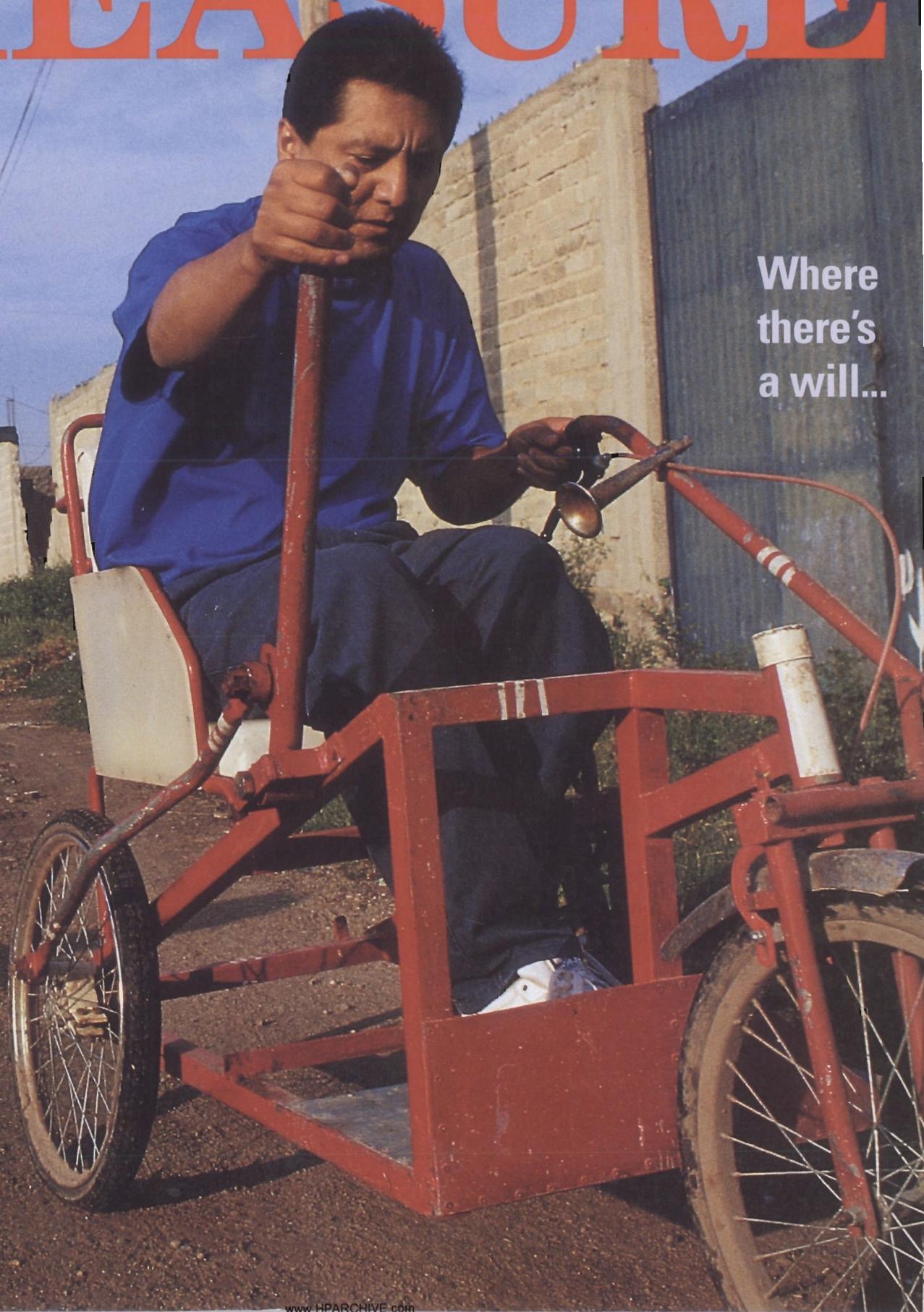


A magazine for Hewlett-Packard people

November-December 1997

MEASURE

Where
there's
a will...



In her 1974 book, *Passages*, author Gail Sheehy discusses the different stages of life and the predictable changes that take place.

"I have reached some sort of meridian in my life," she writes of the mid-30s. "I had better take a survey, re-examine where I have been and re-evaluate how I am going to spend my resources from now on. Why am I doing all of this? What do I really believe in?"

As *MEASURE* approaches its 35th birthday in 1998, the staff has been asking itself similar questions.

"How, if at all, has *MEASURE*'s purpose—to be informative, interesting and entertaining—changed?"

"How can a 32-page, bimonthly print magazine serve a highly diverse, 120,000-person worldwide employee audience?"

"Does the magazine need a new 'look'?"

"Should it still be called *MEASURE*?"

These are questions we ask ourselves routinely in an effort to keep the magazine fresh and relevant to employees. I think the short answers are: it hasn't; with great difficulty; probably; why not?

Here are the longer answers:

1) Interesting, informative and entertaining. Those are darn good standards for any publication to shoot for. I like publications that are interesting and informative. If they're entertaining, too, that's even better. I think *MEASURE* should be less serious than the *Harvard Business Review* or *The New England Journal of Medicine* but more serious than *Mad* magazine.

Has our purpose changed? No.

2) How can we be all things to all people? The totally honest answers are, "We can't," but I say "with great

difficulty" because at least we try to serve the HP world. We try to offer a selection of stories—people profiles, business directions, trends, product applications and so forth—knowing that every story won't appeal to every reader. It's like a buffet: Some people will try everything that's offered while others won't like anything.

MEASURE is perfect for some tastes and distasteful to others.

3) Should *MEASURE* look different? A few years ago, a magazine design consultant told us that *MEASURE* looks too conservative. She thinks of Hewlett-Packard as a vibrant, consumer-oriented company, not the traditional test-and-measurement company of a quarter-century or more ago.

I think that *MEASURE*'s clean, simple appearance has been effective for many years. But perhaps it's time for a bolder, more contemporary look. Our new art director, Tim Mitchell, is working on that.

4) Should *MEASURE* be called *MEASURE*?

This has been the subject of intense debate for a long time. Some people argue that the name is a throwback to HP's early test-and-measurement days. Others say that in HP's constant effort to improve itself, *MEASURE* is still a fitting title. Plus, it has a 35-year identity that's worth a great deal.

Are we clinging to something that's outdated or trying to fix something that isn't broken?

We'd like to hear from you. And we'll be conducting a major readership survey in 1998 to do just that. Additionally, we're always open to feedback on our content, appropriateness, look and name.

What do *you* think?

—Jay Coleman



On the cover: In constant motion—mentally and physically—Juan Cortés, who works for HP's Product Processes Organization in Guadalajara, Mexico, rides up to six miles a day on his three-wheeled handcycle. Juan's story begins on page 18.

Photos by Diana Smith

FEATURES

4 All the right moves

To travel or not to travel—that is the \$800 million question for HP business travelers.

11 The new revolution at HP Russia

Revenue per employee is among the highest anywhere in HP, so bring on ROA and TGIF.

23 What if it fits in your pocket?

HP's Don Norman takes a look at the next generation of advanced information appliances.

26 Scanning the possibilities

With a new general manager and exciting new products, the Bergamo Hardcopy Operation is experiencing impressive growth.



Page 11



Page 23

MEASURE

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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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*Accredited Business Communicator by the International Association of Business Communicators (IABC).

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

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

DEPARTMENTS

9 Web-wise

Preparing for a trip? Dr. Cyberspace has the perfect Web sites for you.

15 Your turn

MEASURE readers share their views on matters of importance.

16 Letter from Lew Platt

HP's chairman, president and CEO outlines the company's FY98 Business Fundamentals.

18 Where there's a will...

Physical and technological challenges are no match for Guadalajara's Juan Cortés.

29 Extra*MEASURE*

News from around the HP world.

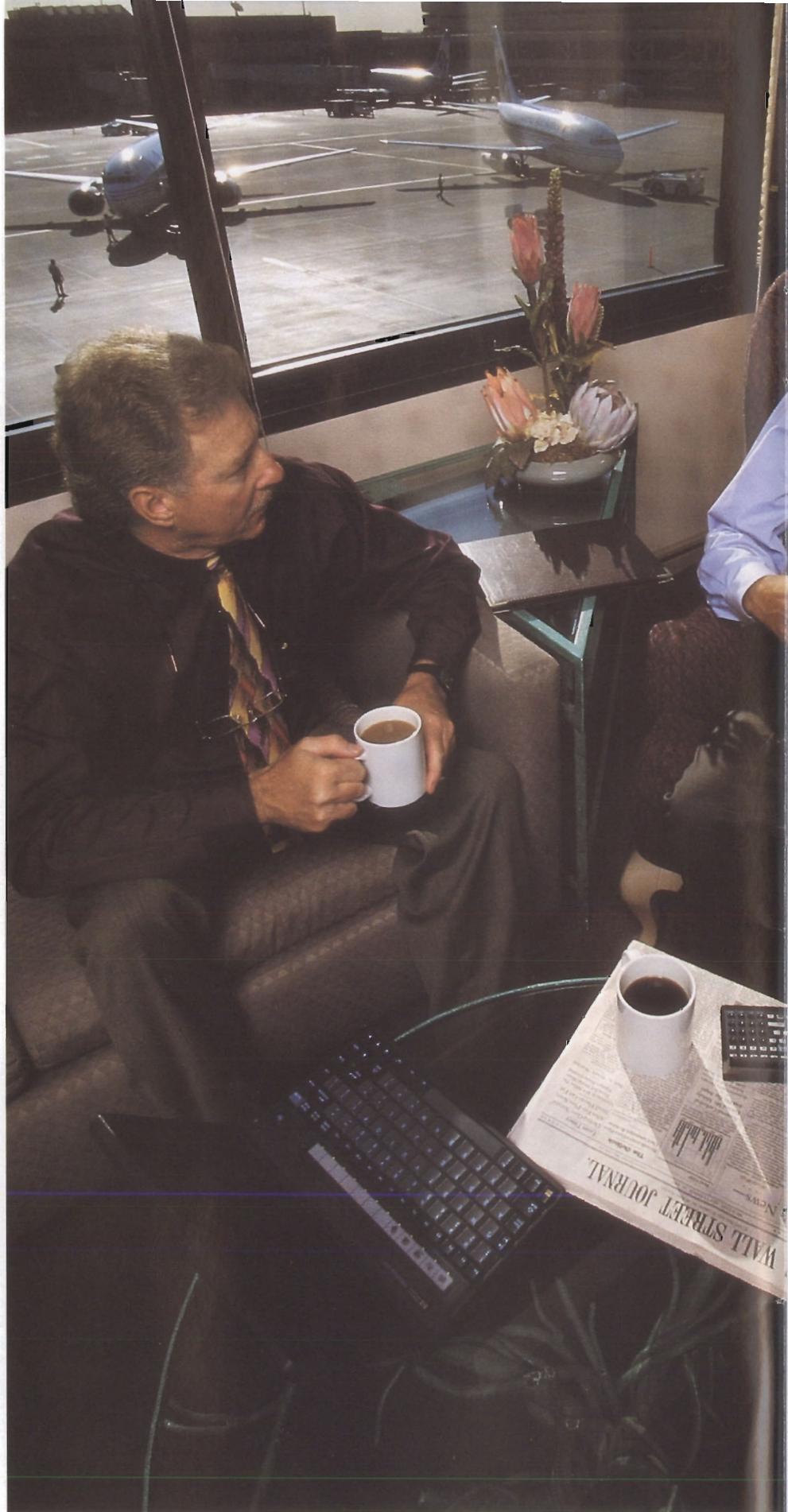
32 Parting shot

There's no mountain high enough to stop HP's Cathy Gildea.

