

hp

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From: John Minck

Date: July 14

To: Jay Coleman

Re: Letter to the Editor

Editor:

Quick! What's the first HP Corporate objective? Right, Profit. Profit starts with a customer order. The order leads to a shipment and revenue. With that income, we pay for parts and manufacturing labor. We then subtract paychecks to all the rest of us and pay taxes. That leaves HP and we shareholders about 6% net profit in 1993.

I was reminded of this recently when I went back to visit Bldg 5 in Palo Alto, which some irreverent old guys like me call the HP Intergalactic Headquarters Complex. I spent about 30 of my 37 years with HP in those buildings. They've just been remodeled and they're gorgeous. Subdued indirect lighting, carpets, a recreation center, even the old elevator in 5U has a facelift.

One thought kept rolling through my mind. Over every entrance to those buildings I would place this sign:

"WITHIN THESE GREAT WALLS, THERE IS
PRODUCED NOT ONE DOLLAR OF PROFIT."

Now, please understand that I'm not picking on anyone in particular. I don't personally produce any profit either. Profit comes from our sales people and the direct workers. Most of the rest of us influence orders indirectly. But we all need the profit attitude.

We need librarians, finance people, lawyers, toxic control specialists, public relations, janitors, and armies of others. We need the R&D engineers who are working on the products of 1997. We need the purchasing people who do such a great job buying those mountains of quality parts at lowest prices. We need marketing to cheerlead the sales effort.

But I think when we all come to work each day, we should read the sign. Then we should try to do our job with the idea of helping our hard-working sales people to get orders. We should not do anything that impedes orders, or the profit makers in their crucial work. So even though we aren't the profit makers ourselves, we choose to adopt the right selling attitude, every day. Is my daily effort contributing to selling something?

YOUR TURN

Invites *Measure* readers to comment on matters of importance to HP employees.

"Getting the order" is the lifeblood for Hewlett-Packard, according to John Minck, advertising and sales promotion manager for Stanford Park Division in Palo Alto.

The persistent business recession the world has been going through has caused much personal suffering and stress outside HP. We see it every night on TV and read it in the newspapers, and most of us feel lucky and relatively secure working at HP.

If there is a good effect from the world recession, it is the growing awareness of the public, from politician to union member, of the critical importance of jobs. The mayor of Fremont, California, describing his city's attitude toward welcoming industry to the area said, "The quality of life starts with a job."

The important thing to remember in a manufacturing company the size of HP is that all our paychecks are dependent on a continuous stream of orders. I hope no one at HP is naive enough to think that we deserve these orders or that customers order from us automatically. We have to earn them one at a time. And in an economic time like this, each order is extremely important.

A customer order becomes a product shipment. That brings in the money to pay for the parts we buy, provides wages for all our people, buys new buildings and equipment and pays for R&D for new products for our future. It also gives HP about 10 percent profit: fulfilling our No. 1 corporate objective. But note that a customer order starts the entire process.

I think it was an advertising man who observed that "Nothing happens

until somebody sells something."

Direct responsibility for getting orders at HP, of course, rests on our hundreds of worldwide field sales people. But just like a fighting army, only about 5 percent of our "troops" are out in front selling; the other 95 percent of our "army" is crucially important to supporting the front lines and winning the war.

Each field sales person depends directly on dozens of other functional people to be effective: order processing, fleet, training, regional sales engineers in each factory, shipping, etc. Every additional minute that a field person can spend with customers due to more help by support people brings more orders.

In a company with 67,000 people, there may be 50,000 who don't even know a field salesperson. What I would like to propose is that every one of us look at our attitude towards sales and orders. A customer order is pretty remote to a librarian stocking the book shelves, or an instrument assembly worker in a factory and even more so to a records retention person in the document archives.

R&D engineers affect orders well in the future. Quality assurance affects orders almost immediately since a customer who receives a defective product might stop his next order.

We need lawyers to be sure HP meets laws and regulations. And we need financial people to write accounting procedures. Personnel training people teach us how to deal with people. (Did I leave anyone out?)

Important as all these thousands of functional jobs are, I assert that each of us should adopt a positive attitude towards getting orders. If you are writing a computer program to assist field sales people, the program should leverage the sales person's time to the maximum. If you are an accountant writing cost control systems for field sales, try to minimize hassling the sales rep's time. If a factory marketing person runs down to you in the shipping de-

partment late on a Friday afternoon to plead for shipping a sales demo that day, recognize that you'd be helping orders by having the positive attitude and shipping the demo.

Let's all take the attitude that we help, not hinder. In World War II, when the legendary General George Patton and his American Third Army were racing through France, he was pretty specific about his expectations from his support troops. When he sent his tanks 50 miles out in front, he expected his logistics and administrative people to figure out how to get behind the front lines with supplies and help. Can you imagine an accountant on Patton's staff telling him that some accounting rules would prevent getting fuel to his tanks?

While I can't speak for our field people, I know them to be serious about their great responsibility in these tough times to keep orders flowing month after month. Not only should we let them know we appreciate their work, but we should also give them as much positive support as we possibly can, no matter how far "behind the lines" we are.

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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. Where a response is indicated, the best available company source will be sought.