aviation is located at San Jose International Airport, California, which makes for easy connections in and out of Silicon Valley.

On two-month stints, Susan says, "Not only do I save HP money, but I sleep and eat better, too."

The monthly U.S. Travel Newsletter offers more than 10 pages of travel specials and suggestions. It is available online at <http://15.58.136.74/travel/NL.htm>.



Already working, on the way to work, HP air travelers prepare for meetings on their trip from Roseville to San Jose, California.



BENNY GARCIA

Managers (from left) Vicente García, Oscar Peña, Fabian Figueroa and Carlos Guzman board HP's Falcon 50 jet, as they begin their mission to announce personally Computer Organization changes in Latin America.

American managers—Fabian Figueroa, Vicente García, Airtón Gimenes, Carlos Guzman and Oscar Peña. "They looked forward to being in the plane to talk about their shared interest: CO business."

You'll find HP Corporate Aviation's online shuttle schedule and charter information at <http://hpct.corp.hp.com/travel2392.htm>.



Don't read this article (unless you want to make more money)

With HP's match, there's no better way for you to prepare for retirement than investing in HP's 401(k) plan.

By Mary Anne Easley

If you're an HP employee in the United States and you participated in TAXCAP during the last decade, you've benefited from the greatest bull run in U.S. stock market history. By setting aside a small amount of each paycheck in TAXCAP—HP's 401(k) plan—employees who invested in HP stock or in stock mutual funds have been able to substantially increase their retirement nest egg.

Newsweek magazine, in an article on 401(k) plans in its November 3, 1997, issue, lamented that it's unfortunate that only about half of the eligible employees in U.S. companies contribute enough each year to their employer's 401(k) plan to get their full employer match. "There's no easier way to make money," *Newsweek* advises.

Of course, bull markets don't last forever. And equities—and the equity mutual funds that comprise most of HP's 401(k) offerings—are likely to go up and down during any given period of time. But savvy HP investors—84 percent of eligible U.S. employees participate in TAXCAP—know that any retirement investment is a long-term one and they expect some volatility.

TAXCAP, together with the HP Retirement Plan, make up HP's Retirement Program. While U.S. employees automatically are covered by the

Retirement Plan, TAXCAP requires their active decision-making. Benefits Program Manager Vicki Dotterer recommends that employees in TAXCAP review their portfolio at least once a year.

Paul Jemison, Corporate Benefits manager, agrees. "It's not something you do just once. You have to keep looking at it, even in a bull market, because the proportion of your total assets in equities may surge. Because they are more volatile than fixed-income investments, you've got to be sure they're still within your comfort range for risk. Based on your age and circumstances, you may want to rebalance your portfolio."

HP management believes it's important that employees save to supplement the current Retirement Plan, which is fully paid by HP. While many other companies have 401(k) plans, generally only large, established companies like HP also have a company-paid retirement plan.

Since decision-making in TAXCAP lies with individual employee-investors, and because their decisions will have significant consequences later on, HP wants to be sure employees have enough information to make those decisions. In 1992, HP launched an eight-hour course, "The Road to Financial Independence." The course, which was most recently updated and improved in 1996, now provides fully customized retirement planning software to all attendees. To date, 12,000

"Our plan compares very favorably with others as far as the number and types of investment options."

What you'd have now if you'd started investing in 1990 (based on a \$35,000 salary)



Let's say your annual salary is \$35,000. How much risk are you willing to accept? Are you a conservative, moderate or aggressive investor?

The table above shows how much you would have today if in 1990 you had invested 1, 3 or 10 percent of your salary in TAXCAP, HP's 401(k) plan.

The table below shows the actual dollars you contribute and those that HP contributes—separate from the investment return.

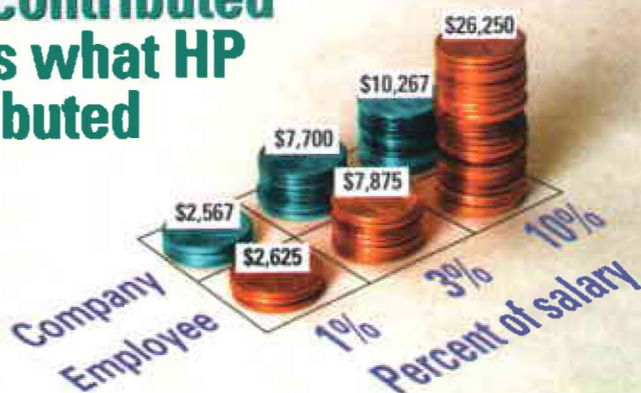
At 1 or 3 percent, HP matches every dollar invested. At 10 percent, HP provides a 4-percent match. (HP

changed the company match November 1, 1993.)

In this example, the \$32,030 in the table above consists of \$7,875 of employee contributions, \$7,700 of company matching contributions and \$16,455 of investment returns.

Benefits Program Manager Vicki Dotterer says, "The earlier you start investing, the fewer dollars of your own are needed to meet your goal. This is the magic of compound interest." Details of the 401(k) plan are in the Total Comp Statement mailed each year to U.S. employees' homes.

What you'd have contributed versus what HP contributed



Outside the United States

Corporate Benefits Manager Paul Jemison, who worked for HP Canada and Asia Pacific before taking his current position in Corporate, says the trend in many countries is toward savings programs similar to the 401(k) in the United States.

In several European countries, HP is moving from a formula-driven pension to a savings-type program, at least for new employees.

Canada switched a few years ago.

In Asia Pacific, the governments in Thailand, Singapore and Malaysia are structuring tax laws to focus on savings.

The country that stands above all others in encouraging retirement savings, Paul says, is Chile. "With a privatized, individual-owned social security system that's savings-based, Chile is held up as the model to emulate."

employees have completed it and invariably praise it.

In the near future, Vicki says HP plans to add more tools for employees to do customized financial planning, and is considering offering personal financial counseling by outside experts later this year. "Although employees are responsible for their own investment decisions, HP is committed to providing them with useful tools," she says, "including more information on various types of investments."

Corporate Benefits has the lead for HP's \$3.8 billion 401(k) plan, although it is administered by Corporate Treasury, which also continually monitors comparable large plans.

Brent Hartman, benefits financial manager in Corporate Treasury, who oversees the plan, says, "Our plan compares very favorably with others as far as the number and types of investment options. Most big plans today have six to 10 options. Some plans are starting to add more, and

we expect to do the same in the near future."

While participants in most other 401(k) plans have invested only 55 percent to 60 percent in equities (and the rest in fixed-income investments, which have less risk but also considerably less potential return), HP people have 80 percent to 90 percent of their investments in equities.

"This is evidence," Brent says, "that our employees understand what's going on. If you look at any period of time, historically, over the long haul, which is 15 years or longer, equities have always outperformed other investment vehicles.

"These are assets that employees will need anywhere from 30 years from now to five years from now," Brent says. "And they'll need them for as long as 30 years. People are living much longer in retirement, so they should invest for the long term."

Brent says there are three types of HP investors:

Four tips that can save you hard cash

Financial-planning experts recommend that U.S. employees:

1. Start contributing to your 401(k) plan as early as you can to get the best advantage of compounding.
2. Contribute as much as you can.
3. Invest for the long term. Especially when you're young, put more of your money in equities since they always have outperformed fixed-income investments over the long term.
4. Periodically review your account to be sure it reflects your retirement and investment goals.

- those who are committed to retirement planning but prefer to spend as little time as possible on it;

- those who get more involved and monitor the progress of their investments; and

- those who, Brent says, "live, eat, sleep and breathe this stuff. They call Fidelity (the mutual-fund company that administers TAXCAP) regularly to see how their funds are doing."

He adds, "We're looking at ways to maximize the value of the plan for each of these three types of employee-investors. Some HP employees

would like somebody else to manage the asset allocation for them so they don't have to make the choice themselves." Brent and his team are researching pre-mixed funds that can be selected based on employees' risk tolerance and length of time until they retire.

HP management—and Paul, Vicki and Brent—would like to see more

HP people taking advantage of TAXCAP. Yet some employees say they just can't afford to contribute—they're strapped as it is from one paycheck to the next.

Brent responds, "Even 1 percent, 2 percent or 3 percent makes a huge difference. One percent might mean sacrificing just one pizza a week! And with HP's 100 percent match (that applies on up to 3 percent of an employee's contribution, which can range from 1 percent to 10 or 20 percent of their pretax salary), this is the best deal in town!"

Vicki adds, "No matter how young you are, you should be looking at TAXCAP because the advantage of compound earnings is greatest when you're young. If you wait until you're 45 or 50, you have to put in far more of your own dollars than if you start early."