To travel or not to travel—that is the question. For HP, the slings and arrows of business travel add up to more than \$800 million a year in related costs.

by Lila Kakuk

All the right moves





"Hey, how ya doin', Joe?" says a luggage checker near the terminal entrance.

"Good morning, Joe!" says the clerk working the snack counter.

"Where are you headed this time, Joe?" asks a passing security guard.

Joe Koon, a "regular" at the Raleigh, North Carolina, airport, is going on yet another business trip. Many of the employees at his local airport know him on a first-name basis. This, he admits, can be scary.

Joe works for the Test and Measurement Organization (TMO) at HP's sales office in North Carolina.

He flies an average of four flight segments per week. This may seem like a lot of traveling, but Joe is only one of thousands of frequent HP business travelers.

"One out of every two HP employees takes at least one business-related trip per year," says Phil Wilson, corporate travel manager in Palo Alto, California.

HP's travel and entertainment budget has steadily increased over the years. In fiscal year 1995, HP spent \$671 million; the FY96 total was \$754 million. Phil believes the company will spend more than \$820 million on travel-related costs by the end of 1997.

According to a survey by *Business Travel News*, a leading corporate travel-industry publication, HP's spending is typical of the top 100 corporate travel spenders—about 2 percent of sales. Hewlett-Packard currently ranks fifth in corporate travel spending worldwide, right below IBM,

Making the most of his heavy travel schedule, Tom Tarasoff (right), CO sales and marketing manager, sits down at the Phoenix, Arizona, airport with HP Channel Partner Warren Mills of MicroAge.

Lockheed Martin, General Electric and Andersen Worldwide. This is one list that Phil does not want HP to be No. 1 on.

In this era of hacking budgets to the bone, the company must ask itself if all this spending is really necessary. After all, if the virtual office and telecommuting have become realities, can't we use virtual travel to offset the cost of physical travel?

"In spite of all the advances in technology, there really is no substitute for face-to-face. Our customers require it."

"In spite of all the advances in technology, there really is no substitute for face-to-face," Joe says. "Our customers require it."

Nick Crnkovic of the Professional Services Organization in Houston, Texas, agrees that in spite of all the virtual hype, face-to-face interaction with customers is essential. "Often, when customers sign a contract, they expect work to be done at their place. Our presence on-site is a great benefit to the customer and the project."

Likewise, travel benefits the company. Projects that have required Nick to travel extensively have brought in millions of dollars in revenue. "We go where the work is," Nick adds.

Besides traveling to meet with customers, the purpose of much of HP travel is to meet with other employees. Tom Tarasoff, a Phoenix, Arizona-based sales and marketing manager for the Computer Organization, travels primarily in the United States but occasionally he travels

abroad. For Tom to effectively practice MBWA—management by wandering around—he has to fly.

Eric McHenry, a research and development manager for TMO in Edmonton, Canada, agrees with Tom and adds, “I believe traveling is critical, especially for people who manage employees at remote sites. The face-

its toll on those required to do the bulk of it.

Tom estimates that he is on the road at least three nights per week. He enjoys his job, but he won't be the first serious business traveler to tell you that business travel is anything but a glamorous write-off.

“It's really like having two jobs—a full-time job at the office and a full-time job just traveling,” he says. “Usually after your flight, you go to the hotel, go to your events, go to dinner and then go to the hotel to work on voicemail and e-mail. When you realize you're still working at 11 at night, you start to wonder what it would be like to have a normal 9-to-5 job.”

Working extended hours isn't the only way that traveling has affected his life. “I have a nice house that I don't live in, my side of the bed is brand new and my relationship with

In the January-February 1998 issue of *MEASURE*, find out how business travelers can make the most of their traveling time, stretch those travel dollars and save HP money.

my family is over the phone,” Tom says. “This makes quality family time even more valuable.”

Tom enforces limits on his travel schedule by making sure significant family events get put on his calendar, and most weekends you can find him at home. “I have to be discriminating. I ask myself what my role is going to be when I get there. You have to do that with every request.”

Travelers need to be discriminating, as Tom said. They also need to be flexible and cost conscious, according to the travel experts in corporate travel management. “We can easily save 10 percent of travel expenses,” Phil says. That's a potential savings of more than \$80 million.

Traveling is expensive, but it is a necessary part of doing business. Despite the hardships of having a heavy travel schedule, Tom gets a sense of accomplishment and satisfaction from his work.

“Do I get burned out? Certainly. But do I stay burned out? No,” he says.

“I have an exciting job.” **M**

(Lila Kakuk, a public relations student at San Jose State University, was the 1997 MEASURE intern. —Editor)

“Do I get burned out? Certainly. But do I stay burned out? No. I have an exciting job.”

to-face presence indicates a willingness for a remote manager to spend the personal time to travel. Being there physically also seems to encourage people to share small issues or bring up larger issues that might normally not come to light.”

The importance of face-to-face contact eventually will require someone to travel. And traveling does take

Taking the high road



The top 15 routes HP employees traveled this year*

1. San Francisco—Denver
2. San Jose—Fort Collins
3. San Francisco—Boise
4. San Jose—Denver
5. San Francisco—Atlanta
6. San Francisco—San Diego
7. San Francisco—Boston
8. San Francisco—Portland
9. Dallas—San Jose
10. San Diego—Portland
11. San Francisco—London
12. Geneva—Stuttgart
13. Geneva—London
14. Stuttgart—Dusseldorf
15. San Francisco—Chicago

*Source: HP Corporate Travel Management (one-year period from August 1996—July 1997)

The best medium for your meeting

How do you determine if face-to-face is a must or if another means of communication is sufficient? Here are some guidelines offered by the Multimedia Technologies and Services team based in Cupertino, California, that can help determine what medium will fulfill your communications needs.

Traveling: Face-to-face is appropriate when building rapport with key business partners or newly formed teams, or dealing with emotional issues, such as negotiations and bargaining.

Audioconferencing: Use this method of communication for exchanging information, updating status and discussing issues with people you are familiar with.

Videoconferencing: For those who need to share verbal and nonverbal messages as well as non-electronic documents, but who cannot afford the travel time or cost.

Dataconferencing: Multiple users can collaborate in real time on an electronic document shared over the Internet. The necessary software is now available to HP employees.

To learn more about Multimedia Technologies and Services check out: <http://mmedia.cup.hp.com>.

Test your multicultural IQ

Quiz courtesy of YAR Communications, Inc. Check out the company's Web site at <http://www.yar.com>.

Multiple choice:

1. In Taiwan, receiving what gift is considered a good omen for a businessperson?
- A box of chocolates.
 - A pineapple.
 - A crystal vase.
 - A gift of friendship.



2. What type of soup is traditionally eaten on New Year's Day in Haiti?



- Lentil.
- Cucumber.
- Pumpkin.
- Asparagus.

3. What number in Chinese-speaking countries and also in Japan is as ominous as the number 13 in western culture?



- 4.
- 7.
- 3.
- 5.

4. In what countries do you find ANZAC biscuits?

- Australia and New Zealand.
- Scotland and England.
- Greece and Turkey.
- China and Japan.



5. Which of the following images may be considered the Portuguese national symbol?

- A bottle of red wine.
- The sun.
- A ceramic rooster.
- A fish.

True or false:

6. In Argentina, you call your friend a "mate."

7. The work week in Israel begins on Monday and lasts through Friday.

8. India's national bird is the dove.

9. Approximately 50 percent of the Irish population is under 25 years old.



10. In the U.K., a befeater is a non-vegetarian.

Answers are on the next page.

Travel

Multiple choice answers for quiz on the previous page:

1. (b) In Taiwan, receiving a pineapple as a gift means the recipient will start a successful new business.

2. (c) During the colonial times in Haiti, slaves were forbidden to eat pumpkin soup. After they gained independence in 1804, the soup became a traditional New Year's Day meal.

3. (a) In the Chinese language (and also in Japanese), the pronunciation of "4" is exactly the same as "death" and is considered bad luck.

4. (a) ANZAC biscuits have been a traditional cookie recipe in Australia and New Zealand since World War I. Originally, they were made for the ANZAC troops—Australian and New Zealand Corps—who fought in Gallipoli, Turkey.

5. (c) A ceramic rooster or "Galo de Barcelos" is the Portuguese national symbol.

True or false answers:

6. (F) "Mate," pronounced [mah-tay], is the national beverage of Argentina. It is a green tea served in a hollow gourd (the "mate") and sipped with a metal straw.

7. (F) Israelis work Sunday through Thursday and half a day on Friday. Most businesses close early on Friday in observance of the Sabbath.

8. (F) India's national bird is the peacock.

9. (T) Approximately 50 percent of the Irish population is under 25 years old.

10. (F) A beefeater is a guard at the Tower of London.

HP travel "factoids"

- Number of Ford Tauruses HP has purchased from Ford Motor Co. since 1985 for the HP fleet: **100,000**
- Cans of Coca Cola served on United Airlines each day: **40,000**
- Cans of Diet Coke served: **26,000**
- Number of days per each time zone crossed it takes to recover from jet lag: **1**
- Dollars HP saves per year when employees rent mid-size cars versus full-size cars: **350,000**
- Airplanes HP Aviation operates from the San Jose International Airport: **4**
- Number of passengers its Turbo Prop seats: **17**
- Number of passengers flown on HP planes in FY97: **25,000**
- Percentage of all airline tickets that HP employees don't use in a year: **4**
- Potential dollar loss to HP because of unused tickets: **16 million**
- Cost to rent a Hertz "A" car per day: German marks: **47** (U.S. dollar equivalent: **26.05**); Number of Irish punts: **33.65** (U.S. dollar equivalent: **50.13**)
- Cost in U.S. dollars to stay one night at the Hyatt Regency Cambridge, an HP preferred hotel in Boston: **164**
- Cost in U.S. dollars at the Marriott Cambridge, a non-preferred hotel: **209**
- Percentage of people who adjust hotel thermostat before retiring for the night: **71** percent of females, **62** percent of males
- Cost in U.S. dollars of a Big Mac hamburger: in Switzerland: **4.02**; in Thailand: **1.79**; in the United States: **1.99**

ASK
Dr. Cyberspace

Business travel can be extremely productive and rewarding. It can also be a royal pain.

