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## FEATURES

## Having a say in politics

Hewlett-Packard has a new presence in Washington. D.C.. lobbying for the benefit of the whole electronics industry.
Some don't like it hot
The Oakland, California. Fire Department gets emergency dispatching help from two HP 1000 computers. Cover photo by Cindy Charles.
HP's committed to Italia
The company is poised in ltaly to become one of its dominant computer suppliers.

Takeover?

Corporate raiders, hostile takeovers-could it happen to HP'?
Extraordinary People
Geoff Ainscow helped found Beyond War in 1982 because he believes nuclear war is the issue of our time.

## DEPARTMENTS

## Your Turn

Measure readers write about matters of interest to all employees.

## Letter from John Young

HP's president provides an overview of the international trade situation.
ExtraMeasure
Mountain View employees trick customers: a nextgeneration product introduction in Colorado Springs: a look at Venezuela's model employee: updated version of the HP organization chart.

## MEASURE

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 adoress io your idoul ibersomen deberment. ington, D.C., were on the House of Representatives' Ways and Means Committee. Behind closed doors. committee members were arguing out the final version of 1985 tax reform legislation -with billions of word changes.
Whapon Xostenb couder and abe modap of ar fil. dollars in future taxation interest in the cortidor includWaiting with intense were dozens of full-time Washingthe "markup procewlett-Packard's At his side was ing Eben Tisdale, ffairs representativeught in from ton government Dan Kostenbauder. br analysis of how HP tax attorney weeks to give instand affect HP in California the still-fluid tax law wo changes in Briefcases stacked aga there until atter the closed waited. They might well would emerge irom on a prothe hope that someone about the impact knowled geable room with a quesailable to give a quick. kbying game. posal. Staying avants is part of the packard had two answer when it counce that Hewlett-f falls hottest action It was not by chancene during the forporate Governsavvy people on the past two years a direct voice in in Congress. In made sure $H$ H has that will have a sigment Affairs has magislative decisionldwide operations. influencing such leg HP's growing wortion from Califoraificant impact on HP soving action from Staying on top

## Having a say

nia was impractical, Says Bob Kirkwood. director of Corporate Govern. ment Affairs, "It became clear that to get our point across we needed vearround representation in Washimgion.

Toprovide that cominumy. Bob, brought in Eben in 1984 An expen. enced Washmgton hand, he had served seven years as executwe director of har Scienlofic Apparams Manulacturers Association ISAMAb-one of the industrygroups in which $\mathrm{HF}^{\prime}$ is active.

Eben's headquarters are in an HF office in Rosslyn, Maryland, a shor Metro ride from the Captol across the Polomac River. He shares space with MP teams handling federal procurement and export administrationactivities

The electronies industry as a whole is a newcomer to the Washington, D.C. scene-one reason it bas patd one of the highest eflective the rates 133 percent) of any industrial sector Tax legis lation is high on the issues that HP is tracking, tothers are trade controls. procurement, environmental concems and South Africa.] HP chooses is issues carelulty: focusing on those that have the most significan impact on high technology and the company:

## New lobbying clouł

The tax reform bill that brought Eben and Dan to the dimly hit halls of the old longworth Bulding is in example of HP's quiet new clout in Washington.

The lobbying that led up to thesecraical mornents was ypieal: definnge the issue. assessing whth whom HP can work in industryand on Capitol Hill, and making sureall those in the dect-sion-making process widerstand the practical aspects of legisiation.

HP las moved a long way from the days when all is legsolate eforts were funneled through trade associations. Those lies are still important but todey $\mathrm{HP}^{\prime}$ often takes the lead in patime together an ad hoe coathion ta lobby vigoronslyona particthar issue.
"HP mixed it wel! on tax legishation. says Ted Hevdinger of the Compuler and Business Equipmern Manulacturers Association ICBEMAI.

First you had Bob Kirkwood and Larty Langdon director al Corporate Taxplaying key tofe in sellimg up the


Ad Foe Electronics Tax Group in 1983. anticipaling an overtiaut of the iax code. Its review of the impaci of the current tax system on group members became the base line for saluating any new tax proposals.

Then in 1954, Kitkwood and John Young put together a powerful single ssuecoalition to work for renewal of the R\&D tax eredti, due to expite December 1985, "The Coaltion for the Adsancement of Industra! Technology [CAIT] pults logether 59 companies. 19 universities and 11 उssoctations. it has the budge for full-mme stafting and research projects. At the same thate. HP's Washington oflice pulled together amother cuathon for non-R\&D issues

Inaddition, HP as a company worked Capital Hill "You talked to triendly Congressmen from disificis where vols have facilities and canmbsed members of the iax-xriting commatses, "Heydongerpoins gut Find it was great to have one of your taxexperis on hand wheip stafers translate conceptsinto hatal numbers ${ }^{*}$

Trade association jeopale give t户 that: marks for spending ume on tax matters io benclit the whoie ciectrontes indistry.

But cien the most skillmit tabbying is a "wh-smme lose-sothe" proposition

The legislatave proeess has many iwish andmuns The R\&D ancednso maportant to HP . for instance. became banged up in a larger, more controvershal package of hax-form legislation. An alarming new provision surfaced to melude RED expenses in a proposed corporate minmuma las-particularly severe for the electronios industry which must consramdybromsoul new producis

EErtyone realized that meluding R\&D in the minnmum lax was a disab "Was body blow wour industry" sam Ken Hagertyot he American Electronies Association AEA The couldargue agamst the concept but It was HP's willingness to say publicly that it would costzour companys 100 million the Irsi vear that really made sense "The proposal uas defeated in commiliee

HPandhigh tech dodrt winall their polnts, af cotrse but ot balance the company could endorse the bill that came out of Woys and Ment 11 Has subsequently passed by the hill House after a procdanel strage on whether wobring tion vare Now action thits to Senate ste and :1P whll follew the Iokistanan clocelyail thesay

The Helmbynesite - professonal

good long-term relationship. Working contacts are with stalf people who work for individual members of Congress or for committees. It's up to stalfers to collect and synthesize the opposing viewpoints on a bill. Says Dalena Wright. execulive assistant to Representative Norman Mineta of California, "One of the most critical things you want to know is how a bill affects people back home. If we're naive aboul the actual impact, that's bad."