Vicki's right. For example, if you start saving \$165 a month at age 21, with an 8 percent annual return compounded monthly, by age 65 you could accumulate \$807,049 (even though you only contributed \$87,120). If you wait until you're 35 to start, you'll accumulate only \$247,549 (including \$59,100 of your own contributions). And if you wait until you're 55, you'll only have \$30,387—and a full \$19,800 of it your own contributions. So get started now! **M**

How TAXCAP changes will affect you

- Beginning February 1, 1998, the waiting period for enrolling in TAXCAP is eliminated, and new employees automatically are enrolled at the 3-percent level unless they reject it.

- more fund choices
- one or more pre-mixed funds

Other changes ahead:

- personal financial counseling
- more educational tools, including a way to do retirement projections

Branded!

By David Price

With a dash of glitz and a splash of excitement, Hewlett-Packard aims to expand consumers' possibilities.



"You can almost think of this as the consumerization of Hewlett-Packard," says Pradeep Jotwani, HP vice president and G.M. of the Consumer Products Business Organization (CPBO).

In November 1997, HP launched an ambitious brand-awareness campaign designed to change fundamentally the way the company develops, markets and delivers its products and services to the consumer marketplace. The goal is to sprinkle a dash of glitz and excitement onto HP's well-earned image of high quality and reliability.

During 18 months of rigorous research prior to the brand initiative's launch, consumers echoed the same theme: They thought of HP as a company they could trust, a company that made functional, practical products—and made them well. But in today's retail marketplace, those traits aren't enough.

"They told us that HP absolutely needs to define itself within more of a consumer context," says Brian Burch, consumer brand manager for CPBO. "They want HP to be more aggressive, more innovative and more exciting."

You might be tempted to ask, "What's a nice company like HP doing in the rough-and-tumble consumer-electronics business?" It's like asking the American outlaw Willie Sutton why he robbed banks. When asked that impertinent question point-blank, Sutton reportedly replied: "Because that's where the money is."

"The consumer market areas we've identified provide huge growth opportunities," Pradeep says. "They're ones that we cannot afford to ignore. Our

brand effort is about building the awareness, the competencies and the infrastructure so Hewlett-Packard can be a leading consumer-electronics player by the turn of the century."

Fifteen divisions that produce products for the consumer marketplace came together to participate in this unified brand strategy. The central components in the worldwide initiative are a broadcast advertising campaign; a new graphic identity that includes a custom HP typeface, a new color scheme and new imagery; new product packaging; and the pervasive tag line, "Expanding Possibilities."

One statistic underscores the importance of the brand initiative. Today, about 25 percent of HP's total revenue comes from products that serve the consumer marketplace. The figure could grow to around 50 percent during the next several years.

To get there, HP needs to create the perception in the minds of consumers that the company's products are more than trustworthy and reliable. For people to plunk down a chunk of their hard-earned disposable income, they want some excitement, too.

Over time, when consumers see those now-familiar gold, blue and aqua boxes, the thought bubble in the back of their minds will shout, "Buy HP!" When that begins to happen, we'll know they've been branded. **M**

"Our brand effort is about building the awareness, the competencies and the infrastructure so Hewlett-Packard can be a leading consumer-electronics player by the turn of the century."

How do you pass the reins of authority from one G.M. to another? The Optoelectronics Division introduced an innovative idea that involved

Two people, one voice

By Jay Coleman



Milt Liebhaber, who has spent more than half of his 63 years with Hewlett-Packard, is the first to admit he's a traditionalist.

But when he thought about who would replace him as general manager of the Optoelectronics Division (OED) when he retires on February 1, Milt devised a nontraditional, "out-of-the-box" solution.

In May 1997—nine months before Milt's retirement—Components Group G.M. and HP Vice President Bill Craven announced that Milt and then-OED Manufacturing Manager Karen Owyung would share G.M. responsibilities for the next 270 days.

Creating the "Office of the General Manager" was a bold, innovative approach that made too much common sense not to try.

"It's lonely being a general manager," Milt explains. "The group G.M.

is your coach, and you get input from your staff, but there's not really anyone else in your organization who can advise you from the G.M. perspective. Now I have Karen to bounce ideas off of. We're two people, speaking with one voice."

Karen's selection was no accident. A 15-year OED veteran, she had progressed from regional sales engineer through managerial positions in product marketing, marketing, quality and manufacturing.

"I've worked with Karen since 1982, and she always looked like a star to me," Milt says. "She has tremendous organizational skills, an outstanding capability for networking and she's decisive."

"But there were no promises."

The transition of power was systematic: Karen would concentrate on operational duties for the first three months, customers and distribution the second three months and the final hand-off of decision-making in the final three months.



During a break in business meetings, Milt Liebhaver (center), retiring G.M. of HP's Optoelectronics Division, and Karen Owyung, co-G.M., visit the Omiya Hachimangu Shrine not far from HP Japan's Tokaido headquarters with Toshiteru Suwa, executive director of HP Japan.

G.M.s communicated constantly, copying each other on memos, leaving end-of-the-day voice-mail messages and meeting for a two-hour business lunch once a week.

Over time, the scales of authority tipped decidedly in Karen's direction. By choice, Milt attended fewer meetings and made fewer announcements and decisions.

One important, symbolic change happened in November 1997 when Milt and Karen traveled to Japan. There they met with executives from Stanley Electric Company, a partner in OED's major expansion in automotive lighting, especially in taillights, turn signals and interior lighting. During the trip, the OED facilities group moved Milt's belongings into Karen's office, and Karen's things into Milt's office.

"Initially, I think the partnership slowed Milt down," Karen says, "but the transition has worked so well that it has far exceeded my expectations."

Karen, a 38-year-old mother of 3- and 5-year-old girls, says her key to business and personal management is focus.

"I have written mission and vision statements for myself, and

my priorities are clear at all times: work and my family," she says.

"Things that are not high value-added have to come second.

"I have a wonderful husband, Willard, who's an HP district sales manager, and we treat our relationship as a partnership, too. With our busy work and travel schedules, we've both become experts at planning."

Excellent planning is a manage-

one could have predicted the fantastic growth the Components Group has experienced during his three-decade career.

"Components was considered the 'Beads and Trinkets Division' in the early days," Milt says. "It definitely was not the place to be in HP. Then in 1971, (HP co-founder) Bill Hewlett asked us to design an LED (light-emitting diode) display for a new product called the HP-35 calculator. Today, we're the leading solid-state optoelectronics company in the world. We're a \$1 billion business, and our closest competitor runs a \$300 million business."

In retirement, Milt plans to pursue interests he hasn't had time for during his HP days in sales, marketing and management. He and Shirley, his wife of 37 years, plan to travel and spend time with their two children and three grandchildren.

"I never had time to learn golf well, and I'd like to do that," he says. "I'm a ham radio operator, so that will occupy my time, too. And I started taking piano lessons when I was five, but stopped when I was nine; I think it's time to resume those lessons."

Milt says he can leave HP, knowing that the Optoelectronics Division is in good hands—and that his transition idea worked like a charm.

"HP has a special environment," he says. "One of our core values is trusting people, giving them the latitude to use their brains and staying out of their way. You just have to be frisky enough to be entrepreneurial.

"To put it in OED terms, our division has a bright future, and so does Karen." **M**

The partnership worked so well that the switch virtually was complete after six months.

"Milt has a large presence in the Components Group, and I'd always reported to him, so I was concerned at first whether or not we could develop a peer relationship," Karen says.

"But his attitude has been extraordinary. It's been clear that he has been doing everything he could to make me successful."

To send a clear message to people in OED, the co-G.M.s separated the duties and responsibilities. Karen handled R&D, manufacturing, finance and human resources; Milt took materials R&D, marketing, quality and the growing automotive business.

Karen moved into an office a few feet away from Milt's, and the twin

The partnership worked so well that the switch virtually was complete after six months.

How I learned to love my PC

By Jean Burke Hoppe

Illustrations by Matt Foster

LINCOLN, Nebraska—In a former life—up until two months ago—I was one of those obnoxiously loyal Mac people you're always running into. Yes, I'm a former HP employee. Yes, the bulk of my freelance writing and editing business the past 10 years has been from Hewlett-Packard.

Mea culpa, mea culpa.

I guess I could have tattooed "I love Bill and Dave" on my arm to help assuage the guilt and profess my loyalty. Instead, I bought myself an officeful of HP equipment. Am I happy? Well, yes and no.

High Expectations

Mild guilt, slight pressure from my PC-oriented clients and sincere worry about Apple's troublesome past few years converged. I decided to test the PC waters.