Part of the difference is in the planning, and the Web is becoming a valuable planning friend for many HP business travelers.

Need to know the weather forecast for the city you'll be visiting? Driving directions and a map to reach your destination? Is your flight going to leave on time this afternoon? How do you renew your passport?

The Internet probably has your answer, somewhere. Is it easier to surf the Web than to pick up the phone and call the airline or travel agent for a booking? Probably not, at least not yet, for most travel transactions. But that shouldn't stop you from testing some of these sites that can make you a better traveler, whether for business or pleasure. You'll also find information that you simply won't get from your travel agent.

For HP business travelers, the best place to start is at Corporate Travel Management's home at <http://hpct.corp.hp.com/travel>. You'll find the current travel expense report forms, Corporate Aviation's flight schedule to and from its San Jose home base, the lowdown on American Express cards, HP's travel newsletters from around the world and much more. Among the best features: valuable links to loads of other travel-related sites.

(Don't forget that HP has negotiated special deals with certain travel agents, hotel properties, auto rental compa-



THOMAS J. BROWN

nies and airlines. That means you can use the Web for research or personal travel, but probably not for consummating any business-travel deals.)

Getting ready to pack for your upcoming trip? Doug Dymont teaches you how to live out of one carry-on suitcase at <http://www.oratory.com/travel>. The veteran traveler provides exhaustive detail on how and what to pack in his "Compleat Carry-on Traveler." There's one checklist for both men and women that will work as well for a business trip to Houston as it will for a backpacking trek in Hungary. (He says you can eliminate the parka if you're headed for Singapore. And lose the Bermuda shorts if you're bound for Anchorage.) Doug reminds us of what many of us have learned the hard way—"There are two kinds

of luggage: carry-on and lost."

And for those of you who are among the electronically advantaged road warriors, look to

<http://www.targus.com/tips.htm>. This somewhat-biased site by a computer carrying-case manufacturer ("Raise your laptop with a book or your Targus case.") offers lots of tips for traveling with your personal computer. For example, "Tape business cards to the bottom of all your notebook accessories, such as external CD drives, adapters, portable printers and the like, for easy identification." Sound advice and lots of tables with useful information like availability of RJ-11 phone jacks and local electrical voltages.

Dr. Cyberspace



For HP's international travelers, expense reports take on added complexity because of constantly changing currency exchange rates. In pre-Web days, it meant finding a copy of *The Wall Street Journal* or the *Financial Times* from the day you were in a particular country. But by using the simple tool at <http://www.oanda.com>, you can convert Albanian lek into Tongan pa'anga (or any of 162 other currencies) for any day since 1990. I certainly hope you don't have any unfinished expense reports sitting around from your 1990 trip to Albania, though.

To fight the effects of jet lag, you might want to try the diet developed by the Argonne National Laboratory outside of Chicago. Their feast-fast-feast-fast routine starts three days before your departure day and helps you adjust your internal clock quickly to new time zones. Check it out at <http://almond.srv.cs.cmu.edu/afs/cs.cmu.edu/user/mkant/Public/Travel/jetlag.txt>.

Don't forget to send me your favorite sites, travel-related or not, so I can share them with other HP employees in future columns. If you've found a site that makes your HP job easier, send me a note at doctorc@corp.hp.com. And be sure to visit my online clinic at <http://hpweb.corp.hp.com/publish/hpnow/use/drcyber/index.htm>. **M**

Planes...

When does United's flight 862 land in San Francisco today? How many frequent-flier miles does it take for two seats to New York? What is the seating configuration for United's Boeing 737? Visit <http://www.ual.com>.

Great last-minute bargain fares in the "news desk" section of <http://www.bestfares.com>.

trains...

Want to travel by rail instead of air in Europe? Learn about the 17-country Eurail pass at <http://www.eurail.com>.

Schedules and travel tips for U.S. passenger train service can be found at <http://www.amtrak.com>.

The Subway Navigator lets you plot routes for 61 subway train systems in major cities from London to Tokyo. Go underground at <http://metro.jussieu.fr:10001/bin/cities/english>.

...and automobiles

If you plan to drive a rental car from the Lyon, France, airport to HP in Grenoble for the first time, you'd better be familiar with European sign language. Test yourself online (before your flight, not while you're driving!) at http://www.europcar.com/english/in_epg3d.htm.

Driving directions and personalized maps for virtually every street address in the United States are available from <http://www.mapquest.com>.

Do you drive on the same side of the road in Japan and Ireland? Austria and Australia? (Yes, left and left. No,

right and left). Discover which of the 205 listed countries and territories use which side of the road at http://www.nectec.or.th/rec-travel/general/driving/drive_which_side.htm and impress your friends. You'll also find that there are 3.8 billion righties and 1.9 billion lefties.

Guides and travel tips

An "encyclopedia of travel" on the Web from the team that publishes the popular Arthur Frommer guides at <http://www.frommers.com>.

One of the best sets of travel guides comes from the people at Lonely Planet. Their Web site is just as solid at <http://www.lonelyplanet.com>.

Good travel tips for women travelers at <http://www.maiden-voyages.com>. Offer your comments or ask questions in their lively travel forum.

See which countries the U.S. government feels Americans should avoid at http://travel.state.gov/travel_warnings.html.

Read weather forecasts for 800 cities around the world at <http://www.rainorshine.com>. There are also weather maps and radar images for you junior meteorologists.

Learn where and how to get or renew your U.S. passport. Also tells U.S. travelers which countries require a visa for entry. You can download passport application forms, even though you can't submit them online at http://travel.state.gov/passport_services.html.

Revenue per employee is among the highest anywhere in HP. So forget the KGB—bring on ROA and TGIF.

By Mary Weed-Pickens

Photos by Edward Opp/
Black Star

The new revolution at HP Russia



Young, energetic leaders such as (from left) Niamh Spelman, Olga Evseyeva, Marina Tyshchenko and Justin Lifflander are making HP Russia one of the company's top sales teams.

(How's business in the booming new markets of the Commonwealth of Independent States—the nations of the former Soviet Union? Part 1 looks at how HP Russia is a key to its success. Part 2, scheduled for the March-April 1998 MEASURE, profiles a team developing new HP territories in the 'Index' countries of the Caucasus and Central Asia. —Editor)

MOSCOW/ST. PETERSBURG, Russia —A Christian Dior boutique faces Lenin's tomb in Red Square. Once-somber gray buildings have been painted and spruced up in preparation for Moscow's 850th anniversary. Western brand names flash on an electronic billboard near the Bolshoi theater.

The Russians themselves are dressed much better than a decade ago, in clothes indistinguishable from people in other European capitals and are often attired more stylishly. As is evident everywhere, this vast, proud



Moscow, Russian Federation, population 13+ million



city, once the bastion of Soviet-state planning, is busily transforming itself into a market-oriented economy.

There is a boomtown atmosphere, with restoration and new construction evident everywhere. And as Moscow establishes itself as the capital of the economic "Wild East," HP Russia is busy bringing the assets of resourcefulness, creativity and teamwork to bear on the particular demands of this emerging market.

"The most essential quality to have in these emerging markets is a strong sense of entrepreneurialism coupled with the pioneer spirit: a desire to explore the unknown, take something from scratch and give it shape and form," says Kevin Kearney, G.M., Commercial Channels Organization (CCO) for the central Eastern region/Europe (International Sales Europe-East). "Above all, these people identify strongly with their businesses, as if they were the owners themselves. They see their job as a way to make their mark in HP and the IT industry."

HP Russia has attracted a constellation of entrepreneurs eager to make their mark. Mila Tschelkanova, who left her posh job as chief of protocol at the Duma (Russia's parliament) to work for HP as CIS marcom special-

ist, wants to stay and grow with the company although she is bombarded with offers elsewhere. "I feel that people who perform well can make a

career here," she says. "I love my work and won't leave. I feel I can grow here."

The reputation of HP's service center in St. Petersburg is so strong that customers bring in competitors' equipment to be repaired, says Evgueni Mikhailov, who heads the St. Petersburg office.

A chorus of other recent HP hires shares Mila's view. Marina Tyshchenko, hardcopy sales development manager who worked at IBM and Lexmark before joining

HP, is matter-of-fact about her new job: "From everything I've seen in Russia in the IT industry, HP is the best company to work for. I'd hate to sell a product with services, channels and so forth that I don't feel confident about. I'm able to do my business with enough personal freedom to do my very best."

Part of the attraction is working for a dynamic western company with a strong company culture, as embodied in the HP Way, as well as an egalitarianism, including the popular profit-sharing program, that is not matched, even at other western companies.

But in a country that values friendships and personal contact above all, HP's long-standing commitment to Russia, dating back to August 29, 1973, when Dave Packard dedicated the office in Moscow, has been important in creating the trust necessary to do business. HP remained committed to the Russian market even during the



Russia has undergone amazing changes, says Personnel Manager Olga Evseyeva, phoning outside the HP Moscow office.

U.S. government ban on all exports of computer technology to Communist countries in the early 1980s, staying on to sell its medical and analytical equipment to hospitals and universities while other U.S. companies closed up shop.

As a result, ask Russians in the street if they know the Hewlett-Packard Company and the answer

will probably be *Da*—"Yes."

Top customers include the Moscow Interbank Currency Exchange, which Pavel

Vlaskin, sales district manager, qualifies as "supporting the growth in trading across all financial markets in Russia."

While HP's quality is already known and respected, HP's service and support are setting new standards in a country where state-run combines were once indifferent to service.

"Just look at our service center in St. Petersburg," says 32-year-old Evgueni Mikhailov, who heads the St. Petersburg office. "It's so good that customers ask for competitors' equipment to be repaired here. They even bring in mobile phones. It shows we have a good reputation."

Competition from both other foreign companies and local Russian enterprises is now intense, however, so Evgueni and Yury Kornienko spread the good word about HP as far afield as Murmansk, the world's most northern and largest city inside the Arctic Circle. Closer to home, they talk about HP to the next generation of Russians. When invited by a local school to talk to students about what it's like to work for a foreign company, Evgueni shared excerpts from Dave Packard's book, *The HP Way*.

"Just look at our service center in St. Petersburg. It shows we have a good reputation."

Russia

As Russians gain new business skills that were once foreign to them, non-Russians play an instrumental role in bringing the HP Russia organization along. Justin Lifflander, a Cornell graduate in Soviet studies with a passion for vintage Soviet limousines, came to the former Soviet Union in 1987 and never left, having fallen in love with the country, as well as one of its female citizens.

After wearing a number of hats in his 10 years in Russia, including

"We've come a long way and it's truly amazing how our world has changed."

American Embassy driver, Justin now is responsible for the corporate account sales district in Computer Business Organization Russia. He points proudly to the broad range of team-oriented success across the business units, which brought about the Metro contract and another to supply HP LEDs (light-emitting diodes) for Moscow traffic lights. "These are great examples of HP's role in meeting the demands of a city in the process of rapid modernization," Justin says.

