

My HP Remembrances

-- Roy Verley, for HP Years: 1979-2000



Foreword

Mr. Corporate Communications and Philanthropy—Roy Verley

All of our collection of HP memoirs are wonderful remembrances of our cherished work culture at the Hewlett-Packard of the 20th Century. One of my favorites is that of Dave Kirby, who came to HP from Kaiser Industries, and just previous to that from WWII and the Battle of the Bulge. The main reason Dave's story was so meaningful to me was that he sat at the center of HP management, just outside the offices of Dave and Bill, with his mechanical typewriter at the ready. It was his job to chronicle the corporate doings and the personal stories of HP's burgeoning growth in revenues and work culture and as many interactions of strategic importance that he could dig up.

So I was delighted to hear from Roy, to offer his very similar remembrances of that same corporate viewpoint. But in his case, it took place during a far different technology era. Roy was in his PR and communications prime at the time that John Young was taking the company into completely different business sectors than the founding instrumentation products. Computer strategies alone were confounding decisions, with massive price tags. Young and Joel Birnbaum had bet the company on RISC operating systems, at a time when computer giants were roaming the globe.

I remember VP John Doyle telling a story in a management meeting once, about going up against IBM. John characterized small IBM competitors as small animals, and IBM as the ruling elephant. He dryly noted that IBM could change direction as an elephant turns, and step on a competitor, killing it without ever intending to. That was the technology playing field that Verley was dealing with. In the 1960s all those seven competitors were referred to as the Seven Dwarfs – described in a fascinating 1996 IEEE book by Oldfield, *"King of the Seven Dwarfs."*

In that same decade, the HP-35 hand calculator of 1972 had progressed into a huge desktop technical workstation market and then the personal computer business, with startup companies like Apple and Compaq and other consumer type competitors. When some young upstarts within IBM got permission to start a "skunkworks" in Florida to configure and push into the personal computer sector, they captured immediate dominance. What was HP to do? We possessed profound technological power, we could build virtually anything. Except for the complex questions which continued to face the Young management teams of WHAT technical horse do we put our costly bets down on?

Communicators like Roy were there to observe all the results of such strategic dustups and personality conflicts. Some teams win, others lose, as HP performed with exceptional results. For John Young's CEO years from 1978 to 1992, he took the company revenues from about \$1.5 billion to \$16 billion, in the face of some of the toughest technology and business strategy dilemmas one could imagine. In this memoir, Roy takes us through some of the overview of those challenging matters that Top Management gets paid to figure out.

As we old-timers have watched the industrial journey of this Legendary Company through its golden years in the high-tech decades of the second half of the 20th Century, we find very interesting personal insights to some of the leading personalities that made crucial decisions. Approaching the millennium, what led to the spinoff of the founding instrumentation product line into Agilent in 1999? How did the critical handoff of leadership of John Young in 1992 and later to the selection of Carly Fiorina in 1999 change the company trajectory?

This is a fun read. And moreover, it is an easy, conversational read, just like sitting for a coffee with Roy. What else would we expect from one of HP's most accomplished wordsmiths?

--John Minck

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Introduction

My career at HP spanned 21 years, from 1979 to 2000. For nearly 10 of those years, I served as head of Corporate Communications in Palo Alto, a spot with a terrific window into HP people and the corporate history they were making. I will relate a few stories from my personal memory bank, including one about a rather intense encounter with Dave Packard himself, in the pages ahead. I will also share some closing thoughts on the Carly Fiorina years and subsequent events.

But I'd like to start this remembrance with a brief summary observation.

I went to work for Hewlett-Packard because I'd heard good things about the *character* of the company and wanted to find out for myself if it might be true. By the time I left HP, that job had turned into a life-changing journey that I still can't fully explain. Many of my former colleagues tell me they feel the same way.

The company that Bill and Dave built was unlike any other of its time. It rose from humble, depression-era beginnings to become one of the best-managed, most-admired companies in the world – literally a textbook example of how to do things right. HP valued and respected its people in a way that consistently brought out their best. Year after year, it grew in stature, reputation and financial strength behind a simple philosophy: Make a contribution. And its founders, never impressed with themselves, insisted on sharing their success with *all* of their employees and host communities as a measure of genuine gratitude and humility.