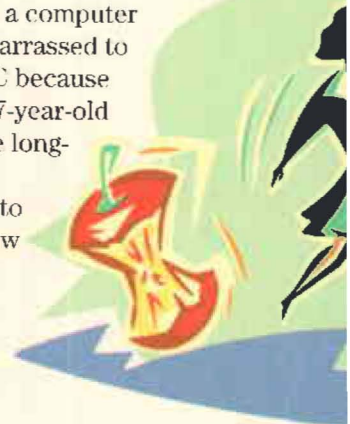
When you're a hopeless generalist, going it alone on the Great Plains of the United States in a home office with no technical support beyond a husband who knows just enough to be dangerous, you seek simplicity. I took 18 months to research my options and seek advice from friends and experts.

I want a computer with more memory than you'd find at a million high school

reunions, and I want it to fly, fly, fly across the Web. I want a computer that will go anywhere I need to go for the next five years.

I also need a computer that isn't embarrassed to be a family PC because sticky 5- and 7-year-old fingers will be long-ing to use it.

It needs to know how to play.



The Commitment



Finally I take home: an HP Pavilion 8180 PC (266MHz Intel Pentium II microprocessor, 48MB EDO memory, 6GB hard drive, 24x max speed CD-ROM drive, 2MB EDO video memory); a 17-inch HP M70 monitor; an HP DeskJet 870Cse printer; and an HP ScanJet 5p scanner.

and begin what will become a serious addiction to "Free Cell."

We print color pages with abandon. We open several programs at once and dabble in all of them just for the fun of it. It takes a bit longer—two hours and two phone calls—to reconnect with my Internet provider. Soon we are flying across the Web at what seems to me the speed of light. We are registering our ownership online. I am deeply satisfied. We get very little sleep that night. Actual out-of-the-box experience: A+.





The Search

I have \$5,000 to spend and know exactly what I want as I approach the glaring, blaring neon-lit world of retail, softly humming "You Better Be Good to Me." My experience is not a good one. Product literature is skimpy. Sales help is uninformed, and in a couple of cases, demeaning.

Four of the big, big resellers are here in Lincoln. I browse at each one several times, comparing prices to those in the catalogs I have at home. I visit one store three times and no one ever asks if I need help. Can't you see this money burning a hole in my pocket?

At another store, when a sales guy can't answer a printer question, I say I'll go home and look it up on IIP's Web site. That's something he is apparently unwilling to do, surrounded though he is by about 100 computers. He asks me to bring him back the information. It's the truth.

The Honeymoon



"Ahh, I love the smell of a new computer," says Robert, my 7-year-old, inhaling like a yoga master and peering over my

shoulder as I unpack and try to create order from a growing mountain of boxes, snaky cables, color-coded plugs, documentation and discs. Five-year-old Katie spots the Reader Rabbit CD. "Can I play?" she asks.

They're thrilled (and even more thrilled to learn that the deposed Mac is heading their way). I'm very, very worried. I've never even hooked up a stereo system, much less programmed a VCR. Yet, I've agreed to flaunt my stupidity in front of 100,000 *MEASURE* readers. What was I thinking?

Finally, we're alone in the glow of the halogen lamp. My confidence level rises while inspecting the nice big "Getting Started With Your Computer" chart that would be at home on a third-grade classroom bulletin board. I can do this. Seven-year-old Robert could do this.

We are more than getting started within an hour. We are in business. We are exploring. We are deciding we very much need a real word processor instead of what's come pre-packaged. We check out the games

Reality

The next day, I buy incredibly expensive software for my computer, including an upgrade to the Microsoft Office 97 Professional Edition and Microsoft Publisher.

I try to hook up the scanner and am dismayed to learn it involves major surgery. I need to open the back of the computer to install an interface



card. I've seen clean rooms. I've read about static electricity. I cannot do this.

So I don't. My fearless husband, more than happy to take a screwdriver to a 1-day-old computer, takes over. We discover the interface card won't fit into any of the slots left in the computer because, technically, "things" on the





other
boards

are in the way.

We call the ScanJet experts. They refer us to the Pavilion experts. They tell us we might want to call the ScanJet experts.

Our Pavilion customer-care rep takes ownership and guides us through the operation with the calm assurance of a 911 emergency operator. He gives us permission to touch and move the circuit boards around to make room for the interface card. He says, "I can't believe

they designed it that way." In no time, we have a scanner that works. And, thank God, a computer that still works.

Now I'm getting worried that my computer is, well, frigid. I feel under-

currents of disgust emanating from it. My ignorance is revolting to it. It freezes up on me; it nags, relishing in pointing out little errors I've made, things I know my Mac would have sweetly overlooked.

If it could make faces, it would sneer. If it could talk, it would use a phony British accent. I get cozy with the trouble-shooting section of the manual, intimately acquainted with Ctrl-Alt-Del.



It's supposed to take me right to 50 free hours and the HP@home page. Instead, I get a window



that says, "Internet Explorer cannot open the Internet site [http:// home.microsoft.com](http://home.microsoft.com). Make sure the address is correct and try again."

I'm happy with my local Internet provider. It's the princi-




hours (he thinks, frankly, I'm better off with my current provider), but he does help me with the freezing screen dilemma. He teaches me escape routes. He teaches me to clean house.

We go where I have never gone before. We clean out temp files,

history files, cookies. We toss many, many cache files. We thoroughly scan the disk and then defrag it. Thanks, Bryan. My screen rarely freezes anymore.

Reconciliation

After two months together, we've reached a more mature level in our relationship, my Pavilion PC and I. I've learned to look beyond its annoying software-driven habits, such as playing hide-and-seek with files, hiding files under files, and completely and totally freaking me out.



I've made phone calls via my computer. I've designed about 10 new letterheads for my business and a new invoice form. I've written a brochure. We've jazzed up the resume. We found those 50 free Internet hours all on our own.

Therapy

After the first couple of weeks, the PC seems to thaw a little. But I know there are underlying issues we need to air if we're going to have a lasting relationship. We need a mediator.

One thing that's bugged me since our first night together is that the Internet button on my computer doesn't work.



ple of the thing. This wouldn't be good for a brand-new computer user. I have a responsibility—the people have a right to know.

I call Bryan, my customer-care rep *du jour*. He doesn't really help me connect with my free 50



HP's response: We can do better

I've been happy with the phone support I've gotten from HP so far—the reps I've talked to have been friendly and smart. They talked to me in lay terms I could understand. Most importantly, they've solved my problems. In comparison, I once called a major modem manufacturer who took three days to get back to me. I owned a new modem by then—one they didn't make. Yet when this story hit HP's Home Products Division, my customer support experience caused the most concern. Brand Manager Chris Pedersen especially hated reading about the problem of hooking up my scanner.

"We don't want our customers to have any problems at all," Chris says, "and if they do, we want them solved in one phone call. What you experienced will cause discomfort across many divisions because it's exactly what we want to avoid. HP is actually bucking some industry trends to make these compatibility issues easier for customers. We've started a program called Product Harmony where all the HP consumer product divisions work together to resolve these customer service and compatibility issues."

The problems are hardly unique to HP, Chris says, adding that HP is ahead of its competitors in customer support. And he has the numbers to prove it.



ROBERT HOPPE

Jean Burke Hoppe is a tattoo-free, guilt-free former *MEASURE* editor who lives in Lincoln, Nebraska. Now pals with her new HP Pavilion PC, she says she rarely even visits her old Mac anymore.

We've written stories and newsletters. We've dabbled in desktop publishing. The printer is a dream; I cannot tell the difference between my DeskJet's output and laser output. The scanner is seriously fun and we've been busy making T-shirts and calendars for Christmas.

After some despair the first month, I can honestly say I'm now happy with my decision. I think the Pavilion may even have a little bit of soul.

Lincoln recently got a 13-inch October snowfall, a calamitous, tree-breaking storm that started late one Saturday night with a crash of thun-

der and a blinding flash of lightning. My computer turned itself off and told me, "Your computer has shut itself off safely." Because trust takes time, I turned it right back on to make sure it wasn't lying. And it wasn't. Downright friendly, I'd say. **M**



Going, going...

HP computers map shrinking koala habitats as part of an effort to save Australia's cuddly national symbol.

By Brad Whitworth

BRISBANE, Australia—Seventy years ago, millions of koalas roamed the bush of eastern Australia. Today, the sleepy gray creatures number somewhere between 40,000 and 80,000, and they're disappearing at an alarming rate. Urban development is fast encroaching on the forests of eucalyptus trees that the koalas call home.

"If we don't do something today to protect their natural habitat, I'm sure they'll be extinct in my lifetime," says Deborah Tabart, executive director of the 10-year-old Australian Koala Foundation (AKF).

The koala is more than a fuzzy, photogenic marsupial. It's a major drawing card for an economy that relies heavily on tourism. Foreigners pump more than U.S. \$800 million

each year into the Australian economy just to see koalas, according to a study by the Australia Institute and the University of Queensland. Koalas also account for 9,000 jobs in the tourism industry.

