

DISCUSSION OF AUGUST 23, 1937

SUBJECT: Tentative organization plans and tentative work program for proposed business venture.

PRESENT: Wm. R. Hewlett, N. E. Porter, D. Packard

The purpose of this meeting was to discuss and formulate the various ideas of the interested parties, and to lay the original plans for a proposed business in the radio, electronic and electrical engineering field. The discussion was guided according to the outline as indicated by the headings to the following paragraphs.

I. NATURE OF WORK TO BE DONE

It seemed to be the general consensus of opinion that the work should be limited to manufacturing and merchandising of our own manufactured goods entirely. The question of what to manufacture was postponed until later in the discussion and the various methods of marketing were mentioned. Initially it seemed that direct to the customer sales should be followed as much as possible with sales to manufacturers a possibility for certain types of equipment. Selling through jobbers and retail stores seemed a good thing only if the business became large although selling directly through retail stores appeared the best of the two.

It was mentioned that the possibility of having a man to do servicing would be a good idea in that we might make some money from him and also have someone to do our service work as we got more equipment in the field. Servicing seemed a poor bet although it was felt that we should take what we got and that high priced jobs would be a good thing. Merchandising of other manufacturers goods was accepted only as a means to the other end at the beginning

II. TYPE OF WORK ATTEMPTED OR TO BE ATTEMPTED

Selling radios and manufactured equipment in general did not meet with much favor although it was accepted as a possibility to help at the start.

Phonograph amplifiers seemed to be a good lead and should be one of our important items to start on. A program was worked out to push the amplifier Hewlett has developed and the results of this will be an important factor in determining our future plans. See the work progress sheet for the details.

Public address systems did not appear to be too good a field although a few jobs might develop from the phonograph amplifier work.

Radio transmitters seemed to be a fair field since there are no good manufacturers of these on the coast. This was one of the jobs to be pushed at the present. See the work progress sheet for the details.

High frequency systems including receivers appeared to be a good possibility and some immediate work will be done with these. See the work progress sheet for details.

The welding equipment field appears to be very good if patent implications can be avoided. This will be investigated this winter. See W.P.S. The same holds for vacuum tubes in general.

Medical equipment seems to be a good field. It was felt that we should be very careful to keep on a straight forward basis in this field as it has been subject to much quackery in the past. Some definite steps are to be taken. See W.P.I.

It was felt that we should make every attempt to keep up on television since that would be a good thing if it broke in the near future. If possible we might build a receiver although that was out of the realm of immediate possibilities.

The control equipment for air conditioning will offer some

work for the present with the possibility of considerable outlet in the future.

It was felt that capacity relays and P.T. relays might be of some commercial value in the near future. See T.P.S.

ORGANIZATION

The name of the company is to be tentatively

The Engineering Service Co.

with the final decision to be made by Oct. 1.

The actual organization is to be a partnership with the following conditions:-

- a. Investments to be on an equal basis.
- b. Original investment to be \$200.
- c. All equipment put in to be credited at the cost of the parts. (Actual cost to person who bought them)
- d. Division of profits is to be on an equal basis provided equal investments and full time work from all concerned.
- e. All present work is to be done on individual agreements with parties concerned.

The initial shop equipment will include the following tools.

- a. Drill press
- Grinder
- c. Vise
- c. C.R.O.
- d. 20,000 ohm analyzer
- e. Lathe?
- f. Break
- g. Hand saw

A location is to be located if possible along the peninsula where we will have the possibility of living and working both and with enough room to do foundry work.

The record keeping system is to consist of the following.

- a. A good book-keeping system
- b. A technical information file
- c. A sales direction file

The following periodicals will be obtained and paid for

by the indicated parties.

I.R.E. and Bell Labs.	Hewlett
QST 3 years	Porter
AIEE Electronics and E. E. Review	Fac and