I loved working for HP, telling its story to the world with the help of an extremely talented and devoted team of communications professionals. The company wasn't without flaws, but it managed to overcome its shortcomings with a kind of clear-headed honesty and earnestness that turned skeptics into believers and set the standard for an entire region now widely recognized as the technology capital of the world.

There's a reason the one-car garage at 367 Addison Avenue in Palo Alto was officially enshrined by the State of California in 1989 as the "Birthplace of Silicon Valley." It wasn't just a single company that got its start there; it was a technological, cultural and management phenomenon that made the *idea* of Silicon Valley possible.

But nothing lasts forever. HP people have debated at length what caused the company to lose momentum in the late 1990s after a 60-year run at greatness. Whatever the reasons, HP also seemed to lose confidence in its leadership and even in the HP Way, which had shaped company culture for decades. The decision to hire an outsider as CEO in 1999 was tacit acknowledgment that the HP we all knew and admired – and helped to build – was about to change in a big way.

And so it did. I left HP a year after Carly Fiorina was brought in to "reinvent" the HP Way and lead the company into the Internet Age. Much has been written about how that turned out and how the company has fared since then. I'll offer my own views later in this writing.

For now, I can only say that I was incredibly fortunate to have worked at HP when the values and personal qualities of the founders still resonated in every corner of the company, embraced and preserved by their hand-picked successors, John Young and Lew Platt. It was a magical experience I'll never forget.

This is my recollection of how I came to be part of that experience and the role I played in communicating the HP story to the world during the '80s and '90s.

My place at HP

I spent my entire HP career in the Corporate Offices, starting as a writer in the Public Relations Department under its long-time director, Dave Kirby. Much like Dave, I was not a “techie” (my degree was in mass communication), but I managed to learn enough to speak the lingo and understand the technological revolution HP was helping to create.

From 1981 to 1989, I represented the company to the news media as manager of press relations and corporate spokesperson. When Dave Kirby retired in 1989 after 27 remarkable years, I succeeded him as director and changed the department name to Corporate Communications, a clearer reflection, I thought, of what our team actually did.

It was as good a job as anyone could have in a company of such exceptional people, sterling character and unpretentious demeanor. To our many stakeholders, from employees and stockholders to news reporters and the community at large, we simply told the truth. That may seem like a quaint, even naïve, notion in today’s world of self-serving hype and spin, but Bill and Dave weren’t impressed by such nonsense. Personally, they were plain-spoken brokers of truth, and that’s the formula they demanded for their company. Not surprisingly, it helped us build a reputation for openness and integrity that consistently ranked at or very near the top of the annual Fortune Magazine survey of corporate reputations.

During the latter part of my HP career, I also oversaw HP’s worldwide philanthropy program. In classic HP fashion, the company sought no special recognition for its charitable giving program, which ranked among the largest in the country. We gave equipment and cash to schools and other organizations if we thought our support could make a meaningful difference. In return, we asked only that the recipients demonstrate need and pledge to use our gifts to the best of their ability. Employee boards, not top executives, made all the giving decisions.

We donated roughly \$400 million worth of equipment and cash during the seven years I headed the philanthropy program, mostly for education. HP largesse made important contributions in virtually every country and community where we operated – just one of many expressions of its unsung commitment to good corporate citizenship.

From these dual managerial positions, I had the opportunity to direct or participate in hundreds of major news announcements, press conferences and special events, with a crisis or two thrown in for good measure. I also had the privilege of traveling to many of HP’s facilities around the world and working with some extraordinary people on their own turf. Through it all I was exposed to the values and behavior of legions of truly remarkable men and women. They rarely disappointed. HP and its people won me over, and Building 20 became my second home.

But I’m getting ahead of myself. Let me back up to the beginning.

Boyhood

I grew up in a small town in southwestern Ohio, during the era of chrome-laden cars and drive-in theaters. My father, Arthur, was the oldest of three sons of a French-immigrant family who struggled to put food on the table during the Great Depression. When he graduated from high school in 1933, he went straight to work in the coal mines of southern Illinois, despite having a scholarship offer from the University of Illinois. His meager paycheck was needed to help pay the bills and feed the family. He could handle the work and he willingly shouldered the burden as the eldest son, but he always regretted not getting a college education.