"Australians are very comfortable with the idea of saving the koala,"

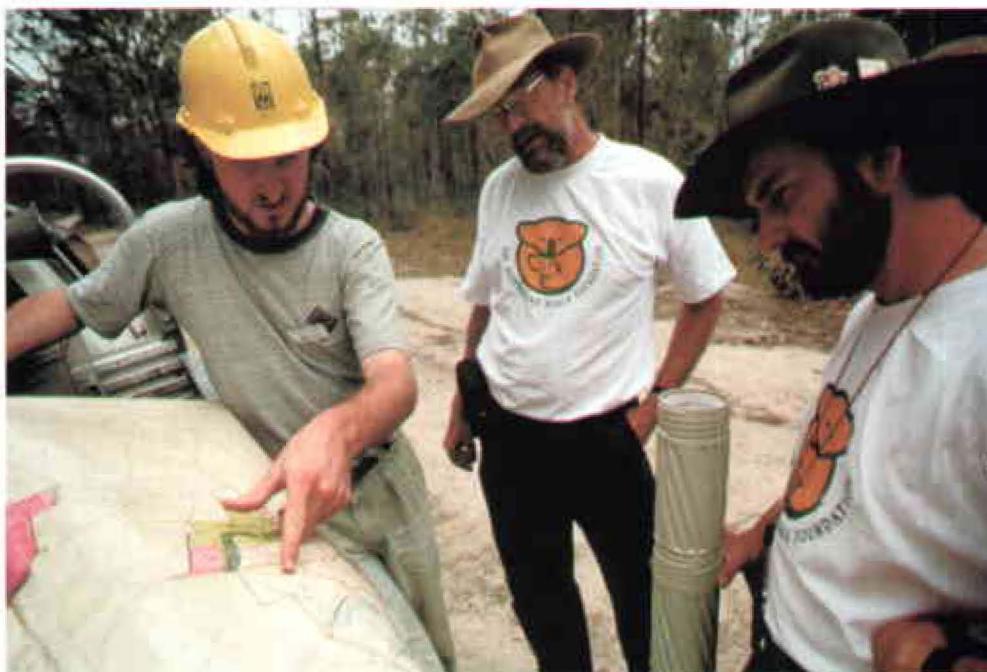
Deborah says. "It's a beautiful animal, it's universally loved and it doesn't even eat people. What people don't feel cozy

about is saving the habitat."

Roads, houses and shopping centers are taking out stands of tallowwood, swamp mahogany, drooping red gum, grey gums and forest red gum trees—five key species of eucalyptus trees—that are the koalas' bedrooms, kitchens and family rooms.

"If we don't do something today to protect their natural habitat, I'm sure they'll be extinct in my lifetime."

PHILIP WRIGHT PHOTOS



Using maps generated on HP computers, the Australian Koala Foundation persuaded local government officials to reroute a major highway that would have chopped prime koala habitat in half.

Deborah believes the best way to protect the remaining natural habitat is to map areas where the koalas can and do live, and to use the resulting collection of maps to convince local government officials to make wise land-use decisions. The nonprofit foundation's ambitious mapping project is called "the Koala Habitat Atlas."

The atlas is coming together in the back of AKF's modest headquarters in an old brick office building in downtown Brisbane. There, Dave Mitchell pores over maps that show local roads, property boundaries, soil types, drainage, geology, vegetation, contours and land tenure.

Dave is AKF's spatial information officer. He sifts through field reports from scientists who have identified and measured every tree in hundreds of sample sites within a large area being mapped. The field scientists look for koala feces under each tree.

Dave's job is to enter all of this data into an HP Apollo 9000 computer to produce koala-specific vegetation maps. The maps show exactly where the habitat must be preserved.

Dave works at one of two donated HP workstations, using sophisticated mapping software from Genasys, an Australian company. To date, he's finished mapping six local government areas—three in Queensland and three in New South Wales—and expects to finish nine more in early 1998. Soon, those maps will be printed on another donation: an HP large-format printer.

With the maps, AKF staffers can argue with confidence which bits of

If koalas appear sleepy, it's because they are. Their high-fiber, low-nutrient diet—primarily leaves from various eucalyptus trees—results in an extremely slow metabolism rate. They spend most of their day dozing in the treetops.



Going...

land are important to koalas and where it's OK to develop.

Deborah is a pragmatist who believes that people and koalas can live in relative proximity. She's not against all development.

Case in point: Sea Ranch. This 2,500-acre woodland site was home to a colony of some 30 koalas. The Ray Group wanted to build 900 homes there. The AKF worked with the real-estate firm to develop the site, now being marketed as "Koala Beach,"



CHRISTIANE SCHEFFLER

The koala is able to remain comfortably wedged into tree boughs because of the dense fur on its bottom.

- build fences 9 inches off the ground so koalas can pass easily underneath, and
- leave koala

trees exactly where they stand.

Another AKF success was the crusade to divert a freeway that would have cut through the middle of the largest single colony in Australia (4,000 koalas). "I asked the authorities if they wanted to go on record as the destroyers of Australia's principal koala habitat instead of redrawing their plans a little," Deborah says.

While the Australian government hasn't labeled the koala an endangered species, the states of New South Wales and South Australia officially call them "rare and vulnerable" and "rare," respectively. The United Nations lists the koala as "potentially vulnerable."

Fortunately for the koala, while politicians squabble over whether or not the animal is headed for extinction, Deborah Tabart and her foundation struggle each day to make such political wrangling irrelevant. **M**

Koala tidbits

Koalas are not bears, they're marsupials. They carry their young in a pouch.

- Koalas are fussy eaters. Most of their diet consists of leaves from eucalyptus trees.

- As many as 4,000 koalas are killed each year by cars and dogs.

- "Save the Koala Day" is the last Friday in July each year.

- Three million koalas were shot in the 1920s for their fur.

- Australia's white settlers discovered koalas in 1798.

- The koala's scientific name is *Phascolarctos cinereus*.

You can learn more about the koala and the Australian Koala Foundation at <http://www.gil.com.au/comm/akfkoala/akfmain.html>.

with koala-friendly rules in place.

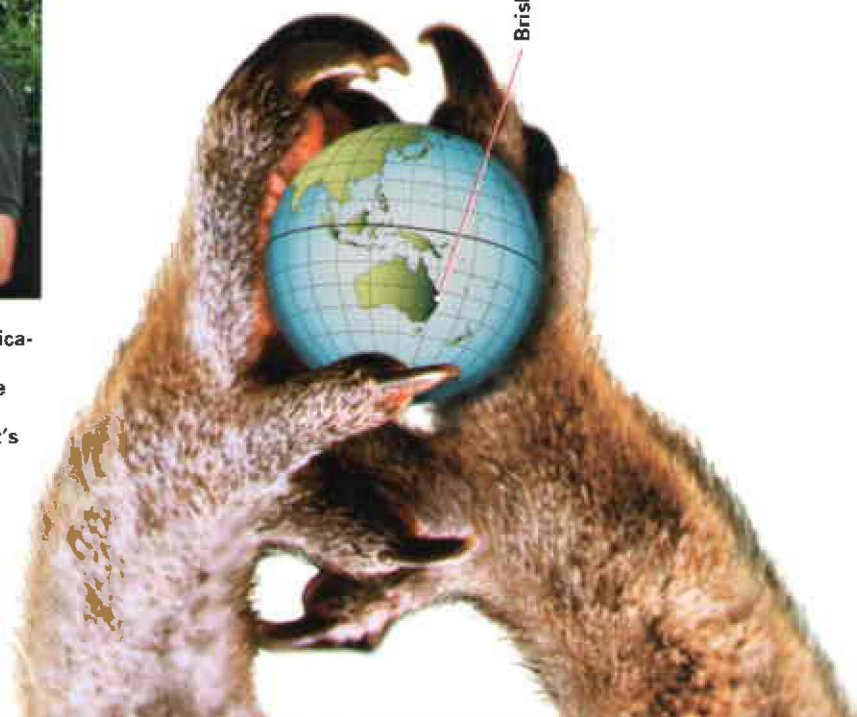
People who buy a lot must:

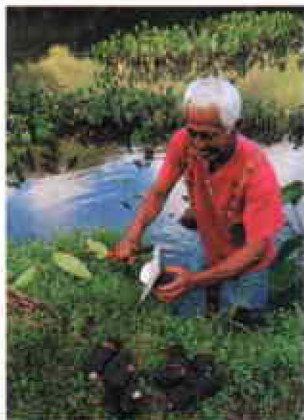
- sign an agreement that forbids dogs and cats on the property



Brad Whitworth, HP's international communications manager, meets 4-year-old Jenny at the Lone Pine Koala Sanctuary in Brisbane. That's Brad on the right.