Lobbyists are the workhorses who can provide staffers with accurate answers: working up a summary, phoning a company experi. even developing a full legal brief. They must have a good feel for the strengths of various legislators and what theyre politically comfortable with supporting.
The pace in Washington can be killing. As pressure on an issue builds. time available for each conversation shrinks. Says a staffer for Senator Malcolm Wallop. who chairs a subcommiltee of the Senate Finance Committee.
"Sometimes I sit in the hall and lobbyists file by. each ticking off a few points."

He adds. "You develop a gut feeling about the lobbyists you can trust to have the right answers promplly time after time, In markup. Eben may have only 45 seconds to tell me, 'Here's what HP sees as bad or good.' But because he has access. that's enough.
"You have to operate much like a sales representative and be creative," Eben says. Recently 15 congressional aides involved with tax matters inviled Dan Kostenbauder - who had been European tax manager in Geneva for two years-to talk for an hour about operat ing overseas under U.S. tax law. It was a non-political utorial session that built contacts for HP .

In an environment where the unexpected is usuatly the rule. however. much of the action is beyond the lobsyist's ability to control. "You hang your ego on a hook. Eben says malter-of-factly. He characterizes his own approach as "organized but prepared to deal in a disorganized way.

The Washington office gets support from subject experts throughout HP who come in periodically to lobby Two of those experts are from Corporate Government Affairs: Tom Christian-

sen. who has followed Irade issues for the company since 1965. and Glenn Affleck. who concentrates on environmental matters. Bill Schmick, of Federal Marketing's Washington, D.C., team.


## Split ticket

When Tom Yeager of HP's Rockville. Maryland, sales office decided to run for the State Senate in 1982, he sat down with his regional sales manager Paul Guercio to talk about it.
on Paul Guercio to tak about it.
lobbies on procurement matters. Art Young of Corporate Benefits is one of a number of people familiar with the hill. He"s become a nationally known spokesman on health-care cost
"We agreed that if I won, I wouldn't be able to continue as a district manager," Tom says, "but Paul encouraged me to go ahead and said thered be a position for me within HP."

He's now a sales representative for measurement and computation products under Rob Kirkland. who has set up Tom's schedule to accommodate his public service.

During the legislative session in Annapolis the first three months of the year, Tom is in the HP office on a flexible basis during the week and maintains regular contact by phone.

The rest of the year Tom is based in Rockville. A 22-year HP employee with an engineering degree and M.B.A., he is unusual in a legislature dominated by lawyers. He believes working in an office 8 to 5 helps him keep in touch. "I certainly hear from my constituents who are co-workers," he says.

## Having a say

containment - a topie so sienitic:ant that the Medical I'roducts Group bas assigned Mark Tauscher of the Rockville. Maryland. sates oflice to follow lee. islative developments

Shutting between Palo Alto and Washington, D. C. are Mary Dee Beall and Peter Hanley ol Covernment Affairs. both former stafters in Washington themselves, Mary Dee now manages grass-roots programs, administered through GA liaisons an HP's U.S facilities. She set up and manages the companys own political action committee. HP PAC. formed last fall as a vehicle for interested US senior managers to make political contribulions in fecleral races Feter coordinates intermational programs.
"Working the him" involves a lor of herwork and a minimum of glize for HP people "Some lobbyists are high-protite and flashy-they always want to buy you lunch." says Sue Eckert, staff consultant to the House Subcommitte. on International Ecomomis Policy and Trade T'n grateful and impressed that HP people like Tom Christiansen are aware of the time constrants we have-

She says. "Tom comes in, makes HP's position known. provides ant materal I need and then steps back to let the process happen."

## Broadening the base

Hewlett-rackards government relations activity centered on tedetal procurement before Govermment Aflairs came into its own as a separate dep.a. ment in 1982. Toleverage the ellons of its own small stall. GiA taps other HI people to help at all levels

Ont change has been new guidelinethat eneourage - not just tolerate more locad involvement by Ef 'entities and individuals in the politieal process This has triggered a regular flow of visits to HP from public office-holders.

Gary Fazzino, who gave up the position of Pato Alto city coumbiman to relocate to Seattle. Washmeton, as a re. gional govermment affairs manager in 1983, sees the decentralizingol actinaty to the state capitols and to Washington. DC.. as the key to increasime effectiveness

He works wilh gemeral mandgers in the Paclic Northwest torrack issutes

of local importance such as electitalpower planting and theger educational fundinge

John Riggen, based in Colorado Springs, and Lathe Bush in Corpo. rate Government Affars manage the HPlegislative agendas in Colonado and Califorma respectisely Johon has set up issues commattees of til prople to work with him on monitonng leptstation related onald levels of eduration. indus. trial-waste management and environmental pollation is part of her full sehedule of legislative actwity La June
 has been concentrating on umtary tax reform in Calitorma
Outside the U.S.. thegovermment af fairs Function also has new musele. In Geneva. Automo Patron jomed HP last July to hande European government affairs, foewsmg on Common Market activities and telecommuniantions issues. The GAfunction is also being statledat the regon level HPL Labs Bristal Research Center in He U.K has given lip new eredibility for possible inclusion in major European l:conomic Commanity research profects.

Intercontinental Operalions does ${ }^{\text {an }}$ I thave to deal with a sophisticated cen Iralized governmen like the E.E. C.
headquarters in Brussels, [Belgnum. However, gosernment aflatrsat the combrylevel can aloo hase its own complexates. says Lee Ting, manager ol Intercons corporate desclopment and manufacturing "In those commeries where lif has set up jomat wentures. the gowerments play a signtitant mede in ourbustaes by setting late conditions and limitations for our operation ${ }^{\text {- }}$

Whithlespolitical slands makinge more news lhese days. Govermmen Altars expectstostepuplating HP people know what the company is dome on Wasthagton.