When WW II broke out, he immediately enlisted, as did both of his brothers. He rose to the level of captain in the Army and eventually became a top-security dispatch officer stationed in Seattle, Washington. Dark-haired, handsome and perhaps a tad cocky in his snappy uniform and brass buttons, he quickly met his match – a charming, talented, not-easily impressed young woman who was working as a clerk for the Civil Service Administration. They were married in 1943.

My mother, Rose, was the eldest of five children. She grew up in Los Angeles, where her German-immigrant father had found some success as a Vaudeville entertainer, musician and theater owner before losing everything in the Depression. She was 12 when the family of seven loaded what few possessions they could squeeze into a Model T and skipped town in the middle of the night, heading for Marysville, Washington, where work could still be found.

Using mostly scrap wood from the local lumber mills and reclaimed nails, my grandfather hand-built the tiny house on Beach Street where the family resettled. Incredibly, it was still standing some 50 years later – with my then-82-year-old grandmother still living there – when HP announced (in a press release I wrote) that it would locate a temporary manufacturing plant in Marysville. Amazing. (More on this later.)

After the war, my parents headed to the Midwest to pursue the post-WWII American Dream, which their sacrifices had helped make possible. I was born in Columbus, Ohio, in 1950, the last of three children. Early on, we lived in several different small towns, including one in West Virginia, before settling in a village near Cincinnati.

My father had long since left the coal mines and was employed as a railroad postal clerk, working for the federal government. In the days before air mail, almost all of the country's mail traveled by rail in a specialized car known as an RPO (railroad post office). My father helped process and distribute first-class mail, high-value packages, official government documents and more along a route that ran from Cincinnati to Bluefield, West Virginia. He carried a firearm and was authorized to use it, much like a shotgunner on the stage coaches of the Old West.

The mountainous terrain of the Western Appalachians required a powerful locomotive, and few were better equipped for the task than the massive Norfolk and Western J Class steam engines. Beautifully streamlined with art-deco styling and a classic red stripe along its sleek black body, the J Class locomotive was the last of a dying breed, soon to be replaced by more efficient but less stylish diesel engines.

My father didn't much care for the change, or for that matter, for his job, which didn't pay well and kept him "on the road" much of the time. He felt trapped in a position that was governed by career bureaucrats and beneath his ability. But he never missed work and managed to provide the necessities for his growing family – without accumulating a dime of debt. He taught his children the importance of discipline, perseverance, self-sacrifice and commitment to job and family.

My mother was the flipside of my father in many ways. Free-spirited, creative, artistically gifted and incredibly capable of making do with nothing, she kept the household filled with cheer and optimism, even as my father stewed and complained. As much as I respected my father and admired his dedication to work and family, it was my mother who taught me to treasure life and everything in it.

A passion for sports leads to a writing interest

I was an insufferable baseball fanatic as a kid growing up in the '50s and early '60s. I collected baseball cards by the thousands – won through an arcane skill game known as "flipping." There were many varieties of the game – tops, non-tops, stand-up leaners, knock-down leaners, under the door and just about anything else a bunch of kids could dream up.

At the height of my reign as a flipping master, I had more than 4,000 hard-won baseball cards in my collection, including all the greats of the era. I had just finished counting and organizing them into teams when my mother suddenly informed me the cards had to go.

“You’re too old to be playing with baseball cards,” she said. “Get rid of them.”

I don’t remember how old I was at the time, maybe 12. I do remember I had the presence of mind to negotiate a short reprieve. I was given 24 hours to find a buyer or toss them in the trash.

Having a very limited market in our small community, I had to take the only deal I could find in a single day. It was from a young neighborhood friend who, naturally, had no money. The best he could offer was a dollar. The next day, I lugged my entire box of cards half a mile to his family’s home to make the exchange. When it came time to pay, he emptied his pockets of his life’s savings – 64 cents. That’s all he had, and that’s all I got.