At age 29, Dublin-born Niamh Spelman is HP's youngest country manager for CCO. She's another good example: drawn to the Russian language and now fluent in it, she manages the biggest chunk of HP's revenue, traveling far afield (even to the Georgian Republic during its civil war) to cement relationships that eventually blossom into contracts.

"Because we are an emerging market and have to pioneer new ground,"



HP's Pavel Vlaskin (left) and Ludmilla Fateeva (right) chat with customer Leonid Spitsin outside the Moscow Interbank Currency Exchange.

she says, "we have to be resourceful and work together to get the job done. These are our two great assets. There's so much goodwill in our team that we always work together to get things done."

With all the signs of international commerce arrayed around it—Pepsi, Snickers ice-cream bars—Red Square no longer feels like the center of a closed, secretive society. *Newsweek* magazine recently dubbed Moscow "The New Party Headquarters," point-

ing the tongue in its cheek at Communist Party conferences while highlighting that Moscow now has 300 nightclubs, up from 10 just three years ago.

Moscow has at least one Internet cafe and others are on the way. Much has changed, and very rapidly. As potential customers rock with the group Time Machine at an HP-sponsored concert, the dour gray town that was once known as the nerve center of the KGB is fast becoming famous for new acronyms like ROA (return on assets) and TGIF (Thank God, it's Friday).

"People would wait for hours to buy simple household commodities," says Olga Evseyeva, HP Russia personnel manager, as she recalls standing in long lines and minus 30-degree (Celsius) winter temperatures. "The difference today is night and day."

Today Muscovites can stroll into a computer store and buy one of the most sophisticated computer systems available in the world. "We've come a long way," says Olga proudly, "and it's truly amazing how our world has changed." **M**

(Mary Weed-Pickens works in HP's European public affairs/communications department in Geneva, Switzerland.—Editor)

HP Russia in brief

Headquarters: Moscow/Sales Office: St. Petersburg (The former Soviet city incarnate is Moscow while St. Petersburg keeps its aristocratic vestiges. Also, Moscow rivals Hong Kong as the second most expensive city in the world after Tokyo. And St. Petersburg is in the top 10.)

Established: August 29, 1973—In the 1980s, when other U.S. IT companies had to leave the U.S.S.R. during the boycott years, HP was allowed to support and maintain medical and analytical equipment to hospitals and laboratories.

Number of employees: 200+

Average age of employees: 31

Sales growth: 70+ percent in two of the last three years.

A few top customers: Moscow Interbank Currency Exchange (MICEX), Central Bank of the Russian Federation, Moscow Metro.

YOUR TURN

MEASURE readers share their views on matters of importance.

A little unrealistic

I enjoyed your article on work/life balance, however, it did seem a little unrealistic. Sort of like a millionaire talking about money problems.

I would really like to see some stories about someone in my situation, a single mother, or, say, a person taking care of a parent. That type of story would really help those of us who haven't achieved work/life balance yet, but are looking for ways to reach that balance.

JULI-MARY BEATTY
Mountain View, California

Vietnam revisited

I enjoyed reading the article, "A dragon prepares to roar." I served for 1-1/2 years in the Republic of Vietnam while in the U.S. Air Force, beginning in 1969. I was a system maintenance controller, 1883rd Communications Squadron, Phu Cat Air Base near Qui Nhon. While in Vietnam, I saw many troubling things, but the people were wonderful and genuinely friendly.

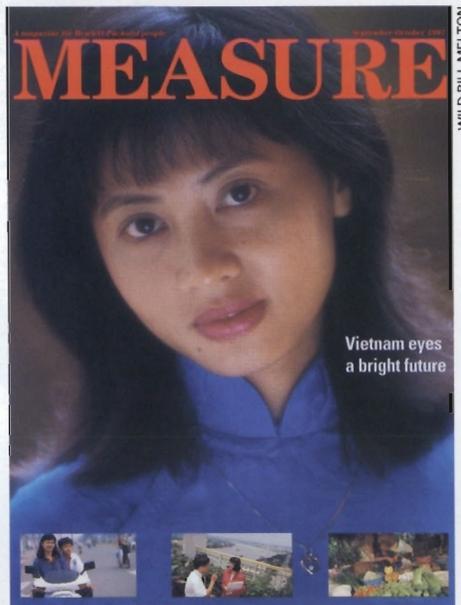
I hope to visit and see the vast change and development of Vietnam someday soon. I'm very pleased with HP Vietnam G.M. Bob Hughes' efforts in providing technology growth and revitalizing a war-torn country!

ROBERT WING
San Jose, California

Articles spoke to me

The combination of articles in the September-October *MEASURE* really spoke to me. I am one of about 160 former Disc Memory Division employees absorbed by the Inkjet Business Unit (IJBU) in August 1996.

The last 12 months have been a real learning experience for me. I am excited to be part of what looks to be a long-term core growth engine for



HP. The article on new product categories being created in the Consumer Products Group relates directly to the inkjet pens produced in IJBU. Lew Platt's letter on sustaining growth specifically references digital photography as one major opportunity.

I'm grateful for how HP retained my services by being absorbed into IJBU. I'm thrilled to be part of this business for its profit/growth potential and for the challenges associated with competing in this huge business.

JOHN LODAL
Boise, Idaho

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).

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.

MBWA isn't working

I just retired from HP in April after 17 years. I have to agree that MBWA isn't working now. It seems that management is too busy, like they have more to do. It seemed to start about five years ago that you didn't see managers or supervisors come around very much. I hate to see this happen to a good company like HP.

BRICE BENSON
Rohnert Park, California

Back to basics

Some comments on the MBWA article in the "From The Editor" section of *MEASURE* of September-October 1997:

MBWA will only exist if managers believe in it and work at making it a part of the HP Way. And yes, it does take some effort, which is probably why it is not embraced by many.

It is sad but true, but maybe we don't have time for people anymore, or is it that we lost sight of one of those aspects of good HP business because it doesn't have a specific \$\$\$\$ measurable tag associated with it?

It seems that good examples set the tone for good business practices within the organization. Getting back to basics might be in order!

JOHN ZEPALTAS
Atlanta, Georgia

Oops

The "retirement" date for the HP-35 calculator (September-October 1997 *MEASURE*) was 1975, not 1995. Sorry for the typo.

HP's chairman, president and CEO outlines the Business Fundamentals for fiscal year 1998 and discusses the crossroads at which HP stands.

Fiscal year 1998 (FY98), which began on November 1, marks a critical turning point for Hewlett-Packard, and I want to tell you about some significant changes in our planning process.

Historically, this is the time of year that we announce and launch the company's Hoshins—those goals that require breakthrough thinking and tremendous, multi-year efforts. We also announce the year's Business Fundamentals—equally important goals that demand creative approaches to continuous improvement.

However, our management team has decided to postpone any companywide Hoshins until after our annual General Managers meeting in January. The Management Staff has spent considerable time since summer rethinking the company's entire strategy, structure and management practices to better prepare HP for the future. We're still working on this process and plan to share our conclusions at the General Managers meeting.

HP is at a crossroads. We've grown significantly during the past several years. The sobering fact, however, is that historically, very large companies have not achieved high growth rates. HP has reached the size threshold at which companies have had trouble

growing. We want to ensure that that doesn't happen to us.

So we've taken the two FY97 Hoshins—Customer Satisfaction and Our People—and converted them to Business Fundamentals (shown on the opposite page). Within Customer Satisfaction, for example, we've retained the focus on order fulfillment and we'll continue looking at measures of customer loyalty. Similarly, Diversity has become a Business Fundamental, with increased emphasis on under-represented minorities and women.

Although we have no FY98 companywide Hoshins at the moment, we encourage major businesses to establish their own Hoshins where performance breakthroughs are needed.

ALAN LEVENS



Lew and 11 other Silicon Valley executives enjoy a lighter moment during the... (top row, from left) Larry Ellison, Oracle; Marc Andreessen, Netscape; Andy Grove, Intel; (bottom row, from left) Steve Jobs, Apple Computer, Pixar; Scott McNealy, Sun; Goodrich & Rosati; Lew Platt, HP; and Jim Clark, Netscape.



The photo session for the August 18-25 cover of *Business Week* magazine. The executives are (top row) Bill Hewlett, Intel; Al Shugart, Seagate Technology; Gordon Moore, Intel; John Chambers, Cisco Systems; and John Doerr, Sun Microsystems; (bottom row) John Doerr, Kleiner Perkins Caufield & Byers; Larry Sonsini, Wilson Sonsini

FY98 Business Fundamentals

1. **Order and revenue growth.** Goal: Business organizations/groups meet quarterly and year-to-date percentage revenue growth targets.
2. **Net profit percentage.** Goal: Business organizations/groups meet quarterly and year-to-date net profit percentage targets.
3. **Business-external ROA** (return on assets). Goal: Business organizations meet quarterly and year-to-date business-external ROA targets.
4. **Product, service and support reliability.** Goal: Business organizations set and meet improvement goals for warranty dollars and annualized failure rates.
5. **Customer satisfaction/loyalty.** Goal/measure: To be determined by the second half of fiscal year 1998.
6. **Order fulfillment.** Goal: Business organizations/groups meet quantitative goals for order fulfillment improvements.
7. **U.S. minority business program.** Goal: Each business, field and Corporate entity sets and meets a percent and dollar award improvement goal. HP overall goal is more than 8 percent and \$600 million.
8. **Diversity.** Goal: Businesses, geographic operations and Corporate entities implement significant activities that will result in meeting improvement goals for African Americans and Latinos in functional management and above in the United States and women at all levels of management worldwide.
9. **Worldwide Employee Survey results.** Goal: Businesses, geographic operations and Corporate entities maintain, improve or exceed country norms for Employee Survey results.
10. **On-time performance evaluations.** Goal: 100 percent of all performance evaluations and development plans completed on time.
11. **Worldwide business-controls assessments.** Goal: 100 percent of an organization's entities achieve an overall acceptable business-controls rating on internal evaluations.
12. **Safety leadership.** Goal: Businesses, geographic operations and Corporate entities implement HP's safety leadership self-assessment at targeted priority entities/sites and develop safety improvement plans, including injury-reduction goals by October '98.
13. **Worldwide EHS** (environmental, health and safety) **management.** Goal: 100 percent of an organization's entities/sites develop and maintain effective EHS management systems that identify and address their EHS risks and continuously improve their EHS performance.

Some people may look at the 13 Business Fundamentals and see it as a daunting list. Is it long? Yes, but it's essential they all receive serious attention. We'd all like more simplicity in our lives, but the reality is that we work in an extremely complex business environment. Sustained business success requires doing many things well.

You can't, for instance, focus solely on profit while ignoring the importance of maintaining a safe and healthy work environment. You can't channel all your efforts into customer satisfaction and neglect employee satisfaction. The best organizations in HP have demonstrated repeatedly that you can set high goals and meet or exceed most, if not all, of them.