That doesnt I mean there will be generalappeals to all employece to suppore an HP position with letterson calls on legislators-1hats consideredeveryone sprivate decismon Bul increasingly there will be a role for some employees Whodoshare the companys vewpont to help in the kobyinge flort.

The seeren to HP's politioal suctess an the luture wall be having lots of pero. ple lahinga role in speraking out on issues "Kirkmoodsdys "tis neat to wath Hil' people become mavoled in the prosess for the lirst thme and find hey c.an really have an mpact m Washington M - BerninCerard

## The joy of printing

tThe following letter was addressed to Dave Packard. not Measure. but we thought readers would enjoy the ebutlient praise from a well-known New York enthusiast-Ed.)

Mr David I'ackard: fithas been a long while. 1 write out of a burst of utter. irrepressible enthusiasm luaving just hought one of your HP Laserdets. 1 mein, it is the most beantilul work Irom the lands of man since the wheed. You should be very proud. Iam. Bless you.

WILLIAM F BUCKLEY JR. New York

## Getting rid of the salt

I enjoyed your article titled $11, O$ and the IIP way" as it put into perspective our position relating to clean industry environmental concerns. However, one point needs to be clarified

Referencing the Santa Rosa frommtain Grove) site wastewater handing system, the article states that dejonizing treatment removes organics and salts I believe that salts only will be removed by deismization and the organies must be distidled or removed by absorption techniques.

Measure is becoming a more readable and informative publication.

Keep up the good work.
GARY KEEIINER North Hollywoed

## They paved paradise to put up a parking lot

As a member of the HP Cupertino Garden Club, I was delighted to receive your recent issue leaturing HP gardens. The club has been a real benefit, especially to those of us with litile or no space at home in the high-density housing in the Bay Area.

It may interest you fo know that the Cupertino chub has been ordered to vacate immedtately so that the garden
area can be turned into a parking tot Many gardeners had already planted winter crops or hanaled in tons of soil ameudments,

In a company that spends a great cleal of time in long-range plaming, one would expere that reasonable notice could be given. I am extremely disappointed.

MARK REEI
Cupertino

S Since Mark wrote (o) Measure. Ciupertinogurdenters recenerd a 90 -dayextension to allou those employees unto had planted winter crops to hareest them. thus protecting their inne'stments of plants. seeds. soil cmendments and time.
In adefition. another Cupertino sute is being imuestigated. - Ed.)

## Problem-solving measures

I am taking these lew minutes to commend you on your mapazine.

Not only dol find it informat ive. but it has solved a problem for me. Since joining Hewlet-Packard (Canada) Lid. friends and acefuaintances have thonght that I worked anywhere from a meat-packing plant to a car company When I Iried to explain how large and diversified HP really is. I am ustally mel with a blank stare and a doubiful. "Sure "Your magazine, strategically placed on the coffee talble at fome. has solved that problem and many now see what H1 really is, keep up the greal work!

LYNN ANIEERSON Nova Scotia. Camada


## Write on!

What public issues affeet HP people and their jobs? Do you disagree with something you've read in Measure?

Send us your thoughts. We want to share your opintons and comments with more than 84,000 other employees.

If your letter is selected for publication, you'll receive a Measure T-shirt. (Be sure to send us a return mailing address and indicate your T-shirt size-unisex small, medium, large or extra-large.)
Address letters via company mail to Editor. Measure, Public Relations Department, Building 20BR, Palo Alto. Via regular postal service, the address is Measure, Hewlett-Packard Company 20BR, PO Box 10301. Palo Alto, CA 94303-0890. Try to limit your letter to 200 words. Please sign your letter and give your location. Names will be withheld on request.



Dispatcher Ophelio Velasquez helps answer the more than 75,000 emergency phone calls the Oakland Fire Department receives each year.

The firefighters all stop to listen as the 911 call is broadcast through the station, punctuating the drizzly, winter afternoon.

It's a child's voice, a scared voice. "Hello? There's a fire in my house."

The dispatcher answering the emergency call receives an assist from a computer-aided dispatching system powered by two HP 1000s. In seconds, the child's address appears on the dispatcher's screen. A few more seconds and the computer recommends which equipment from which Oakland, California. fire station is available to be sent to the incident.

With a push of a button, the decision is made, the closest fire station is automatically notified by printout and by broadcast and help is on its way. The Oakland Fire Department has been answering emergency calls with the help of HP 1000 s since July 1983.
"The people who programmed this thing, " says Captain Bob Guzy, communications officer for the Oakland Fire Department, "managed to caplure exactly what we've been doing for the last 150 years and make it logical. This was a feat because the decisions we
make about dispatching emergency equipment are not always logical. Our primary foal is get the firc engines out the door as quickly as possible 24 hours a day."

In Oakland, that's not always easy.
The city operates 23 tire stations, 30 fire engines and emergency trucks. one fire boat and a variety of fourwheel drive vehicles and jeeps.

Oakland has 350.000 people and 74 square miles that includes hills, rural areas, mountains. the second largest port in the United States. light and heavy industrial and manulacturing areas, a major airport, high-rise buildings, a huge convention center, a coliseum and a rapid transit system.
This hodgepodge of geophysical characteristics gives the city a most comprehensive potential for fire. says Captain Guzy.
The HP 1000s, working with Wismer and Becker computer-aided dispatching solt ware and terminals, helped dispatch responses to 28,000 emergency fire and medical calls during 1984. An additional 50.000 calls during ' 84 were of a non-emergency nature. Guzy says 911 rings an average of 100 to 110


Firefighter Willie Dixon checks the equipment on one Oakland's fire engines.
hot


Charles Gardner operates the "snorkel" that lifts firefighters as high as 85 feet in the air of emergency scenes.
times a day. but that number can skyrockel on holidays. especially the Fourth of July and New Year's Eve The busiest shilt is fromi 4 p_ma 10 midnight on weekends and holidas.s.