Brisbane, Australia—one of seven HP sales offices in the country





Ted Kaaekuahiwi (which means "from-the-ocean along-the-side-of-the-hill to-the-highest-mountain") tends an ancestral kalo or taro patch located in the Waipi'o Valley. Hawaiian healers mixed taro with the juice of the kō plant to make a potent medicine.

At an innovative hospital in Hawai'i, HP monitoring equipment helps track patients who receive a rare blend of treatment using Western and alternative medicine.

The healing island

By Thomas Ulrich

Photos by Clark Mishler

WAIMEA, Hawai'i—Since humankind first landed on the Kona coast, Polynesians, Asians and Europeans have brought their own brand of healing to its arid shores.

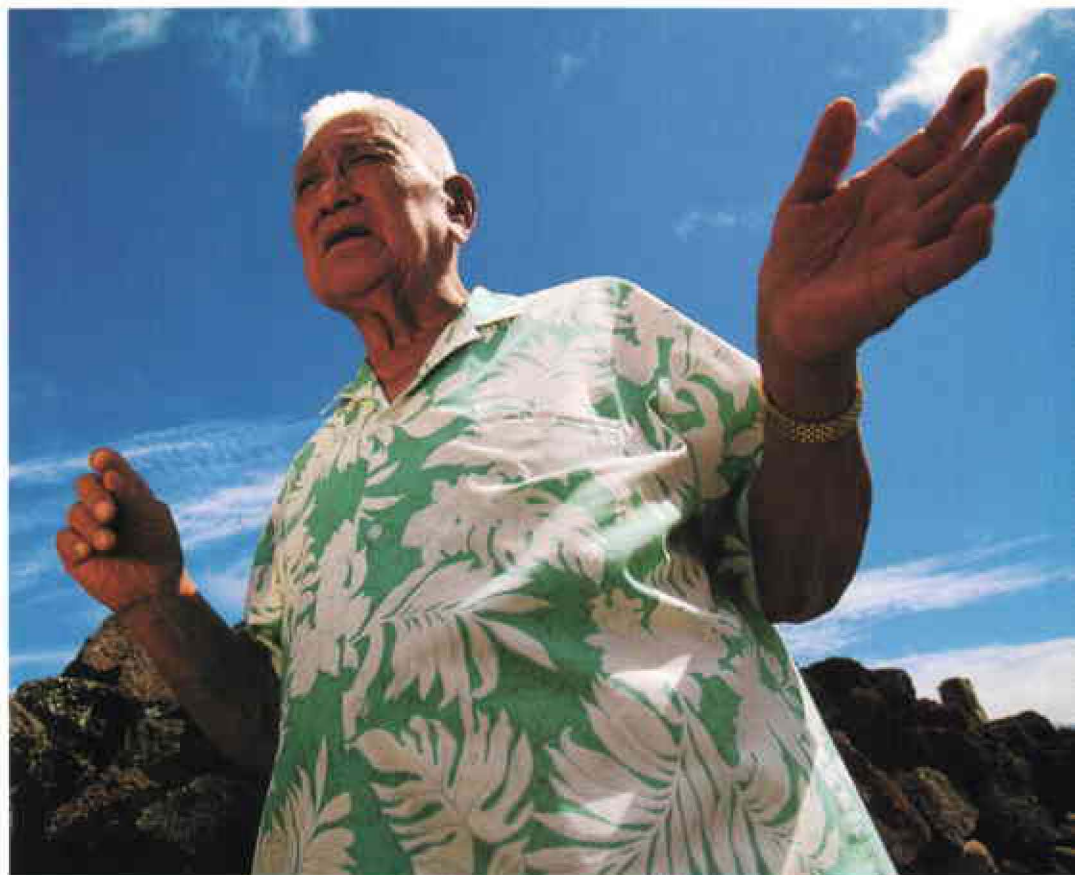
From a foundation enriched by the mix of people it serves, community leaders built the North Hawai'i Community Hospital (NHCH), an acute-care facility that dispenses a rare blend of Western and alternative—or complementary—medicine.

"We are not a hospital with a Western and an alternative mix of care," says Dr. Pam McKenna, a pediatrician and chief of staff at NHCH. "We are a hospital that focuses on patient-centered care that happens to have

a medical staff that includes licensed complementary practitioners."

Healing begins when the patient and the admitting physician collaborate—sometimes with a complementary healer—on a method of care.

"The idea is not for me as a Western physician to have my leather bag that contains a stethoscope, audioscope and prescription pad, and for the acupuncturist, chiropractor, clinical psychologist, massage therapist and naturopath to have their bag of tricks," the doctor says. "The idea is for a patient to come to the hospital to say, 'I'm not well, and I would like you to help me heal in a particular way.'"



Papa Henry Auwae, a seventh-generation Hawaiian healer, is revered as a *kahuna lapa'au* or expert Hawaiian medical practitioner. He relies on herbal medicine and spiritual healing to care for his large following of patients, some of whom he refers to physicians at North Hawai'i Community Hospital.

Healing

The patient and physician can choose allopathic, that is, Western medicine, which uses antibiotics, surgery or radiation, for example, to eradicate disease. They also can select complementary therapies such as acupuncture and massage that harness the body's healing powers.

Either way, Hewlett-Packard monitoring equipment watches over patients in the emergency, operating and recovery rooms, as well as in pediatrics, labor, delivery and intensive care. **M**

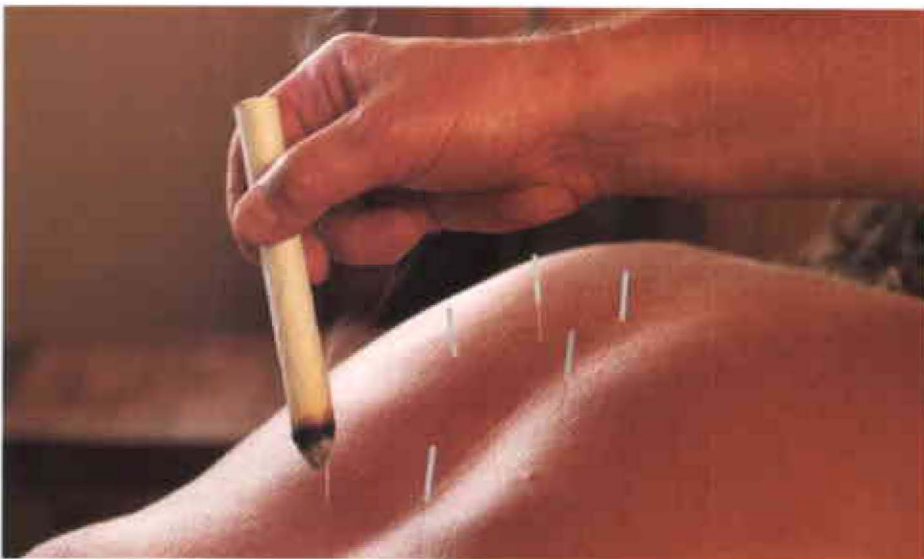
(Thomas Ulrich writes for HP's Integrated Systems Division in Sunnyvale, California.—Editor)



An HP M1350B fetal monitor records Laurie Kealiinohomoku's blood pressure. Vital signs are transmitted to an HP OB Tracevue station.



A patient wearing an HP M4103A digital telemetry system can walk the hospital halls while nurses observe his vital signs.