Crushed but not defeated, I continued to pursue my passion for baseball. I listened to every game I could on my parents’ Motorola radio, memorizing the stats for all the players and recalculating their batting averages after every game. I loved the stories the announcers and writers would tell about traveling by train with the players during the glory days, when Ruth, Gehrig and Dimaggio ruled the diamond.

“That’s what I want to do when I grow up,” I said to myself. I began “announcing” my own imaginary games when I’d play catch in the back yard, using the brick wall of the house as a companion.

I desperately wanted to play Little League baseball to hone my skills, but my father didn’t like that idea. Instead, he would occasionally take a ball and bat to an open field and hit me fly balls. I took this very seriously, fearful that I might look inept in front of my father. I tried to make every catch with proper form and throw the ball back so that it would come to rest exactly where he stood. I’m not sure if he got anything out of these sessions, but for me it was the closest I ever felt to my father – just the two of us, playing baseball.

I know I drove my father crazy with my baseball fantasies. He thought they were a waste of time for a scrawny kid with no apparent talent. My mother just smiled.

“You wait,” she would say.

I grew nine inches in junior high school and began to play organized sports for the first time. At nearly six feet tall, I stood out as a raw but undeveloped talent. Dad began to ask about my basketball games – I had made the 8th grade team as a reserve – but he didn’t want to show too much interest. I could tell he was worried that I’d simply be a benchwarmer. His curiosity slowly began to build when I started to play regularly. I’m sure, if he’d stayed healthy, he eventually would have come to a game, but he didn’t get the chance. He fell ill that fall and died just a few months later at the age of 49 – a victim of cancer and a stubborn streak that refused medical evaluation until it was too late.

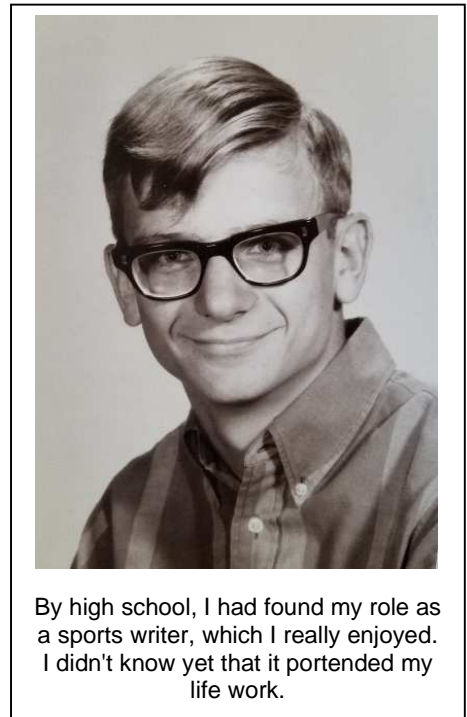
My father’s passing left my family shell-shocked and rudderless. The four of us -- two older sisters, my mother and I – were left with a small house and a 16-tree apple orchard that needed constant care. My mother hadn’t worked in 20 years and had few job prospects. She realized she needed my help and cooperation more than ever, and that changed our relationship. I think she feared that I might get caught up with the wrong crowd or neglect my duties, so she became much more demanding and hard-nosed – oddly, much like my father had been.

In truth, I probably needed the firmer hand at that stage of life. Somehow, my mother and I found common ground and eventually grew very close. Despite insisting that chores and school work come first, she encouraged me to enjoy my passion for sports, which (to my surprise) she shared. I was thrilled with her support and more than happy to oblige.

As I entered high school, my participation in sports made me an easy recruit for service on the school newspaper as a sports reporter. Though I initially resisted the invitation, one of my sisters – a senior editor at the time – convinced me it might be fun. She was right. There was something very empowering about getting a free pass to all the varsity games, riding the team bus to road games and having the responsibility to file the official story afterward – as a freshman. It gave me a solid sense of purpose and usefulness, and it convinced me I might actually have a future in journalism. I loved it.

Later that year, I was promoted to columnist and sports editor, a position I held through the remainder of high school while playing several different varsity sports. More importantly, I landed jobs as a sports correspondent for both of Cincinnati's daily newspapers and won a regional competition for sports writing among area high schools.

It seemed my dreams of becoming a sports writer were off to a great start. Our apples turned out pretty well, too!