And tire departments aren 1 just For fires anymore. In Oakland. Iireliglaters answer calls concerming chemical and hazardous material spills and problems. as well as personal injury and medical calls, All direfighters are tramed in cardiopulmomary restacilation and firsl aid.

Dispatching the responses to these calls can get stresslul. Guzy sass. but it's probably not as bad as vou thank. especially with the dispatching sysiem. Disaster is our way of life Fires areni disasters to us: theyre normal. Stress in these situations comes from within. and for that reason, we (rytukeep things very loose in the 911 dispatehing center, The importance of what those perople are doing is what makes it stresslul, and you should watch the tension mount when you lind out a fone-vear-old kid is rapped in a house that's on lire. $\mathbf{M}$
-Geran Buthke



In the liatian cutture commitment (or impegno, as the lialians call it) is a noble quality.

So much so that in lits literary masterpiece The Inferno, Italian poet Dante Alighieri placed opportunists in hell because "they were neillaer for good or for evil but for llemsetves."

Roberto Albanesi. managing director of Hewlell-Packard lialiana, knows just how important commitment is to condueting business successfully in laly
"In this country, the big shots moly want to do business with other big shots who they know will be around for some time," he says.

As a result. HI' Italiana is forging alliances with local firms and expanding its operations to show it is committed to this fast-growing market and poised to become one of its dominant suppliers.

Looking al Ill's presence in ltaly over the years. one should have litile doubt of HP's commitment to the market. In 1964. the company was one of the lirst U.S. instrumentation firms to establish operations in ltaly.
"That market was really opening up in Italy at the time." Roberto satys. HP earned a reputation as the supplier of the Italian instrumentation market

When $\mathrm{HI}^{\prime}$ introducedits lirst computer in laty in the early 1970.s, "it was consiclered a peripheral toonr insuru-
mentation line," savs Roberto. The firm'scustomers were primarily those publie ministries and andverstities in Northern Italy that used HP products for applications ta the public telephone business the government telecommunications activities in Rome are more military in maturel.
[huring the '70s. He's computer business in It aly evolved, placing $\mathrm{HI}^{\prime}$ in competition with home- grewn Olivelti.
"The Olivetti 101 was competitor to our HP 9100 desktop computer," says Roberto. "But Oliveti's computer was marketed for gene ric applications and the HP9100 was strongly oriented toward scientilic applications. The engineer was the ideal user of our machine. The only place we mer Olivetit head-tohead was in the university market.
In the late 1970, the computer market in Italy lagged behind the U.S. in concepts such as distributed data processing and value added marketing.

Today, the Italian data processing market has matured into one of the more dynamic in Europe and HI's operations have matured as wetl. Last tall. Italy became a sales region of its own. Previously. it had been clustered with Spain. Switzerland, Austria, Alrica and the Middle East, Eut "the complexity and dimensions of the Italian market are so different from the olluers. it needed to be on its: own." Says Roberto.
The change has benefited HewlettPackard Italiana.
"Already, we are showing the fastest growth rate (20 percent in U.S. dollars) of any of the European regions," he says "We consider 1985 to be our best year ever." HP Italiana is today the fourth largest computer supplier in the country.
HP's success hasn t been limited to computers. At STET. the Italian government telecommunications and electronics agency. for example. "its much easier to list what they don" have of ours than what they do." savs Arnaldo Nicoli, major accounts program manage:

Another good enstomer is the business group Fiat, liest known for its automobiles but engaged in a broad variely of businesses. Fial uses IHP

## ITMㅍ

Touchscreen personal computers to manage general administrative lasks. and HI' 1000 computer systems for computationand dedicated solutions

Other major customers are ENI.
He state peiroleum company: ENEL.
the government agency that manages electric utilities: Elettronica, a private electronics supplier to the milatary: and EFIM. the state agency hat owns manufacturing companies, such as AciUSTA thelicopters)
"We have a higher proportion of government-owned or conmededede. tomers than doother HP'operations in Europe." Arnaldo says "We are targeting private firms too, but it's very difficult because they have well established vendors and somelimes prefer a centralized solution not using HP's neworking,"

To reach those prisate firms (mosily industriall. HP is counting on support from third parties such as dealers and original equipment manufacturers (OEMs). Third parties contribute nearlya third of HP Italianas total sales. the highest percentage of $\mathrm{Hl}^{\prime}$ in Europe and double the cont ribution of third-party channels in the U.S. says Antonio Brogi, third-party program manager
"We rely heavily on third-pary channels to cover this market because it is so widespread," says Antonio
"Unlike France, where 80 percent of the industrial firms are clustered in a 10() -mile ring around Paris, the many industrial companies in Italy are spread evenly ( 60 percent in the north. 40 percent in the southl." says Antonio.

And although there are iwice as many industrial companies in Italy as in the U.S.. nearly a fifth of them are "mom-and-pop" operations with fewer than five employees.

One product that has done well for Hewlett-Pactiard in the past year is the $\mathrm{HP}^{\prime}$ Touchscreen personal computer

White the ftalian computer industry as a whole grew 65 percent last year, the PC business grew 68 percent," says Mario Meazza. marketing manager "The Touchscreen gave us such a boost that we are now the third largest suppher of PC's in ltaly:"

The PC marke in ltaly is different


Journalists at an auto show in Mitan use the HP 150, with a modem designed in a joinl venture with leleltra, to send stories directly to their newspapers for typesetting.
from that in the U.S. in several ways. says Nicola Comero, district mannger of the personal compuning group.
"In large latian companies information retrieval is perceived as as sign of power, he says "So our stlespeople atten must deal not only with the end user. but also the information systems manager and even the general manager
"Also. PC s are not percened as standatone tems but as part of a network. which oan make it more ditficult to market And there are very tew networksestablished in lialy Usually companies are selup with a mainframe and a few terminals,"