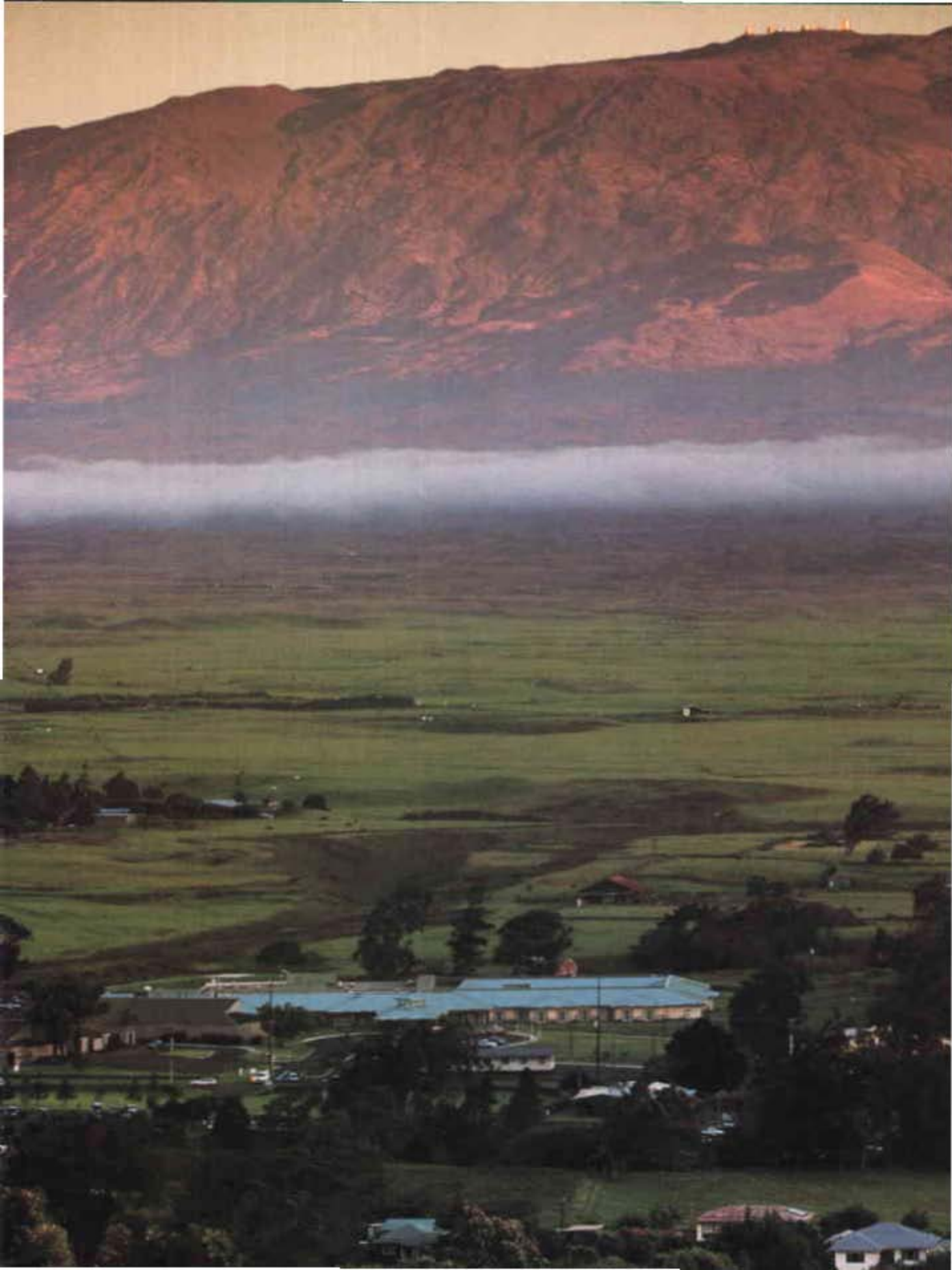


Acupuncture, an ancient Chinese healing art, restores harmony to a patient's vital energy or Qi (pronounced chee). Heat from the moxa stick stimulates the flow of Qi and blood.



Chiropractic healing restores well-being by combining spinal adjustments with exercise, heat treatment and nutritional counseling to promote the free flow of energy from the brain along the spinal column to every organ of the body.

One third of all Americans, most of whom consult medical doctors, spend an estimated \$14 billion out of pocket on alternative treatments such as acupuncture, chiropractic, massage and naturopathy. The North Hawaii Community Hospital, shown here, added these therapies to a patient's options when it opened its doors two years ago—two miles below the Mauna Kea observatories.



To the man who engineered HP's growth in Europe, co-workers say,

Farewell, Franco

By Mary Weed-Pickens

GENEVA, Switzerland—In an era when business executives can appear one-dimensional, Franco Mariotti stood apart.

Franco, 62, who had been senior vice president for Strategic Initiatives, was only eight months into his well-earned retirement when he succumbed to cancer on October 28, 1997, at his home in Geneva. He was a Renaissance man with a tremendous intellectual curiosity. And for more than three decades, he was the patriarch for Hewlett-Packard in Europe, Middle East and Africa, where he built the business and set in place a strategy for global presence.

There were only a handful of HP people in Europe when Bill Hewlett and Dave Packard hired Franco. When he died, his legacy was \$13.3 billion in revenue and a 22,800-person workforce on three continents. Through the decades and especially in the 1990s, HP's growth and positioning grew to world-class envy by HP's leading competitors. But Franco always wanted more for HP.

A man with an instinct for securing HP Europe's growth, Franco would make the extra effort to fight for Europe. He once took a private trip to Prague, according to HP Czech veteran Karel (Charlie) Vavruska. "He'd

quietly bring the team together to ensure we had the maturity to keep the business afloat in tough times," Charlie says. "Convinced we did, he defended us tooth and nail."

Friends and colleagues throughout HP shared their memories of Franco at the time of his death. The tributes ranged from an employee in HP Korea who reminisced about Franco leading karaoke singing, to Kodak President and COO Dan Carp honoring Franco as an enthusiastic advocate of European competitiveness. One of the most touching messages came from Joel Birnbaum, head of HP Labs, who wrote with great sadness to Franco's wife, Ade, of how HP will miss Franco's wisdom, courage and warmth.

Co-workers say that Franco's death signals the passing of an era for HP

Europe. Renzo Tacchi, who Franco hired nearly 30 years ago, is the sales development manager for HP's Chemical Analysis Group. He remembers: "the spark that Franco kindled. Franco was my very best friend." **M**

(Franco hired Mary Weed-Pickens in 1989 to be his speechwriter. "We had lunch," Mary remembers, "and it became very clear that as an eloquent speaker on his own, Franco didn't really need or want someone putting words in his mouth. He'd edit this tribute if he were with us!" You can read the eulogies to Franco delivered by HP CEO Lew Platt and by Juan Soto, G.M. of HP Spain at <http://hpweb.corp.hp.com/Publish/hpnow/news/newsgram/9794/971029.htm>.—Editor)



MICHEL BLANC

Franco Mariotti, who died in October 1997, will be remembered as the patriarch of HP in Europe, the Middle East and Africa, and for one of his favorite phrases, "Ciao, ragazzi" (Good-bye, friends).

YOUR TURN

MEASURE readers share their views on matters of importance.

At your service

Reading your article on HP in Russia reminded me of a story that my dad told me a few years ago. He was working in Russia after the fall of the Soviet Union doing charitable work with a nonprofit organization for the U.S. government. They did all their record-keeping with HP computers and printers.

One morning, a worker plugged a printer into an outlet without using an outlet converter, damaging the printer. My dad called the HP service office in Moscow, not expecting much. The service person responded to my dad, "I can be there in 15 minutes, if that's not too long." Sure enough, the service person was there in 15 minutes and got the printer up in minutes.

My dad was impressed with the service, to say the least.

RUSSELL SCHWAGER
Oakland, New Jersey

A real "I opener"

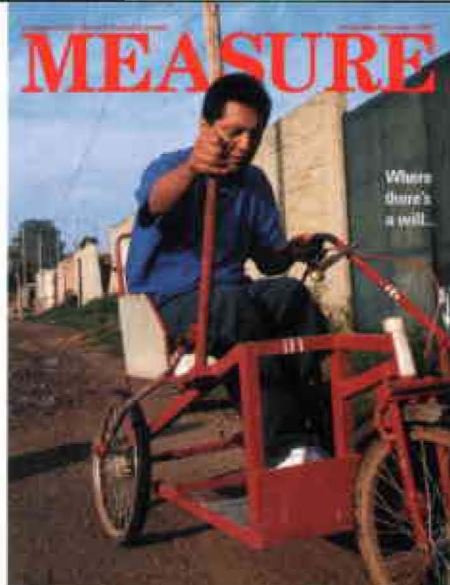
"The power of balance" (September-October 1997) acted as an "I opener." I suddenly realized that I made time for everybody and everything but me.

As a working mother with a 14-month-old child, I have often wished the day had 36 hours. I seem to cram so much into my 24 hours that I don't have time to unwind and relax.

After reading the article, I decided to open a little window in myself and make 10 to 15 minutes daily to read, listen to music or exercise.

I feel so positive already. I'm going to put this sign on my notice board: Keep the promises you've made to yourself.

RAMONA KEELOR
New Delhi, India



DIANA SMITH

Juan in a million

I enjoyed reading your November-December 1997 cover story about Juan Cortes. Juan was my cubicle neighbor when he visited Palo Alto. I am a disabled person, too, so I know what he was going through.

I helped Juan select his high-tech wheelchair to combat the rough environment in Mexico. I also took him to participate in wheelchair tennis training, and helped him get information for the disabled.

I'm glad that Juan is doing well in Mexico, and I really appreciated *MEASURE* for reporting his story.

CHI HUANG
Palo Alto, California

No reason to change

The idea of changing the name of the publication (From the Editor, November-December 1997) reminds me of the California State Automobile Association publication, *Motorland*. When the name changed to *VIA*, I

promptly threw away the first two issues because I didn't recognize the name.