Bill Hewlett and Dave Packard could have established two or three Corporate Objectives, but they chose seven. And they expected excellent performance on all seven. The same is true today.

Your general manager will communicate more about the Business Fundamentals and specific Hoshins for your organization in the coming weeks. And when we finish our analysis of HP's strategy, structure and management practices, you can expect to hear more from me and from your G.M. on what we need to work on to ensure HP's continued growth and success.

Where there's a will...

Physical and technological challenges are no match for Guadalajara's Juan Cortés.

By Grace Razo

Photos by Diana Smith

GUADALAJARA, Mexico—Morning breaks over *la colonia Tlajomulco de Zuniga*—a rural residential area on the outskirts of Guadalajara—rousing its inhabitants. A *tortilleria* selling *tortillas de mano* (handmade tortillas) opens for business as a bright green John Deere tractor makes its way along a dusty, potholed road to nearby cornfields. A young boy leaves the corner *tienda* (store) with a chilled liter of Dos Equis *cerveza* (beer). *¿Quién sabe para quien?* (Who knows for whom?)

In Juan Cortés' home on *la calle* (street) *Begonia*, Juan moves from his wheelchair to a standing device, where he spends most of his workday in front of an HP OmniBook 800 CT. Juan, a support engineer for the Product Processes Organization's Mini-Max Systems team, is part of a 13-member global team—Juan, who works in Guadalajara, and four each in Dublin, Ireland, Singapore and Palo Alto, California. He monitors computer jobs running on three continents. Additionally, he provides call-in support for his North American customers.

Juan says neighbors who have seen his computer setup think it's more like a video-game machine, rather than a powerful piece of communication technology.

"The only way most people in the neighborhood can understand someone spending eight hours a day in front of a monitor," Juan says, "is





Every weekday afternoon, Juan picks up his 11-year-old niece, Angélica Cortés, from school to enjoy lunch at *El Molinito* (Little Mill), a local restaurant.

People

Guadalajara, Mexico, population 2+ million



because he is having fun playing video games.”

Juan, the neighborhood's sole telecommuter, epitomizes irony in this community of contentment, where stress and technology are non-existent; where faces reflect tranquility.

And as the clickety-clack of Juan's computer keyboard keys harmonize with local barnyard roosters, Juan can't keep the smile from his face.

His 33.6-modem connection is working “*excelente*.”

Juan frets about few things, but when a chronic problem with a pressure sore—developed on a business trip to Singapore—rendered him homebound, he desperately wanted to keep working.

Too much inactivity, Juan says, was degrading his health.

“Everyday, you don't know whether you're going to make it to work,” he says. “I had been worried that I would unexpectedly be unable to work. When I got the same computer environment at home as at work, I was relieved.”

In 1988, when Juan was injured in a car crash that left him a paraplegic, HP became more than a notable part of his life. It's apparent Juan ranks his job near *numero uno* (number one).

“Friends in the same situation were given a (severance) paycheck in the hospital,” Juan says. “I was lucky.”

Getting a home setup—an HP basic—though, was a trying feat. It took a bundle of *pesos* and six months of “test and proof” by a number of HP *amigos* to properly activate Juan's home computer.

“It wasn't any one person who found the problem,” says Enrique Baez, IT infrastructure manager. “It was a team commitment.”

This sense of commitment has a long and heartwarming history. After Juan's accident, co-workers rallied unprecedented support to help him out. Not a typical reaction in Mexican society, where people usually offer sympathy more than anything else, say many of the employees.

“Here, we're not used to caring about the handicapped,” says Julio

Acevedo, Juan's host manager and manager of HP's Mexico International Procurement Organization (MIPO). “We had to ask ourselves, ‘What do we need to do in order to make Juan feel like everybody else?’”

After employees and HP donated money to buy Juan a car, Rafael Mayorquin, a MIPO process engineer, bought a hand-control device while on a



Most of Guadalajara's public buildings are not wheelchair-friendly, but Juan—getting assistance from his host manager, Julio Acevedo—says, “It's changing now.”



Whether on the job at the HP Guadalajara site or at home, Juan stands on average six hours a day, trouble-shooting network glitches for his global customers.

business trip in Boise, Idaho, that enables Juan to drive.

“He spent a whole weekend installing it,” Juan recalls. “After a 15-minute training workshop, we spent some hours practicing in HP’s parking lot. Was that fun? I almost crashed into an HP fleet car.”

And in a country dominated by what Juan describes as an “aggressive environment” for the disabled, HP installed handicapped facilities to make things easier for him; complete with a wheelchair ramp, push-button electrical doors and a wheelchair-accessible bathroom.

During the problematic six months it took to handle Juan’s connectivity issues, HP Guadalajara employees showed him this same dependability and determination.



Co-workers regularly ask, “Juan, what else do you need?” in their effort to make his work environment more comfortable and make him feel “less alone.”

ogy specialist. “When the next one blew, we thought it was the telephone line.”

But the real bullies in the neighborhood were the illegal electricity lines—known as *los diablitos* (little devils). Rigged from the city’s main power lines to people’s homes, they are a resourceful way for locals to get free electricity, but haphazardly done.

“Juan called one day to tell us he lost his connection,” Facilities Manager Pedro Martinez says. “Someone nearby had used a vending machine.”

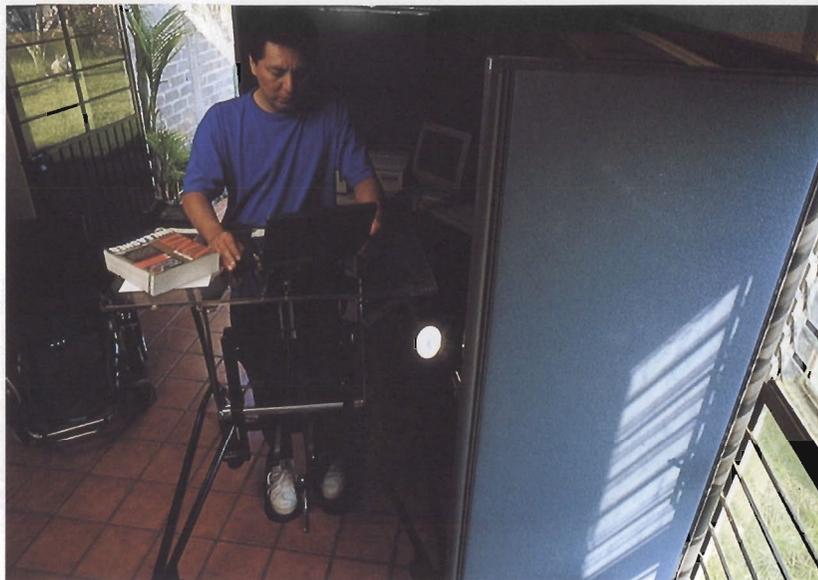
Ten minutes later, it was a mixer. “It happened five times a day,” Eduardo says.

It was the makeshift wiring that was causing the biggest headache as it continued to wreak havoc with Juan’s net-access-modem (NAM) connection.

What Juan needed, and got, was his own personal electrical line: a UPS—uninterruptible power supply. Something not commonly found on *la calle Begonia*, or in all of Mexico, for that matter, because of its tremendous cost.

“When the first modem blew, we thought it was the electricity,” says Eduardo Ochoa, technol-

“It was frustrating,” says Megan Allen, Mini-Max Systems manager in Palo Alto. “But without Juan doing what he does, our work wouldn’t get done. He’s an integral part of our team. Juan is a major link in our global, 24-hour software-support



HP Guadalajara’s facilities department regularly checks on Juan’s home computer setup and considers it as another HP site.

process. During his mornings, he attends to computer jobs running in the HP European data centers; in his afternoons, Juan tends to jobs running at HP’s Singapore data center. He participates in staff meetings via teleconference and stays in touch with teammates and customers via e-mail, voicemail and phone.”

Elsewhere in the HP world, hooking up network access would have taken less than a day, minus all the fuss.

“It’s Mexico,” Pedro says, matter-of-factly.

What Pedro means is that Mexico’s meager telecommunications infrastructure is a part of life. It wasn’t until recently that AT&T began pro-



A neighbor with heart ailments, Jose Manuel Ariaño, gets advice from Juan on the importance of exercise in maintaining a healthy mind and body.

viding long-distance service in Guadalajara. And everyone in Mexico knows that when there's high humidity or rain, telephones may not work or electricity goes down.

Now imagine Juan's neighborhood void of any type of measurable infrastructure. Where electricity and indoor plumbing are thought of as luxuries, rather than necessities or commonalities.

"I was disappointed when I first saw the neighborhood," Pedro says. "I thought it was in better condition. But it was important to do this and to work in these conditions."

Clearly, the HP Way runs deep at this HP site. One story has it that when Juan's wheelchair had a flat tire, Jaime Reyes, HP Guadalajara's G.M., brought the replacement with him when he returned from a business trip to the United States.

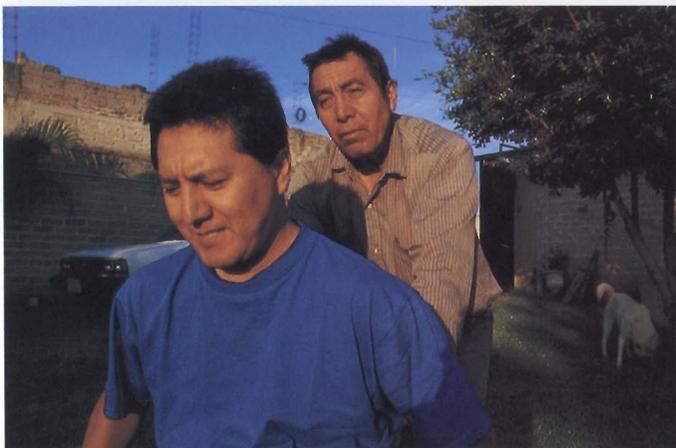
Juan says, "Sometimes I'm in a pretty urgent situation. I can't find a 6-inch tire in this whole town!"

Without a doubt, countries and cultures abound in contrasts. But fortunately, HP values are mirrored worldwide.

"HP has helped Juan have a good life," Julio says. "If this had happened

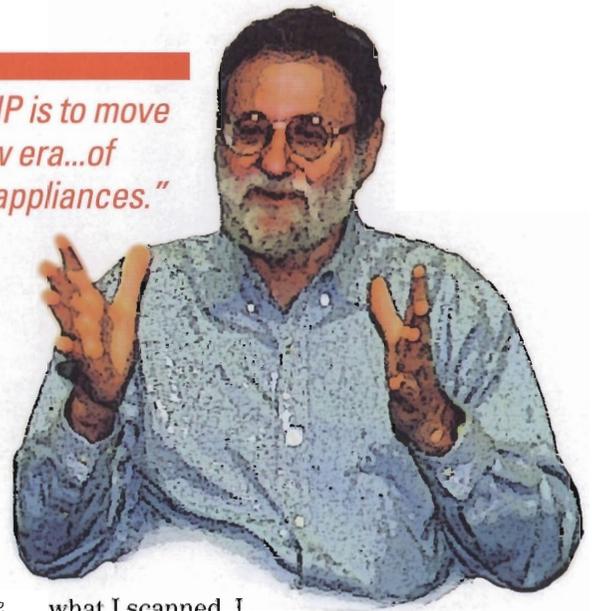
at another company, forget it."