Despite these obstacles, there are some suctess stortes. Telelta, the tele. communications subsidiaryof Fiat has undertaken an oflice antomation profect that includes six HP 3000 sand more than 100 HP Jouchsereens and terminals. The business group STET is asing more than 400 HP Touchscreens in its office automation development
-We gave The Portable personal computer to the data processing manager of ENl for a weet." Nieola says, "The general manager took to with him on vacation and liked it so well that when he returned he posted aleller to the board of ENI's chemical division

advising laem to get Porlables."
Sales of Hewlett-Packand PCs doubled between 1984 and 1985. says Nicola, boosted by a mocally mamabactured soltware package called MIDA that performs atcononting. stereking and invoicing tunctions for mannlacturers

In 1984. Ithe Italian business magazine Espansione conducted a poll in which HP was rinked the thired mosi respected computer supplier by latian executives, and its customer support was ranked tirst by many.
"Being on top does not mean we can relax." says Giovammi Scruzzi, customer engineermg manager Like most of its big competitors. HP has a cus. tomer support team withm 100 miles
of 98 percent of its installations.
"In a surver we conducted, 97 percend of the respondents sadid ond response was cilter very geod or good, ${ }^{-}$ Giovami says "One customer wrole. I know thal all 5 p.m. lhe IIP technician wont cirop the sorewdriver lorush borme"
"Up until l982. H1' Italiana was in its first stage of development, that of a sophistialled rading company." Roberto Says. "Now we are in the middle of our second stake-becoming a semiindustrial firm-as evidenced by oum creation of a systems engineering center, an applicaton center and several joint ventures with local firms."

In one jomt venture, FIP llatiana is reaching for the stars. The company is
providing transistors and diodes to the Italian firm Selenia for use in an Italian tefecommumications satellite to be latumelned in 1988 and in the ground stations that will service and monitor it Catled I'TALSAT. Hue satellite willuse state-of-the-arl digital telecommonication techonogies for telephone and teleconference applications. HP componemes were selected becatuse, "ours were the only ones avalatale that prowhe the security and reliahility Selena Was seeking, "says Gian Luigi Ricci. an HP Itatianta engineer on the project.
With such projects ander way. HI ${ }^{2}$ Italiana is poised to enter its thitd stage of development. Roberto says.

Our objectives are by 1990 tobe amongs the 70 targest companies in


## 

Italy lit is currently in the top 200 . to have sales of 5600 million and to employ $2,000^{-2}$ he savs.
Roberto Albanesi is contident HP falama is up to the challenge
-One thing in our favor is that laty unlike some European Countries, is very free-wheeling economicalix, he says, "Italians wan to buy the best not just buy what is Italim.
"But buyers want toknow that the suppler will be competent and continlous in their suppor-committed to the account. In the Italian buver's mind. HP has performed verystrangly in bose eategories thus far and we expect ta contimue to do so for some sime 10 come ${ }^{-} \mathbf{M}$ beffHermingon


HP Ilaliana's country headquarters building is in Cernusco Sul Naviglio, near Milan.


Pick up a newspaper today and you're likely to read about companies gobbling up ot her companies at a frenzied pace. While some of these mergers are friendly. many are hostile. with the to-be-acquired firm balling to retain its independence.
Once was a time when a company the size of Hewleti-Packard had nothing to fear. And. with more than one-third of the outstanding HP stock owned by Bill Hewlett and Dave Packard, their family foundations, and company officersany unsolicited suitor could easily be deterred.
The rules of the game. however. have been changing in recent years. More institutional investors, wuch as mutual fund managers, must maximize shortterm return on their clients investments to compete. Also. money is widely available to finance corporate acquisitions.

Corporate raiders are especially interested in companies with piles of cash, valuable real estate and wellfunded pension plans. HP could be vulnerable for a number ol reasons. including its lack of long-term debt and its $\$ 1$ billion in the bank at the end of the 1985 fiscal year.
"While there is litile likelihood that HP will ever fall victim to a hostile takeover, we feel it's still prudent to seek shareholder approval of three measures at this time," explains Craig Nordlund. HP corporate secretary. We want to minimize the chance that undair tactics would be used agains1 HP. hurting shareholders and the company"
All shareholders. including HP employees, will see three proposals related to corporate control in their proxy materials being mailed with the 1985 annual report in early January. These measures will be voted on at the annuat meeting held in February.

Says Bill Hewlett. "Much of Hewlet1Packard's success can be directly related to our independence-our ability to make our own decisions and determine our own course-and especially to our way of doing business, our culture."

The three measures include : a fairprice provision, a motion to eliminate

> Is Hewlett-Packard a possible target for corporate raiders? No, but the company's proposing three measures at the annual meeting to maintain control.

the ability of shareholders to take action by written consent, and an authorization for additional common stock and new "blank-ticket" preferred stock.

## Fair price for all stockholders

A common practice in unfriendly takeovers is 10 offer shareholders a high price for their stock and force them to make a quick decision about selling their stock. Once the raider has acquired a controlling interest, he lowers the offering price for remaining shareholders, A fair-price provision. if approved. would require a sutitor to offer the same price to all shareholders at atl stages of the takeover attermpt.

## Eliminate action by written consent

Under HP's current charler, shareholders are permitled to act by written consent. By obtaining the written permission of a majorily of shareholders. an action such as the election or removal of a director, or the amendment of the charter could take place withoul notice to the company or other shareholders. The proposed amendment would require all such action to be taken at a regular or special meeting of the shareholders. As a result. all shareholders would have an opportunity to speak and to hear the company's views on the proposal before any action is taken

## Authorize additional stock

HP's current charter authorizes 320 million shares of common stock. of
which 80 percent is now outstanding. By authorizing additional common stock and "blank-ticket" preferred stock, the board of directors would have the flexibility to use stock as a tool to thwart an unsolicited takeover. 〈Tlie additional stock also will help HIP finance future business opportunities. )

To make sure the protections of a lairprice provision and the elimination of action by written consent cant be wiped oul by a small group during a takeover attempt, each of the proposals includes a provision requiring an 80 percent (supermajority) vote by stockholders on any amendinent to change those provisions.