The name *MEASURE* reminds me that this is a company that is constantly in the process of improvement. Therefore, I firmly believe that the name should not change.

DEAN RICE
Roseville, California

Don't mess with success

Please don't be in any hurry to remake *MEASURE*. It's just great as it is—far better than the magazine of any company I've worked for.

Here at the Stanford Business School, the powers-that-be decided that as long as all the letterhead had to be reprinted because of the new area code, they would call in a graphic designer to redesign it.

The result

looks as though the designer reasoned, "I must do something really creative to justify my fee." He/she moved the professor's name, title, phone and fax numbers, and e-mail address from the upper left to the lower right corner. They also made them very small to allow room for a graphic. The pros hate it.

Please don't mess with success.

MARILYN GILDEA
Stanford, California

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.

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.

Customers always write

Winners from the September-October 1997 *MEASURE* reader response cards:

| | |
|------------------------|------------------------|
| Dick Aal | Santa Rosa, California |
| Gary Antieau (retired) | Pompano Beach, Florida |
| Dan Beinart | Andover, Massachusetts |
| Mel Bevan | Wilmington, Delaware |
| Mitch Davis | Blackburn, Australia |
| Dave Driscoll | San Diego, California |
| Tom Fabatz | Englewood, Colorado |
| Jacqueline Frandsen | Boise, Idaho |
| Laura McNicholas | Roseville, California |
| Paola Zeni | Milan, Italy |

We still believe in citizenship

In the midst of change, HP's commitment to citizenship hasn't changed, says HP's chairman, president and CEO.

You should know by now that Hewlett-Packard is in the midst of substantial changes—changes in our strategy, structure and management practices.

As I've said, these changes are necessary because of our entry into the elite level of *Fortune* 15 companies. History tells us that very few companies grow at double-digit rates once they reach \$40 billion in revenue.

Some of these changes will be invisible to many of you; other changes, such as giving our businesses more flexibility and accountability, may affect you personally.

And, predictably, with change come natural feelings of uncertainty and nervousness. I believe it's extremely important at this point in HP history to assure you that critical elements of our very fabric won't change.

For instance, HP's values and Corporate Objectives are things that always have set us apart from other companies. They are some of the qualities that make HP the best place to work.

Our citizenship objective, specifically, is a commitment that we've always taken seriously. It's a practice that co-founders Bill Hewlett and the late Dave Packard instilled in their

employees from the earliest days of the company.

The citizenship objective says that we will "honor our obligations to society by being an economic, intellectual and social asset to each nation and each community in which we operate."

We fulfill our citizenship objective in many ways. In the last 20 years, HP has donated more than U.S. \$1 billion—\$61 million in 1997—in cash and equipment to philanthropic programs worldwide. In the United States alone, employees and the company contributed more than \$12 million to the United Way in 1997 to help health and human services agencies in communities in which we operate.

What does our societal responsibility have to do with the business of HP?
Everything.

Sometimes it's easy to write a check to help a good cause. But employees also give generously of their time, volunteering thousands

of hours each year to assist community organizations where they live. The gifts of time, our creativity and talents, I believe, are just as important as money. Employees who volunteer their time make an emotional investment that benefits their community. And they feel good about themselves.

You can't leave community involvement to someone else any more than you can ignore quality or customer satisfaction and rely on your co-workers to handle those business fundamentals.

So what does our societal responsibility have to do with the business of HP? Everything. Without profit—another Corporate Objective—there can be no philanthropy. And without healthy communities, HP can't function at its best.



Lew Platt (left) helps celebrate the 81st birthday of retired CBS-TV broadcaster Walter Cronkite (standing on a chair at right) during the State of the World Forum dinner in San Francisco in November 1997. Lew and Walter were among the featured speakers.

Perhaps George Weyerhaeuser, the former CEO of Weyerhaeuser, said it best: "We have earned the right to operate our business and have been granted a license from society. If we violate the terms of that license, we can find that license revoked."

T.J. Rogers, the outspoken CEO of Cypress Semiconductor, makes a strong case that charity is a byproduct of wealth. For instance, more than 90 percent of the \$416 million annual budget of Shriners Hospitals for Children comes from an endowment by the Coca-Cola Company and includes 215,000 shares of stock.

Two local examples—The William and Flora Hewlett Foundation and the David and Lucile Packard Foundation—are billion-dollar contributors to the betterment of society. And their assets come primarily from the value of HP stock.

The contributions from the company and various foundations have indirect paybacks to HP, too: These contributions help put people to work, which in turn allows them to buy our products. Other contributions

help improve our communities, which helps us attract and retain the best people for our company.

Citizenship, therefore, is part of a cycle that improves our return on investment.

The changes in the way we operate our businesses are intended to improve our effectiveness and help us exceed the high expectations that everyone has for HP.

As we make these changes, we can't neglect our objectives, such as citizenship, and our obligations to society. The continuity that our values and objectives provide is particularly important in times of rapid change.

Lew

ASK

Dr. Cyberspace



Surf's up, HP dudes and dudettes! Just back from an island vacation where I learned some of the finer points of taming the 20-foot breakers on Oahu's north shore. I brought home six simple truths taught to me by some of the world's best wave riders. I know you can use them on HP's electronic beach.

● **Decide to ride!** We're all really busy people at work, and surfing the Web can be a real time sink. You've got to carve out some quiet time for yourself, grab your mouse and start clicking. Make an appointment, write it on your calendar and spend an hour each week (or month) exploring.

● **Expect to wipe out regularly!** Internet technology is still far from perfect, so expect your fair share of broken links, fatal errors and non-existent proxy servers each time you go surfing. It's getting better, but no one can guarantee you a gnarly ride every time.

● **Always look "outside."** The best waves usually don't break right where you're waiting. When you're surfing on silicon, don't limit yourself to the logical sites within HP or the electronics industry. Some of your best breaks may occur where you least expect to find them.

● **Never turn your back on the ocean.** If you're not looking in the direction of the action, you can get clobbered. The Web changes as quickly as the ocean does. Don't get caught by taking your eye off the big ones.

● **Stay ahead of the waves.** The best ride is in the churning foam just ahead of the huge wall of water. Stay up on the latest technology: browsers, plug-ins, VRML (virtual reality modeling language), etc.

● **Never surf alone.** Well, it's perfectly safe to surf the Web by yourself. But when you find a great site, you can get a huge rush when you share it

with co-workers. Bookmark your finds and send those URLs to friends.

While you're at it, send me your favorites, too. The picks in the box at the bottom of this page come from ideas that your HP co-workers have sent me. Send me your favorite sites at doctorc@corp.hp.com. And don't forget to visit my clinic with lots of other Web ideas at <http://hpweb.corp.hp.com/publish/hpnow/use/dr-cyber/index.htm>. M

Doctor C's picks

Inside the firewall

When is HP's annual shareholders meeting scheduled? Is there a public holiday in Singapore on October 10th? Are there some 10-step and Hoshin planning tools available to me? Visit the site developed for HP people who do business planning at <http://hpweb.corp.hp.com/publish/planning>.

You can keep your HP work on track using these proprietary project-management tools at <http://www.ce.hp.com/pmi/actionsheets>.

HP.Now is a great source for the latest HP-wide news and information. You'll find Newsgrams, HP's current organization chart, *MEASURE* articles (including my columns) and the scoop on new directions, such as HP's "Expanding Possibilities" consumer-

brand initiative. You can find HP.Now at <http://hpweb.corp.hp.com/publish/hpnow>.

Outside

Confused by technotalk and cyberspeak? This online reference book provides the definitions you're looking for at <http://www.oreilly.com/reference/dictionary>.

Just for fun

Think you're a genius? Visit <http://www.brain.com> to find out. There's an online, five-minute IQ test (biased in favor of native English speakers) on this site that also pushes a line of memory-boosting products. Find out if you're really a genius.

EXTRAMEASURE

News from around
the HP world

By Grace Razo



49ers tackle technology

SANTA CLARA, California —San Francisco's championship 49ers football team recently bolstered its home-field advantage: It added HP to its team roster.

As its official technology provider and sponsor, HP will supply the 49ers' Santa Clara corporate headquarters with the best HP offers in business PC and printer technology.

HP also will provide the hardware for the 49ers'

HP scores big points in its three-year deal with the championship 49ers.

Technology Pavilion, an interactive center at 3Com Park where fans can surf the Internet, play video games and view the latest in multimedia technology.

49ers' President Carmen Policy says the HP and 49ers partnership is an ideal match.

"Teaming up with HP ensures that our organization will be champions in the office as well as on the field," he says.