Planning a career

My passion for sports writing carried over into my college years at Brown University, but not for long. The Vietnam War was raging and sports suddenly seemed unimportant. I opted instead to focus on political science, economics and world affairs while trying to understand why my high-school friends were being sent to fight the Viet Cong in Southeast Asia. Having already been drafted through the lottery system, I knew my student deferment was the only thing keeping me from following in their footsteps.

At the urging of a friend, I wrote a letter to the Providence newspaper about the government's case for war. To my surprise, it got published, and several classmates actually read it. This was all the encouragement I needed. I decided to pursue a master's degree in journalism and become the next great American political reporter. California seemed like the place to do both.

The first part of the plan worked out well. I enrolled at Stanford University in the fall of 1973 and had earned my master's in mass communication by the following May. Thankfully, the war was winding down by then and the Army no longer needed draftees. But jobs in the news business were hard to come by in 1974, a recession year. My only legitimate offer was as a night-shift crime reporter for the nearly defunct Los Angeles Herald-Examiner. Reluctantly, I turned it down and went to work instead as a staff writer for a little-known financial-services company in San Francisco – U.S. Leasing International.

It was a step up in pay compared with the newspaper job but a big step back from my idealistic career goal. I *never* thought I'd be writing an employee newsletter and promotional copy about the benefits of equipment leasing. I was almost ashamed to tell my Stanford classmates where I'd landed – except that most of them were still looking for work. I promised myself I'd stay only as long as it took to pay off my remaining college debt – \$1,100.

To my amazement, U.S. Leasing turned out to have a heart and soul. My boss was a genuinely likable, unassuming fellow – not at all the “suit” I thought I’d encounter. He was the son of the great American fiction writer Ernest Haycox, whose short story “The Stage to Lordsburg” became the basis of an Oscar-winning movie (“Stagecoach”) starring a young John Wayne in 1939. Ernie Haycox, Jr. didn’t have that kind of writing ambition but he ran a good shop and gave me a wide range of projects to test my mettle. I liked the challenge and could tell instantly that I would enjoy working there.

I was living in Mountain View at the time and hanging out with a bunch of young engineers who had also attended Stanford. They would sit by the pool at the apartment complex and rave about a new handheld calculator they all just had to have – something called the HP-65. One of the guys had landed a job at the Palo Alto company that made the product. He went on and on about what a great place it was – great people, great cafeteria, friendly atmosphere, beer busts, picnics, the works. I’d never heard a guy talk so glowingly about his employer as this guy did.

That was my introduction to Hewlett-Packard Company.

Making the move to HP

After nearly five years at U.S. Leasing, I decided I’d had enough of the daily commute to San Francisco and was ready to find employment closer to my new starter home in Mountain View. HP immediately popped to mind. I wrote a query letter to the PR Director and was pleasantly surprised to get a personal reply, typed on a manual typewriter, from Dave Kirby.

We agreed to meet for an “informational” interview and see if there might be a fit. There was. It took another six months for a suitable opening to come along, but when it did, Dave offered me the position. I joined HP as a “public relations representative,” working for Peter Nelson. My first day on the job was April 16, 1979.

Despite the great “rep” HP had on the street, I was a bit skeptical – an occupational trait of all journalists. This thing called “the HP Way” seemed a bit phony to me, like an attempt to exercise control over employees by forcing everyone to think and behave in a certain way. This could be a problem, I suspected, for someone who’s proudly independent and inner-directed. Of course, I quickly came to realize that I had it all wrong. Respect for individuals – and their varying work styles – was a core principle of the HP Way. It certainly worked for me!

Early on, I was given a wide range of writing assignments under Peter’s skilled tutelage. To my amazement, one of them was to write speeches for CEO John Young. I had the opportunity to travel with John on two occasions and hear him deliver what I’d cobbled together for him. On one trip, he explained to me how he’d overcome his anxieties about public speaking and willed himself to give speeches with an air of confidence and relaxation – a requirement, he knew, if he wanted to succeed as an executive at HP. His secret: practice, practice, practice.

“It was not natural for me,” he said, “but I knew it was something I had to master.” I marveled at his honesty and willingness to speak openly with a young employee. If the CEO could admit that he had to learn new skills on the job, I knew there was hope for me!