Will these measures make HP safe from all takcovers? "No." answers Craig. "Any raider with enough money and desire can take over any company, but these new proposals would provide a measure of protection to current shareholders by giving them and HP management the opportunity to react to a hostile takeover threat in a thoughtful and deliberate manner."

## South African vote

Also up for vote is a proposal that asks HP to establish a corporate policy that neither the company nor its subsidiaries will sell, lease or service computers, computer parts or soltware to the government of South Africa and any of its agencies or instrumentalities.

HP's board of directors, in recommending a vote against the measure submitted by three church groups. points out that the company is already in compliance with existing U.S. govermment regulations. Those regulations restrict the sale of computers to the South African military. police. prison system or any ot ther apartheidenforcing agency. The church's proposal also would prohibit sale of HP computers to many other South African agencies such as hospitals. schools and the post oflice.

Identical proposals were deleated in 1982 and 1981. M -Brad Whitworth


Geoff Amseow: a wiry expatriate with dark curly hatr, cuts a dashing tigure as he strides abong the garden path that surrounds his parent's home in Prestwich Village. England. The invitation that brings him back to Prestwich-a summons to his boyhood-reached hitu in Califor nia months ago.

His childhood bome is eager tocelebrate his return And the odor of ripening currants causes him to reflect.
*Bury Grammar School in Manchester started at eight oclock," says Geolf. now Data Systems Diviston's traming manager
-One morning. I remember stopping the school clock with a snowball from 50 yards. The glass fell to the groundthe hour and minute hand gust hume there I thought l'd stopped time. Never would I have dreamed tlat 30 years
later I would devote my life to the contin wance of time for life on this planet.
-As a youngster, I became a keen observer of nature I was laught as a Queen's Scout to make connections between seemingly unrelated things.

At the University of Loughborough Geoff received a $\mathrm{B}, \mathrm{S}$. degree in mechanical engincering. Though the failed his freshman exams. he retook them that same summer and passed.
-I resolved one lazy summer alternoon while studying thermodynamics that lid never leave a tutorial again without having all my questions answered. no mater how long it look,"
Geoff finished fourth in a class of 33 .
After completing a two-vear apprenticeship in the machine-1ool industry: he decided to leave England to look for his luture, "Lalways had a hankering for a little more-more sumshine. more
tennis and more opporlunity. "In
December 1967. Geoff, his wife, and young daughter boarded a Swedish cargo ship at London's Tilbury Docks. They embarked on a four-week journey that took them across the Attantic. through the Panama Canal, up the coast of Mexico and under San Franciscos Golden Gate Bridge.

They left a town of machinery and red brick for the slick, glass-and-concrete buildings of Californiäs Santa Clara Valley. "After three weeks in the States, I landed a job at IIP's former Microwave
> "I always had a hankering for a little moremore sunshine, more tennis and more opportunity."

Division in Palo Alto." Geoff says. "I first joined the design team for a microwave sweeper and then managed the plastie molding shop that manufactured components for it.
"The molding shop soon ran three shifts a day. seven days a week. Around that time my son Jonathan was born and I recognized the importance of my contribution to his development. I decided to devote more time to my family."
His interests at HP began to gravitate from parts to people.
"With careful questioning and observation. I found I could solve most technical problems," he says. "So the problems that involved people became the most challenging.
"1 read the Global 2000 report-a study of the probable changes in the world's population. natural resources and the environment through the end of the century I was called to action."
In 1979. Geoff was a loaned executive, taking a year off from his job as Employment Manager at Data Terminals Division to develop a residential energy conservation program for the City of Sunnyvale. He also planned a curbside recycling program which con-
tributed to Sunnyvale's choice that year as an all-America city.
"Thats where 1 learned that one person does make a diflerence. " Geoll says
Volunteers, under Geoff's guidance. analyzed every household in Sunnyvale to determine its energy needs. HP computers tabulated data Irom hundreds of questionnaires and reported how much money each household could save if homeowners insulated the walls. attic and roof.
"I made presentations to schools on ways to conserve energy, "Geoll says. "I would use puppets. steam engines. even Hershey's chocolate kisses to demonstrate how much energy the United States uses compared to the rest of the world."

In 1982. Geoff helped found the Beyond War movement. "It took a while for me to realize that we now face the pos: sibility of extinction. But that possibility became clearer when I discovered that today the world's arsenals contain the explosive power of one million Hi roshimas. I had to communicate this

## "It took a while for me to realize that we now face the possibility of extinction."

knowledge to people. but always with a sense of hope, For while our situation is critical, it is not hopeless.
-Beyond War is an opportunity 10 discuss, develop, and demonstrate a new way of thinking that can bring about a world beyond war.
"Gradually my sense of urgency. my sense of hope increased. 1 found myself taking on more and more responsibility. In the early days, teams of Beyond War volunteers left Palo Alto lor 10-day trips to selected cities in 11 states. I led discussions about how we are dependent on one, interconnected lifesupport system and how the threat of nuclear weapons endangers us all. I went to Bakersfield, California, with this message and talked to teachers. parents and ministers. People were eager to express their concerns about
nuclear war. They talked and talked about it -grateful to work out ways to educate themselves and others."
Beyond War has gained wider acceptance since Geoff's days in Bakerstield; it has started to exert an influence on
> "I feel as if I am a citizen of the world, working for the survival of life on this planet."

the global community. It now has 8,000 members and presents a yearly award "to honor the great efforts of humankind as it moves to build a world beyond war,"

In 1983, the Beyond War award went to the Catholic Bishops of the United States for their pastoral tetter, "Challenge of Peace: God's Promise and Our Response."