Juan wholeheartedly agrees. And has the smile to prove it. **M**



Señor Juan Cortés, Juan's father (pushing wheelchair), offers loving support while Juan juggles work/life demands. Sometimes, Juan's dog, Rico, helps a little, too.

"My goal in HP is to move us into a new era...of information appliances."



What if it fits in your pocket?

What will the next generation of HP products look like and how will they perform? Just ask Don Norman, who heads the Advanced Appliance Design Center in HP's Consumer Products Group. Don, a former vice president of the Apple Research Laboratories at Apple Computer, has the job of designing products that are a joy to own and a joy to use.

(Earlier this year, Kevin O'Connor, editor of the HP.Now Web site, spoke with Don at his office in Palo Alto. Here is a portion of that interview. —Editor)

What will you be working on here at HP?

Don: My goal in HP is to move us into a new era—what I believe is a discontinuous change from the way that we do devices today—to the era of information appliances.

When I left Apple, I looked around and tried to pick a computer company or technology company best equipped to move us to a new generation, to appliances, and that's why I came to HP.

An appliance like a toaster is a good example of what I have in mind. You buy the toaster, take it home, plug it in, drop the bread in, push the lever down and it works. You don't have to read a manual. We should be making information appliances that work the same way.

For example, what if I had a scanner that could fit in my pocket? When I'm reading something interesting, I could take out my scanner, scan what I'm reading and put the scanner back in my pocket. Maybe when I came to a printer, I could say, "Hey, I need a hard copy," and I'd take my scanner, find the item I want, push a little button and, zoom, an infrared beam goes to the printer and the printer prints

what I scanned. I didn't have to tell the printer anything, I didn't have to tell the scanner anything. I just said "send" and it printed.

Now think of a camera. I should be able to take a picture with my camera and go to the nearest printer and print the picture. How big should the picture be? Well, how big a piece of paper did you put in the printer? It's all automatic.

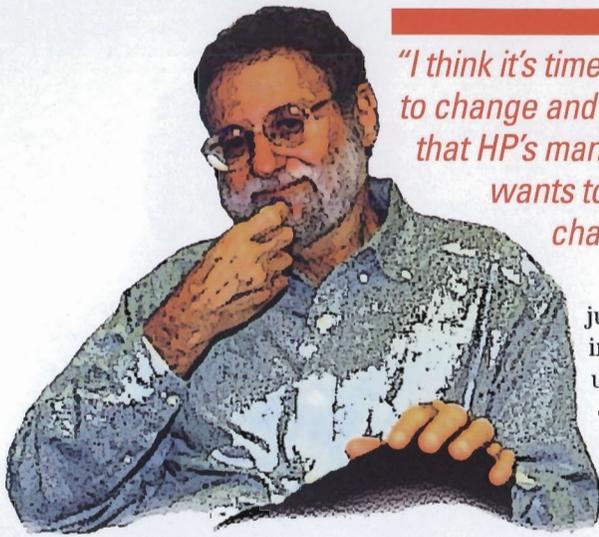
If I send a picture to another camera, the other camera stores it. And if I take my scanner and I say, "I have an interest-

"A camera is suddenly a very different device."

ing document, would you like a copy?" And you say, "All I have is my camera with me," I'll send the picture to your camera. The camera now becomes not a camera but an image-capturing device.

Or, if I'm on a vacation and I take some pictures and my friend takes some pictures, and I like one of the pictures my friend takes, I can say, "Give it to me." My friend aims his camera at my camera and, zap, now my camera has my friend's pictures.

A camera is suddenly a very different device. It can capture images through its lens, from other cameras or from a scanner. If I'm at a kiosk at Yosemite and professional photogra-



"I think it's time for HP to change and I believe that HP's management wants to change."

just told about an acoustical-imaging device for medical uses that sounded like it was designed very, very nicely, with full attention to the users in hospitals and the technical staff, the nurses, the physicians and the

patients. And, moreover, it tests well across the world. There are some very big differences in the way these devices are used across the world.

That one looked very nice.

When I look at the computer business and laser printers and HP DeskJets, I

have to tell you I shake my head somewhat. This stuff looks like it's built by engineers. It looks like it's made for engineers. And it's just not going to make it in the everyday world. It's not going to make it in the office world and it's not going to make it in the consumer world. It's too technical, there's no elegance. There's no sort of...fun. I mean, we should be able to make products so that when you look at the product you say, "Hey, that's neat. I'd like to have one."

Ideally, somebody sees a picture of the product and says, "I want one," without even knowing how much it costs or maybe even what it does. That's what you have to do in the consumer world. Same in the office world. We need to appeal to individual people. Sure, we make really nice UNIX system servers and very nice Windows NT servers and very nice big printers to handle

the big print jobs and that's all very fine and wonderful. But when we start getting out to the front office and we start getting out to the schools or into the home, HP really has to change.

We have to change the style of products. We might even want to make things in color, not in HP gray, and not square edges, but rounded edges and curves and funky designs. It's a very different world out there in Consumerland.

For most of its history, HP has been a company of technologists building products for tech-

nologists. You're suggesting we have to really get out of that box.

Don: I think it's time for HP to change and I believe that HP's management wants to change. If you're building instruments for engineers, you're doing fine. But even here there's some evidence that you've got to change, because the engineering groups are changing.

As the instruments get more powerful and easier to use, you will find less-skilled people may be using them, or a wider range of people than you had planned on.

HP also would like to get into the home business. And as soon as you move into the home, it's a very different kind of game. We need different talents. HP should change; all companies should change. HP has changed dramatically since the early days of

phers have loaded their photographs into a kiosk and I find a photo I like, I can add it to my camera. So when I come home from the trip I have pictures I've taken, pictures my friends have taken, maybe even a document I've captured and the pictures professionals have taken.

I can go on like this for an hour or two. I could write a book explaining what I'm trying to do and, in fact, I already did (*Taming Technology*, which will be published in late 1998 by MIT Press).

I think HP is the company best positioned to make this happen.

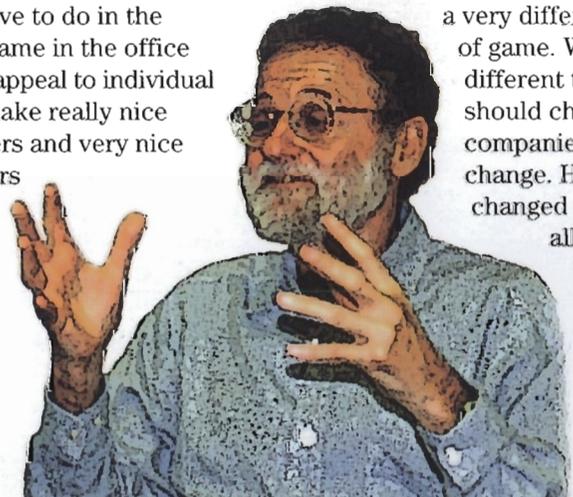
Are there HP products out now that you think are especially good in terms of user-centered design or ones that are getting us closer to this vision?

Don: There are some HP products that I think are quite good; some of them are in the instrument divisions. I saw a logic

tester today that I thought was actually very nice.

Calculators. I don't know enough about a lot of the other devices. I was

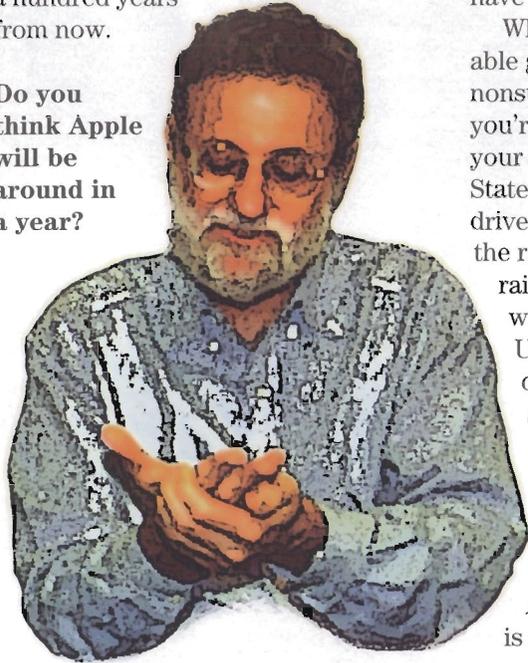
"I would like to see 20 or 30 printers in every home, just like we have 50 or 60 electric motors and we don't know it."



that first audio oscillator and it should continue to change.

A hundred years from now, I hope somebody will say to HP it should change. That's why it will be around a hundred years from now.

Do you think Apple will be around in a year?



Don: Oh, yes. Apple will be around in a year. It takes a long time for a company to die. Wang is still around.

I think the problem is this: There are two kinds of economic goods—what I call “substitutable” and “non-substitutable” goods. A substitutable good is like Coke and Pepsi. If I buy Coke today, I can buy Pepsi tomorrow. And this is classic eco-

“Good design is often cheaper than bad design, because you eliminate a lot of problems.”

nomics in that what you have then is market share.

We're in the Windows 95 market with HP's products. This is substitutable. Today, I can buy an HP.

Tomorrow I could buy a Compaq or a Dell, and it goes back and forth. And what happens is you have pretty stable market shares here. You could be second or third or even fourth and have a comfortable business and last.

When it comes to a nonsubstitutable good, that's a different story. A nonsubstitutable good is like whether you're going to have AC or DC for your electrical current in the United States. Or whether you're going to drive on the left or the right side of the road, or what the width of the railroad track should be. Or whether you're going to use UNIX or Windows NT or Mac OS or OS/2 or the Next operating system or Windows 95. With non-substitutable goods, it is a winner-take-all result: only one survives. When it comes to computer operating systems, the winner is Windows. Sorry, Apple; sorry, UNIX. Being best is irrelevant.

Can you really make a printer as easy to use as a telephone?

Don: I don't see why it shouldn't be easier. Telephones today are pretty complicated. You often have to dial long strings of numbers and you have to worry about the star and the number sign and sometimes you've got all those extra buttons on the side of the phone. Gee, with a printer, what do I have to do? Just make sure it has paper and an ink cartridge. My goal is a printer that just sits there and

when I want to print, I take out my little pocket viewer and say “send” and it prints.

Or, I take my camera, go to the nearest printer and say “send” and out

comes a photo. I would like to see 20 or 30 printers in every home, just like we have 50 or 60 electric motors and we don't know it. Why not lots of printers and we don't know it? We don't call them printers.

I'd have a photographic unit in my study by the TV set and when I want another copy of a picture, there's a little slot where I put the old picture in and on the bottom out comes a new picture.