"The Best Place"

How can employees help make HP "The Best Place" to work? A new video with that title shows how HP's diverse and inclusive workplace gives the company a competitive advantage worldwide.

In the video, five "success stories in the

making"—teams from various parts of HP—discuss the bottom-line value of having different styles, cultures and ways of thinking. The video recently won three



Ed lights up Carnegie Hall

NEW YORK—Ed Anderson is quite a performer. Not because he achieved 240 percent of his sales quota last year, but because of his debut performance at New York City's prestigious Carnegie Hall in December.

Ed, a sales rep in HP's Enterprise Accounts Business Unit, narrated *Celestina*, a poem written, produced and directed by Mark Andersen, chief information

officer of Valley Health Systems and Ed's customer. Behind the backdrop of music and dancers, Ed told a poetic Mayan creation story to a sold-out audience in Carnegie's Weill Recital Hall.

"I have given more than 150 performances in a dozen shows," Ed says, "but there's something about being in Carnegie Hall that takes your breath away. It was both exciting and humbling to perform where great talents of the world have performed."



HP's Ed Anderson, portraying "The Great Priest," makes his mark at New York City's Carnegie Hall with co-star Memory Contento.

International Cinema in Industry awards.

Managers can order the video in VHS or PAL and an accompanying brochure to use with small work teams or in coffee talks. To order, send shipping and billing information by cc:Mail (to "Order, PPO") or UNIX (to ppo_order2hpcea.ce.hp.com).

The part number for the video is 5964-8670V; the part number for the brochure is 5964-8671.

For more information about the video, check the Corporate Diversity Web site at <http://persweb.corp.hp.com/divrsty>. Click on What's Hot.

Save the planet

PLANET EARTH—HP earthlings in the LaserJet Supplies Operation have gone out of their way to make recycling a whole lot easier for you, customers and the environment.

With the enhanced HP Planet Partners recycling program, you can do some serious salvaging of LaserJet toner cartridges.

The program supplies mega-containers—180-piece volume cartons—to recycle large cartridge quantities. Better yet, HP will pick up the boxes free of charge.



Beam yourself into the Planet Partners' Web site at <http://www.ljsupplies.com/planetpartners/recycling.html> for more recycling information.



World Cup countdown

PARIS, France—You don't have to wait until June to catch World Cup soccer fever. Catch the bug now by shopping at HP's Company Store.



HP's online store—<http://www.hpstore.com/hpstore/index.icl>—offers World Cup 98 paraphernalia: T-shirts, coffee mugs and other soccer stuff bearing the HP logo. A quick browse will help you feel like an on-site spectator. Unless you're already one of the estimated 2.5 million soccer fans who expect to cheer from the stands.

For details on HP's role as the World Cup's official information technology hardware and maintenance supplier, go online to <http://www.grenoble.hp.com/wc98> or to <http://www.france98.com> for World Cup 98 updates.

Also, stay tuned for the March-April *MEASURE*, which will feature pre-World Cup 98 highlights.

FINAL RESULTS FOR Q4, FY97

HP reported a 24 percent increase in net earnings, 16 percent growth in net revenue and a 14 percent increase in orders for the 1997 fiscal year's fourth quarter. Net earnings were \$806 million, or 75 cents per share.

For fiscal 1997, net earnings were \$3.1 billion, an increase of 21 percent over FY96. Net earnings per share were \$2.95, up 20 percent over last year.

Net revenue grew 12 percent to \$42.9 billion. Orders totaled \$43.2 billion, an increase of 11 percent over a year ago.

QUALITY AWARD FOR HP-UK

HP United Kingdom has won the eminent 1997 U.K. Quality Award for Business Excellence. The award, presented by the British Quality Foundation, promotes business excellence in the country.

HP LABS RESTRUCTURES

Joel Birnbaum, HP senior vice president of R&D and director of HP Labs (HPL), has restructured HPL to increase operating efficiency and strengthen its ties to

HP's business units. HPL has been realigned into three new centers:

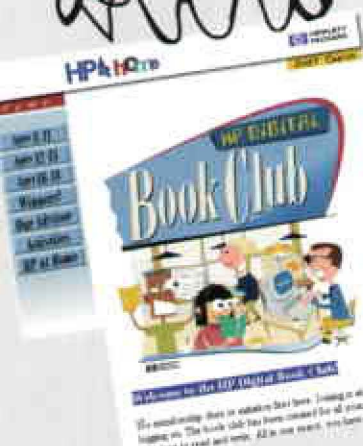
- **Dick Lampman** will head the Enterprise Systems and Solutions Center;
- **John Taylor** will head the Peripherals, Appliances and Consumer Systems Center; and
- **Ed Karrer** will head the new Microelectronics and Measurement Solutions Center.

PANACOM TO CLOSE

HP plans to close its Panacom Automation Division in Waterloo, Canada, by the end of 1998. Panacom's network terminal activities will be relocated to the San Francisco Bay Area. The transfer is expected to take place during the summer of 1998.

EXCELLENCE IN INDIA

HP India has been awarded the prestigious CII-Exim Award for Business Excellence for 1997. The award annually recognizes organizations that demonstrate excellence in the use of quality methodology for continuous improvement.



Shooting for the stars

U.S. Olympic gold medalist and women's basketball superstar Sheryl Swoopes knows that it takes more than a few dribbles to achieve success. Hard work has paid off for the first woman ever to have a basketball shoe—the "Air Swoopes"—named after her.

And that's the message she wants to spread in her role as children's literary advisor for HP's online digital book club. The club is an Internet site for young people that enhances reading and writing skills.

"Through my experiences, I have learned the importance of encouraging kids to realize the greatness inside them," Sheryl says.

The digital book club Web site—<http://www.hp-at-home.com/bookclub>—includes links to reading and writing sites, literature lists and writing tips from famous authors. Also, get the latest scoop on Sheryl in the "Our advisor" section.

AMERICA'S MOST WANTED

HP has made the top 10 in *Fortune* magazine's inaugural list of the "100 Best Companies to Work for in America." HP came in 10th out of 161 U.S. companies surveyed.

NEW DIVISION IN CHINA

The Medical Products Group has created a new product division at its manufacturing operation in Qingdao, China. The China Medical Division will be led by G.M. Ong-Keok Teng.

COBBE TO RETIRE

After a 36-year career, George Cobbe, HP vice president and G.M. of Americas Geographic Operations, will retire at the end of February 1998. Cobbe was elected a company vice president in 1995.

DELAWARE CHANGE PROPOSED

HP has filed a preliminary proxy statement with the Securities and Exchange Commission proposing, among other things, that the company change its state of incorporation from California to Delaware.

The proposed change requires an affirmative vote from shareholders representing more than 50 percent of the outstanding shares of HP common stock.

SSD MOVING TO LOVELAND

The Storage Systems Division will move from leased and HP-owned facilities in Greeley, Colorado, to a new building at the Loveland, Colorado, site by fall 1999.

CHELMSFORD TO SHUT DOWN

HP's Chelmsford, Massachusetts, site will close by mid-1998. Most of the Chelmsford activities will be relocating to California sites. Affected employees can either move with their current job or accept a voluntary-severance package.

NEW HATS

• **Pat Byrne** has been named G.M. of the Colorado Springs Division, Colorado.

• **Mario Fontana** is now G.M. of the Financial Services Business Unit in the Computer Sales and Distribution Group.

• **Mark Solle** is G.M. of the Hardware Services Division in the Customer Support Business Unit.



RICARDO VILLAFANA PINO

A vision of the world

PAUCARTAMBO, Peru—Once a year, the Andes village of Paucartambo—the last town before you arrive at the Amazon region—comes alive in a magical celebration.

Thousands of people flock to this village—bearing a name that means “happiness of the earth”—for a five-day festival that mixes Andean, Amazonian

and Christian traditions. The Andean people’s vision of the world is based on a life in harmony with natural elements and not against them.

Peruvian-born Ricardo Villafana-Pino with the Enterprise Networking and Security Division in Grenoble took this picture while visiting his parents in Lima. The character in the photograph is a *magta* or an accompanying dancer. The rope or sling signifies fear.

Ricardo says, “I visit the Andes to appreciate how the Andes population respects the Earth, how they explain their beliefs and fears and how they thank life.”

The Andean people imaginatively represent their fear of the “unknown” through music, dance and costumes.

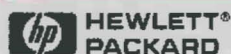
One of the most symbolic moments of the festivities is the “fight” between the men of the Andes and men of the

Amazon. At the end of the metaphorical performance, the Amazon men prevail while the Andes men die—a representation that the Inca civilization never could penetrate the Amazon world.

Andeans also fear the penetration of western civilization and modernity into their culture.

Ricardo says, “They ask us just one thing: Help them save the Andes culture.” **M**

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