The 1985 Beyond War Award went to the six heads of state who signed the Five Continent Peace Initiative. In a show of technology that fulfilled Marshall McLuhan's dream of a global village. the tribal chief, the Mayan Indian, the Brahmin, the Norseman, the Greek and the Spaniard were shown side by side on a large screen in Masonic Auditorium in San Francisco. From their capital cities, they exchanged greetings and the hopes of their people for a world at peace.
And for Geoll Ainscow and Beyond War, "the medium became the message." "It is a tremendous step," Geolf reIlects, "when six world leaders come together in cooperation for the benefit of all people. When I tirst emigrated to this country. I intended to become an American citizen, but now I feel as if I am a citizen of the world, working for the survival of life on this planet and a full lifetime for all future children." $\mathbf{M}$
-Tom Ulrich

## LETTER FROM JOHN YOUNG

## HP's president diagnoses <br> the health of the world's complex trading system.

TThe subject I'm addressing herethe vability of the world s internutional trading system-isn't the kind of issue we tend to think aboul in our day-to-day activities International trade was certainly the farthest thing from my mind when I joined HP' in 1958. At that time. less than 5 percent of our business was international. The business challenge seemed pretiy simple then. If we built a better mouse trap. the world was ours to conquer. We were just beginning to think about the possibility that the arena in which we d be competing would be just that the world
Fortunately for us all. Bill Hewlett had the foresight to envision the importance of international markets. At his urging. HP set up sales and manufacturing operations lirst in Europe (we celebrated our 25 th anniversary in Böblingen. West Germany: last yearI and then in the Pacific Rim. Those early initiatives on our pari bore Iruit Todas: almost half of HP's sales come from outside the United States.

Since 1970. the total dollar volume of world trade has srown sevenfold It's a vast arena of opportunity for companies like HP. But many of the factors that influence our success-the workings of the international trading sys-tem-lie outside our direct control. So like many other business leaders. I've had to learn about the complexities and challenges of a huge and highly interdependent world cconomy:

## Does the system work?

HP's ability to compete fairly-that is. on the basis of price. quality. and per-formance-requires an international trading system that works. I'm not so sure that's what exists today My most fundamental concern is this: While the volume of world trade has grown dramatically. the portion of it covered by internationally agreed-upon rules has shrunk. The General Agreement on Tariffs and Trade (GATT) is the cornerstone of the international trading system. GATT provides both a set of rules for the fair conduct of trade and a forum where countries can negotiate trade rules and settle disputes.

With that definition in mind, vou can see why I'm concerned that GATT cov-
ers only about hatl of the total amount of trade and only 15 percent of the trade restrictions that exist. Theres no coverage for arade in services or invest ments. There's little provision for agriculture or state-owned industries So, not only is GATT's coverage limited. but many of the newly-industrialized nations have only the weakest commut ment to the rules.

Trade restrictions that affectan international compary like $\mathrm{HP}^{\prime}$ tnelude both tariffs and what are called "nontariff barriers Tariffs are the import duties charged when gokods enter:a comery: larifls are quate visible. and their effect on HIP prices is qume easily understood. In some companies, tariffs on HP equipment affect our price-competitiveness. and we are pressing to have those tariffs discussed durints the next round of trade negotiations

Non-tariff barsiers are more subtle and thus more difficull to prove and negotiate. They include activities such as government procurement procedures that diseriminate against foreign firms. standards that place non-domestic suppliers at a disadvantage impori license requirements that cause intolerable delays to our customers. investment restrictions on foremn tirms. insufficient protection for proprietary software and restrictions in the telecommunications market.

## Agreeing on the rules

Competison can be free and fair only when there are agreed-upon rutes that govern the players behavior. So we must strengthen the international trading system by mereasing the amount of trade it covers and the number of countries who are commitled to th rules. President Reagan has recently called for a new round of negotiations on GATT. and leaders in other nations have voiced their support for this move.

HP' people have a contribution to make in this process. Identifying nontariff barriers is the first step in negotiating their removal. We have recently completed a study of the non-tariff barriers HP laces, While it was easy to identify them generall: it was more difficult to cite specific HP examples of their effects. That's why 1 urge those of you who encounter such activites to docu-
ment their effects on our competitiveness and inform the HP management team responsible for directing our efforts lin the U.S., the Government Affars department. and in Intercontinental and Europe. the Corporate Ievelopment stafn.

If we were to succeed in strengthening the international trading system. would that solve all the problems companies such as HP' face? Unfortumately. it's not so simple. Different countries domestic policies also affect trade Hows The huge U.S federal defict has had a major impact on the strength of the dollar, and this has had a major elfect on HP's price competitiveness. The debt problems faced by some of our trading partners-or their reluctance to encourage domestic consumptionalso affect our ability to sell internationally:

So free trade is just a myth-if by that we mean the invisible hand of the market place guiding our actions. Rather, Irade is a complex process that must be managed systematically to make Il work. The recent agreement by the Group of Five the finance ministers of the U'S. Japan, France. the United Kingdom. and West Germany) to lower the talue of the dollar is the first recognition that floating exchange rates don't respond just to trade flows and that trading partners need to coordinate their domestic policies if the trading system is to work.
And it has to work as freely and fairly as possible. Anyone who's ever studied the downward spiral of the 1930s knows the hazards of trade's collapse. That's why business leaders have to learn to think like statesmen. It's not a role I envisioned when I joined HP more than a quarter of a century ago. but it's one I accept because I want this company to succeed throughout the work in the years ahead.



## Mapmaker, mapmaker, make me a map

People are just beginning to learn that they need maps in their business reports and presentations, says Paula Dieli, product manager in Santa Clara's Personal Software Division.

To illustrate why this is true, she begins with a page crammed with numbers strung in columns of black and grey, showing beer consumption patterns in the United States. Using HP Map, a new sof tware product for HP 3000 users. she can quickly Iransform the columns of numbers into the easy-to-read, presenta-
tion-quality map shown at right.

With a choice of 64 colors, users can produce a variety of maps, highlighting locations throughout the world.

Paula says HP Map comes with a library of 150 com -monly-used maps to which users can add the information they wish to illustrate. A library of symbols to be used as location markers is also included.