Is that a printer? Well, secretly it is. Is it hard to use? It sounds pretty easy to me.

Is good design more expensive than bad design?

Don: Good design is often cheaper than bad design, because you eliminate a lot of problems. Good design is not just aesthetically appealing and not just easy to use, but it should be easy to manufacture, easy to repair, easy to maintain. It helps reduce the help-call costs and service calls. If you do good design from the very beginning, it can even be cheaper. **M**

(For the complete interview with Don Norman, check the HP.Now Web site: <http://hpweb.corp.hp.com/publish/hpnow/news/features/norman/index.htm>)

“...we should be able to make products so that when you look at the product, you say, ‘Hey, that’s neat. I’d like to have one.’”



HP Bergamo's catapult sculpture lifts the spirits of Antonio Piccioli, Carlo Scocco, Sabrina Marziali, Stefania Donadoni, Battista Salvi, Tiberio Tesi, Lucilla Cornali and Steven Connor.

Scanning the possibilities

With a new general manager and the creation of a new market category, the Bergamo Hardcopy Operation is looking toward exciting growth.

By Harvey Gottliffe

Photos by Erol Gurian

BERGAMO, Italy—The gleaming silver Prometheus Sphere in front of HP's Bergamo Hardcopy Operation (BHC) already is rich in symbolism. Now it's taken on even more significance.

According to Greek mythology, Prometheus was the Titan who stole fire from heaven to benefit mankind. The Prometheus Sphere, a plaque explains, symbolizes "all of the social and cultural values which are the foundation of HP's future."

But for BHC employees, the Sphere—popularly known around Bergamo as "the catapult"—is a symbol of their new status. BHC has a worldwide charter to produce the HP Network ScanJet 5 scanner—a brand new product in a brand new market category—and that could launch a whole new era of expertise for this relatively young HP site.

Leading the Bergamo team is General Manager Cathy Lyons. She has established herself as a dynamic person and involved leader in a short period of time. Soon after arriving in Bergamo from Boise, Idaho, she began taking language lessons, and translating and delivering her coffee talks in Italian. She also has met one-on-one with about 175 of BHC's 330 employees.

"In traditional Italian companies, the word is, 'Never speak to a general manager,'" Cathy says. "At HP, it's 'I expect to see you.'"

HP began in Italy as a sales subsidiary in 1964. The company's first Italian manufacturing site opened in Bergamo in 1991 and began producing formatter boards for HP LaserJet printers the following year. BHC, which is part of the LaserJet Solutions Group, moved to its new facilities in 1994. Its worldwide charter is to produce network document scanners, beginning with the HP ScanJet 4Si network scanner.

Vinicio De Luca, technical marketing-service engineer, came to BHC in 1992. "The operators on the production line were asking 'Is this real? We don't have constraints.' They would tell their spouses about the HP Way, and they wouldn't believe it."

They believe it now. The retention rate is excellent, as 220 employees manufacture 250,000 laser-printer formatters a month working for HP's European customers on four assembly lines over three shifts. Another 120 employees define, market and produce 800 HP Network ScanJet 5 scanners a month, the second generation of network scanners. The latest was introduced in March 1997 to help businesses eliminate the massive amount of paper-based communications.

More than 90 percent of all information is still paper-based, with an estimated 12 trillion pieces generated annually in the United States alone. Part of HP's Digital Workplace strategy is to eliminate copying, mailing and the use of traditional fax machines, which are time-intensive, costly and unreliable.

The ScanJet 5 allows companies to simply and efficiently convert paper documents and images into an electronic format that can then be distributed easily—and it can be integrated with existing LAN fax solutions.

"Our target market is the corporate segment that has adapted electronic distribution and messaging technology for inter- and intra-company communications," Cathy says.

HP's marketing center in Germany found the ideal customer in Milan—the Information Technology Division (ITD) of the Compart-Montedison Group—which is involved in engineering, agro-industry, chemicals and energy, with 238 plants in 20 countries.

Vinicio had worked with the ScanJet 4Si, and became involved with the ScanJet 5 during its development stage in May 1996. That November, as the main liaison to Compart, he convinced the company to be a beta site. In early 1997, two ScanJet units were installed after working closely with Compart's

"...there's an enormous battle coming up and competition will be stiff from major players."

fax-server company to accommodate them.

"We leave when the product is working and they understand it," Vinicio says. "We let them play with it, and get feedback before introducing the product."

ITD's strategy was to save money by reducing or eliminating fax machines—substituting one scanner for 10 fax



G.M. Cathy Lyons, left, practices her Italian with line operator Sabrina Capelli.

machines. They also wanted to integrate the intercompany mail at 50 or 60 locations. The ScanJet 5 scanner met their needs.

"They are better than the others. We discovered they were very low cost in insertion and operation. The only one that will shrink the cost of ownership," says ITD's Group Director Alfredo Recine. "With fewer people, we must be flexible. The functionality of the scanner is a plus and the savings are true."

Valfrido Romitti, ITD's assistant group director adds, "HP responds to our needs and there are absolutely no problems with the scanner because the configuration is so simple."

The ScanJet 5 also is being used successfully by Prudential, Ernst & Young, Mercedes Benz, DuPont and



For HP's Vinicio De Luca (right), Milan-based Compart-Montedison Group, represented by Valfrido Romitti and Alfredo Recine, was the ideal customer for the new HP ScanJet 5.



Atop the hill is Bergamo's *città alta* (old town), visible from the distant HP site. Ancient agrarian structures on the left and more recent Venetian ramparts and walls completed in 1588, from middle to right, support the *Viale delle Cento Piante* (Avenue of a Hundred Plants).

Burlington Air, among others. BHC's small but dedicated U.S. and European marketing center and country champion teams have fueled the adoption of the new product, and the network scanner product category now is recognized and tracked by market analysts.

International Data Corporation's *The Worldwide Scanner Market Review and Forecast, 1995-2001*, shows that HP owned the entire network scanner market in 1996. HP's

market share is projected to be 73.1 percent worldwide in 1997, with Fujitsu next at 19.2 percent.

Cathy is optimistic about selling several thousand units a month within two

years, but knows "there's an enormous battle coming up and competition will be stiff from major players."

In October, the ScanJet 5 added Internet e-mail capability so customers can select up to 250 destinations on one machine. By the fall of 1998, it will enable customers to send information in color and send direct e-mail from the front panel.

Cathy believes that there are "seeds of opportunity to grow" in this new HP venture taking place near an old Italian city. "We could really take it places." **M**

(Harvey Gottliffe is a journalism professor and head of the magazine program at San Jose State University, and a free-lance writer based in Santa Cruz, California.—Editor)

Bergamo, Italy, population 120,000+



Give them a hand

Tiberio Tesi, factory operations manager, didn't have a university degree when he came to Bergamo Hardcopy Operation (BHC) in 1991. But through HP's encouragement, he earned one from Milano University, and the degree helped him move into his current position in 1995.

Now Tiberio and Carlo Scocco, factory technical support manager, are sponsors of a test program with local universities, spearheaded by Domenico Rota, project control and laboratory supervisor.

HP identified nearby schools with a common interest to develop specific courses for BHC employees. The program was designed to benefit all of the participants, with HP offering insight into the company's corporate culture through the classes.

The first year's degree-directed program from September 1996 to June 1997 was offered to all employees. The classes met at BHC twice a week and

at the university in the evenings. They included math, statistics, history, economics, physics, chemistry and grammar.

There was no promise of promotion, but the seven students who enrolled believe that the degree will make them more marketable. HP paid a total of 30 million lira (\$17,626 U.S.) for the students' books, tuition and other costs.

Steven Connor, manufacturing manager, says that the investment benefits HP. "We pay for the program, which is the cheap part. The students put in the time, which is the expensive part."

"I hadn't studied in 14 years," says student Antonio Piccioli, process supervisor. "It was hard to have a job, a family and school, and to try and do everything the right way."

Sabrina Marziali concurs, "It was very hard." Although Lucilla Cornali missed having free time, she found school "very satisfying."



Alba Cornali dusts the HP ScanJet 5 scanner that sits on display in the Bergamo Hardcopy Operation lobby.

News from around the HP world

By Lila Kakuk and Grace Razo

Building a foundation

MIAMI, Florida—"These children grow up in worse than imaginable neighborhoods struck with poverty, crime and drugs," says Dr. Keith Scott, director of the Linda Ray Intervention Center in Miami, Florida. "Our job is to build a foundation for them."

HP is contributing to that foundation through a grant of \$90,000 worth of computer equipment. The equipment will be used to help track the ongoing mental and physical progress of children prenatally exposed to cocaine.

The long-term effects of cocaine exposure in utero are largely unknown. The Linda Ray Intervention program is a clinical trial that will provide the first real research data on the effectiveness of early intervention for substance-exposed



Linda Ray presents a young graduate with her diploma and a kiss.

infants. "Our hope is that by intervening early we will move these children well into the normal range for social and academic development," Keith says.

Keith credits his friend, HP engineer George Smith in San Jose, with being a key player in getting the grant. George claims being "nothing more than a link." He's just glad that he could help.

To learn more about the Linda Ray Intervention Center, see its Web site at <http://www.iin.org/>.



Reporting from World Cup '98

HP isn't playing games when it comes to World Cup soccer.

As the official hardware and support solutions supplier, HP is involved in hundreds of behind-the-scenes

activities to ensure that the World Cup '98 events enjoy the most cohesive, integrated, IT environment in the history of organized sports.

Make a goal to find out more about these activities at <http://www.france98.com> and <http://www.grenoble.hp.com/wc98>.

You've come a long way

Few would have thought back in 1988 that one of the things HP would become known for is its women's conferences.

Since the humble beginnings of the Technical Women's Conference (TWC) in the Corporate Offices cafeteria in Palo Alto, California, nearly 10 years ago, two others—the Rocky Mountain Women's and the Eastern Professional Women's conferences—have also been held to showcase the achievements of HP women.

Now poised to take another step, these three conferences have joined to form the HP Regional Women's Conferences (RWC). Where in 1988, an overwhelming 400 attendees gathered to discuss a variety of business issues, a combined 4,000 people are expected at HP's 1998 RWC scheduled in three states: California, Colorado and Georgia.

Visit the RWC Web site at <http://rwc.hp.cup.com/rwc>. And note, the conference is not "for women only." In the past, 10 to 12 percent of the attendees have been men.

Survey snapshot

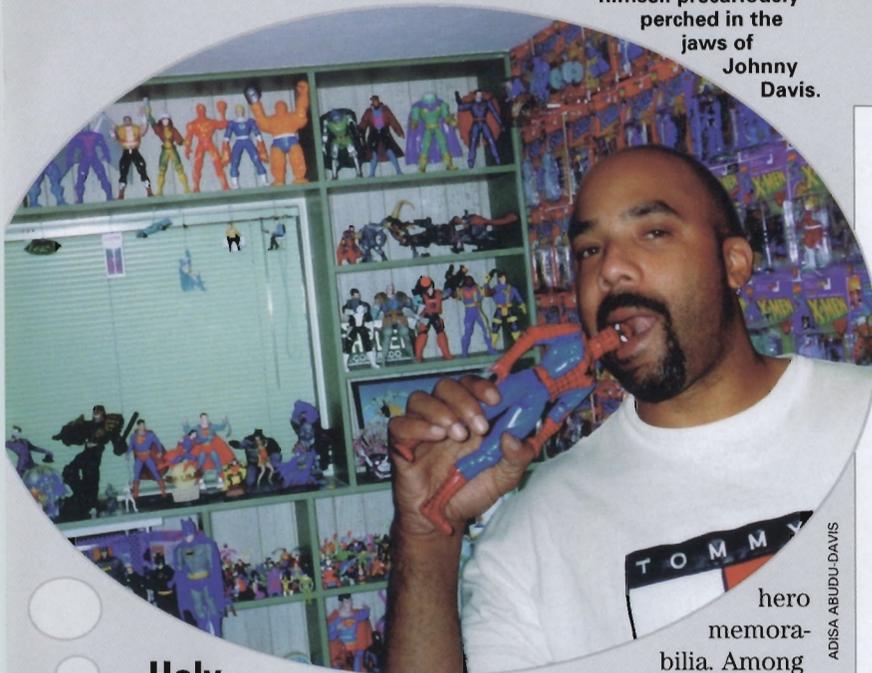


A recent survey commissioned by Hewlett-Packard revealed that amateur photographers would be eager to exploit the benefits of PC photography if there were a simple, inexpensive way to develop photos on their home PCs. Here are a few ways they said they would use digital images.

Each year, 75 percent of photos are left in the photo-processing envelope or stored in a box.

Source: International Communications Research

Meanwhile, back in Roseville, our web-slinging friend finds himself precariously perched in the jaws of Johnny Davis.



ADISA ABUDU DAVIS

Holy collection, Batman!

ROSEVILLE, California—"I bought my first one on a business trip," says Johnny Davis, business process analyst for the Americas Integration Center in Roseville, California. "Later I bought another, then another, and another, until this."

Much like Clark Kent, Johnny may seem to be your average (GI) Joe until you find out about his gargantuan collection of more than 500 action figures, 18,000-plus comic books and various other action-

Shop 'til you drop

Gift buying just got a little easier this year. In its first real showcase with secure-technology pioneer and partner VeriFone, HP is participating in a European project intended to kick-start shopping online.

hero memorabilia. Among

his favorites are the X-men, Batman, Spiderman and the Spawn characters.

The collection occupies its own bedroom in Johnny's home. The closet doors have been removed to easily store boxes of comic books. Lining all four walls, a mixed army of evil mutants and defenders of justice stand at attention.

Beyond being a prolific collector, he also is a correspondent for an action-figure collectors' magazine, spending several weekends a year at conventions, auctions, trade shows and toy stores.

Spanning nine countries, e-Christmas—an industry-wide initiative—joins HP with a host of other key players, to demonstrate the viability of electronic commerce across the Internet. Visit the one-stop-Internet-shop at <http://www.e-Christmas.com>.

WORKING MOTHER KUDOS

For the 10th year, *Working Mother* magazine has named HP one of the "100 Best Companies in America for Working Mothers." Companies earned their place on the list through their efforts at providing "family-friendly" environments. The magazine started compiling the list in 1986.

DIGITAL VIDEO PARTNERS

HP and five other high-technology companies have banded together to support format specifications for Phase-Change ReWritable, which is a 120mm disc format for future digital video disc read-only memory (DVD-ROM) drives. Joining HP are Philips Electronics N.V., Sony Corporation, Mitsubishi Chemical Corporation, Ricoh Company Ltd. and Yamaha Corporation.

VERTEL ALLIANCE

HP and Vertel of Woodland Hills, California, will combine expertise to streamline the delivery of telecom-management solutions. Under the strategic alliance agreement, which covers 10 years, the companies

plan to integrate the HP OpenView Telecom product line with Vertel's line of developer tools and services.

ENTERPRISE SYSTEMS GROUP

The Enterprise Server Group, led by **Bill Russell**, HP vice president and G.M., has created two new divisions out of the former Enterprise Systems Division and Convex Technology Division. It also has changed its name to the Enterprise Systems Group.

The new divisions are the High-Performance Systems Division (HPSD), led by **Janice Chaffin**, G.M., and the Internet/Application Systems Division (IASD).

ITG ACTIVITIES RESTRUCTURED

The Internet Technology Group (ITG) is no longer a separate organization, although **Ira Goldstein**, formerly ITG G.M., will remain HP's Internet Technology Officer.

ITG's Internet Security Division is now the Security program under the Software and Services Group. The Imaging Solutions Division is now the Imaging program, under **Joe Beyers**, G.M., Computer Organization Strategic Programs.



Test and Measurement Organization Recruiting Manager Yoshi Imabayashi (far right) and Ned Barnholt, executive V.P. (second from right), get valuable feedback from Japanese students, who were graciously housed by TMO hosts during their summer internship.

Cultivating SEEDS

TOKYO, Japan—Long before the cherry blossoms appear and the school term begins in April, HP Japan sets out to aggressively recruit the best and the brightest from top Japanese universities.

Often it's more of a challenge than it appears, says Yoshi Imabayashi, recruiting manager in the Test and Measurement Organization's (TMO) Japan Field Operation.

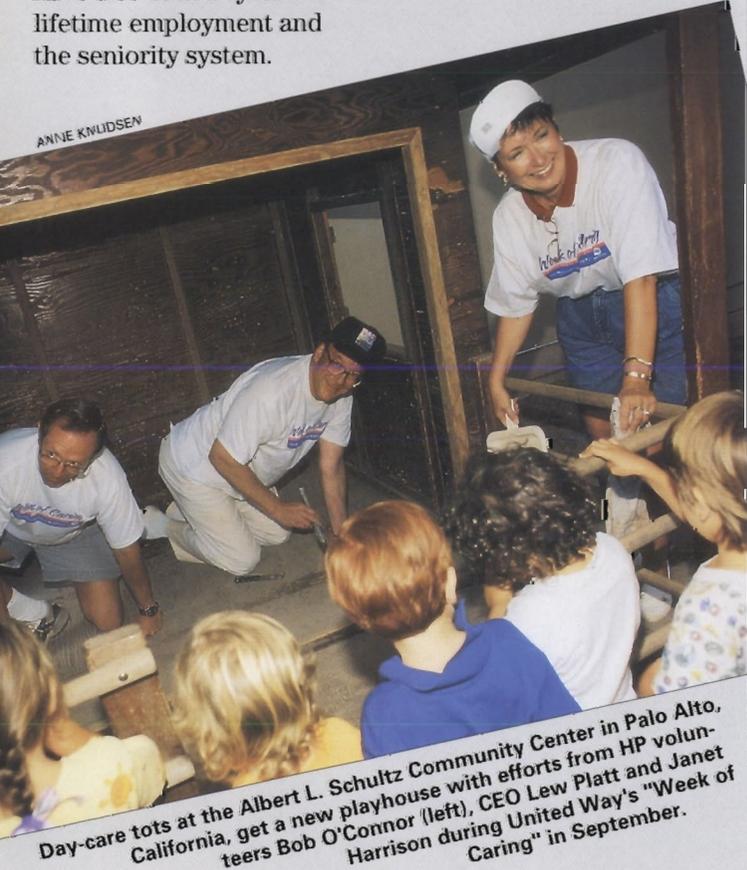
"We have difficulty getting applicants from top universities when we are doing hiring," Yoshi says. "Students automatically join traditional Japanese companies because they have a so-called system of lifetime employment and the seniority system.

Also, the HP brand is not as well known in Japan."

But this year, HP pushed even harder. It created the Asian Summer Internship Program (ASIP), a 6-week pilot SEED program.

Eight students—seven from Japan and one Japanese studying in the United States—became acquainted with HP, and California sunshine, when they worked at TMO's Santa Clara, California, site.

"I feel HP has a good environment to work in," says Naoki Hiratsuka, a first-year master's degree student at Sophia University in Tokyo. "It is better than any other company I have worked at in Japan."



ANNE KWILDSSEN

Day-care tots at the Albert L. Schultz Community Center in Palo Alto, California, get a new playhouse with efforts from HP volunteers Bob O'Connor (left), CEO Lew Platt and Janet Harrison during United Way's "Week of Caring" in September.

WORLD'S MOST ADMIRED

HP has been named to *Fortune* magazine's elite club of the world's most-admired companies. This year, *Fortune* expanded its traditional listing to include companies outside the United States. A total of 175 companies were honored; only 17 received better scores than HP.

VANCOUVER CIRCUITS

The Consumer Products Group is looking for a buyer for Vancouver Circuits Manufacturing (VCM), which makes printed-circuit assemblies for HP inkjet printers.

A decision on the potential sale is expected by January 1998.

HP BUYS VITAL TECHNOLOGY

HP has purchased Vital Technology Pte. Ltd. of Singapore. The company develops machine-vision inspection systems used in producing printed circuit board assemblies and integrated circuit packaging.

Vital Technology is now a wholly owned HP subsidiary and will be known as the Singapore Vision Operation (SVO).

POWER PRODUCTS

The New Jersey Division has changed its name to the Power Products Division (PPD) to better convey its charter.

NEW HATS

• Irene Pecenco has been named G.M. of the Home Imaging Division.

• Tom Saponas has moved to the Lake Stevens Division, replacing G.M. Paul Rumford, who has retired.

CHEN LEADS CHINA HP

Jerry Chen, formerly Finance and Administration manager, has been named G.M. of China Hewlett-Packard (CHP), succeeding Terry Cheng.

DIGITAL WORKPLACE

During the next 18 months, HP will introduce a variety of new products, technologies and customer services to help the company capture a larger slice of the \$200 billion printed-page market. This "Digital Workplace" strategy will focus on accelerating the shift from centralized copiers and commercial printing devices to mainstream office printers.



CATHY GILDEA

“The High One”

MT. MCKINLEY, Alaska—Fear, sickness and excitement filled Cathy Gildea, as she trekked her way to the peak of Mt. McKinley.

As the highest mountain in North America, Mt. McKinley dwarfs the rest of the

600-mile arc of the Alaska Range at 20,320 feet (6,194 meters). The mountain also is known as Denali, or “The High One,” a name given by the Athabascan native people of Alaska.

Cathy is a product marketing manager in the Hardware Services Division

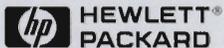
based in Mountain View, California. She began climbing only four years ago. After successfully scaling Mt. Whitney of the Sierra Nevada mountain range, she set her sights on conquering Denali.

“I wanted to push myself harder than I ever pushed

myself before,” Cathy says. “Perhaps what it comes down to is that I wanted to prove to myself that I could do it.”

Cathy took this photo of one of her climbing partners the day before reaching Denali’s summit. **M**

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