HP Map can be used to create zone maps or dot maps which can be printed on any size paper or on transparencles.

## Illinois or bust!

Jim Fouts, of Cupertino's Data Systems Division, rode his bicycle 2,500 miles from California to Lawrenceville. Illinois, in 1985 to get one of Mom's dinners.

The 57 -year-old spent 35 days on the road, averaging about 75 miles a day. He met his brother. Keith. in Denver and they rode together from that point.

Jim says he was selfcontained during the bike trip: tent. sleeping bag. stove, pots, pans, lantern. clothes. camera. recorder. computer, first-aid kit, tools, tires, tubes, some food, extra water containers and dog repellent.

His bike and baggage weighed 80 pounds.

He survived leg cramps. U.S. 50 through Nevada. 100 degree-plus temperatures, cracked and bleeding lips. a five and a half hour
climb up Loveland Pass (elevation, 12.000 feet) along the Continental Divide in Colorado. and seven days of storms and headwinds in Kansas.

But it was worth it when he and his brother arrived in Lawrenceville and were greeted as celebrities by old classmates, family, friends, reporters and the mayor. They received a police escort to their mother's house.

Jim says the reason he made the bike odyssey was to say thanks for the good health he's had for 57 years. and for "an inherited trait that has never let me be satisfied with the status quo."


## Who's Drinking the Beer

Annual Domestic Beer Consumption



## A nextgeneration product

When Katherine Lynne Muterspaugh was born last year, her HP engineer parents, Milo and Helen, chose an unusual way to announce her arrival. Milo is an engineer in logic sytems in Colorado Springs, and Helen is an engineer with the Colorado Springs Division. Helen wrote her first child's birth announcement as follows:
New generation from Muterspaugh, INC.

With over 80 years of design experience. Muterspaugh, INC. is proud to announce a new addition to its line. The new model is highly portable, weighing in at 8 pounds, 14 ounces, and features a small footprint with an overall length of 22.5 inches.
It contains unlimited ROM and RAM that took over nine months to develop. At present, the resident language is gibber-



## Pick it up and dust it off

When an HP 9810 desktop calculator showed up for the first maintenance in its 15year existence, HP customer engineers in Johannesburg. South Africa, were so interested in the "museum piece" they offered to fix it for free. Most of them
had never seen one like it.
The HP 9810's problem? A dirty magnetic card reader. not surprising after years of hard work in dusty Umtata.
B.1. van Zyl. a land surveyor. bought the computer for his business, back when the HP 9810 was one of the first of its kind sold by HP in South Africa. He recently bought a new HP 150 personal computer and plotter for his surveying. so the HP 9810 now will be used only for back-up.

When the HP 9810 was introduced in July 1971. it had six times the memory capacity of similar units. It was the first desktop calculator to use plug-in function blocks to expand its capabilities.


## Sometimes a good idea turns out all wet

When the Microwave Semiconductor Division had a rugged new slot-reader family and bar-code wand to introduce. the division decided to make a real splash at Scan-Tech. the trade show for automatic identification devices held recently in Baltimore. Maryland.

To show how well sealed they were for outdoor or wet environments, the products were displayed underwater
in a three-tiered fountain which featured a waterfall and live fish.

Extra-long bar-coded cards were on hand for people who didn't want to dunk thelr arms when they tried out the new HBCS -7000 slot reader. One wag asked if it could read a bar-coded fish? The answer was probably not-unless the fish could learn to swim through the narrow slot.

## WORTH NOTING

Formally added to the Design Systems Group: the Salt Lake City Operation fformerly Cericor. Inc.. which HP acquired in late 1985). now part of the CAE/CAD business unit. Operations manager is Dave Balley.

Dr. Mave von Mlitzing of West Germany. 1985 Nobel laureate in physics. was earlier awarded the 1982 Hewlett-Packard Europhysics Award of the European Physical Society for the same body of work. He discovered that electrical resistance occurs in extremely precise units.

Dave Packard received the 1985 National Foreign Trade Council's Dollar Award for dist inguished contribution to the advancement of American foreign trade and investment. . . . John Young was named 1985 Manufacturer of the year by the California Manufacturers Association. . . . HP France was named company of the year by the Adia Institute of Social and Economic Management. The award recognized its increasing contributions in business and socially worthwhile activities since 1979.

## |NeW PRODUCTS

The HP-94 handheld industrial computer from the Handheld Computer and Calculator Operations weighs less than two pounds and can be carried in one hand or attached to a clipboard. It's designed
for factories. warehouses and delivery routes.


HP-94
Cooperation across the Analytical Group has resulted in a set of new workstations based on the HP 9000 Series 300 technical desktop computer and a core set of chromatographic software tools. Debuting together: a mass-spectrometer workstation from the Scientific Instruments Division. a gas chromatograph workstation from the Avondale Division, and a liquid chromatograph workstation from the Waldbronn Division.

The Boblingen Medical Division has added transcutaneous blood-gas monitoring to the HP 78834A neonatal monitor (the feature is available now only in Europe).

The Colorado Networks Operation's new HP 59955A used for emulation of an IBM 3278 display station is upgraded to run on the HP 9000 Series 200 and 300 engineering workstations with the Pascal 3.1 operating system. File Iransfer has been added. . . . Among a host of new products from the Optoelectronics Division: the HCTL- 1000 motor controller microprocessor.


## PARTING SHOT

## Calculating birds

The pecking order is clear among these penguins at San Francisco's Steinhart Aquarium.

Lap-held Ursula helps make the problem black and white for Dr. John McCosker. director of the aquarium and avid user and promoter of the HP 15C handheld calculator.

Dr. McCosker uses his 15C at the aquarium for quick calculations. When not consorting with his penguin friends. he is considered a world authority on the habits of the great white shark.

This photo is from a series shot at the aquarium by Corvallis photographer Peter Krupp for a HP 15C promotion. The only photographs that didn't turn out. Krupp says. were those shot in the crocodile pit. "Those were a little shaky."


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