After nearly a year as a staff writer, I was asked to manage a section of the department called PR Services. This was the group that handled community relations for the company and produced a handful of special publications about the company’s history, corporate objectives, vital statistics and other information. The step up to a management position was very welcome but also a bit intimidating, as I inherited a group of staff members with more seniority than me. But I was honored by the opportunity

and not about to turn down my first promotion. Besides, I was about to get married and start a family, so the added income was going to be needed.

In August 1980, many of my HP colleagues trekked to San Francisco on a beautiful Saturday afternoon to witness my marital good fortune. Colette Monique Lamoure, a co-worker at U.S. Leasing who moved to HP's Intercon Division soon after I joined HP, had been the love of my life for nearly three years. Not surprisingly, she knew before I did that we were destined to be together. Fortunately, she was patient enough to wait until I realized it, too. After 37 years, we're still together, with two daughters now advancing their own careers in Silicon Valley, much as we did decades earlier.



Here is my family, from the recent wedding of my daughter. (l to r) wife Colette, me, daughter Amanda and daughter Jessica.. .

Learning to manage, HP-style

As a newly minted section manager, I was immediately enrolled in training programs called “Supervising at HP” and “Managing at HP.” Waste of time, I thought, but again HP proved me wrong. I realized pretty quickly that vocational skills in a given field do not automatically translate into management or supervisory skills. Essential new skills and practices are required, and who better to teach them than experienced HP employees – not big-time outside consultants, but the very people I'd see in the hallways and lunch room every day. What they may have lacked in professional credentials they more than made up for in sincerity, trust and believability.

As I mentioned earlier, it was about this time that HP announced its plans to locate a new temporary manufacturing facility in Marysville, Washington, not far from my grandmother's home of 50 years. In an amazing twist of fate, I was assigned to help coordinate community relations at the new HP site, working with Bill Kay, the plant manager. I couldn't wait to visit the site and spend time with my delightful and resilient grandmother.

Unfortunately, things didn't turn out quite the way I expected.

I still have the letters my grandmother wrote me shortly after HP's announcement. She explained how she'd sold her home several years earlier to her neighbor, a restaurant owner, on the condition that he'd let her stay in the house as a tenant “for life.” It was a handshake agreement.

To her great dismay, he had now decided he wanted to tear down her “precious old Patchwork” and build a motel. His word apparently wasn't worth much in the face of potential riches spurred by the planned HP development.

“I'll admit, it's like losing an arm and a leg, but one mustn't stand in the way of progress,” she wrote. “Thank Heavens I'll be far enough away I'll not hear the timbers scream as the bulldozer tears into this place.”

Sheepishly, I tried to assure her HP would be a good addition to the community, but she wasn't impressed. She wound up moving to a senior facility where she fussed and fumed about her misfortune

until the day she passed away. Ironically, HP had already left town for its permanent home in Lake Stevens.

A big step up

I was just getting settled in my new management position when Dave Kirby threw me a curve ball. He had struggled to find a new manager for the General Press Relations section of the department, where all corporate news was produced and distributed to business, financial and general news outlets. In hopes of generating more attention in the East Coast's prominent media, he had recruited a senior reporter from a prestigious New York-based business magazine to take HP's game up a notch.

It was a risky move for a cautious manager who strongly preferred to hire and develop his own talent, and it quickly proved to be a mistake. Within two months, the new guy resigned. Dave took it very hard, blaming himself for going against his own instincts and bowing to pressure to recruit a media "star" with no corporate background.

So he turned to me. I had seven years of corporate communications experience at this point, two of them at HP, but had never worked in media relations, had written very few press releases and had never given a formal interview. I also knew very little about HP products, markets and business issues. "You can learn," Dave said.

With that, I made the leap into media relations and assumed the duties of company spokesperson. I honestly don't think Dave would have tapped me for the position had it not been for the disappointment with his star recruit. By contrast, I was a known quantity, a reliable sort who would never let him down. In other words, I was very much in the HP mold. Glitz looked good on paper, but at HP, it was the fit that mattered.

That was 1981. Within a year, I also inherited the Product Publicity function, which oversaw all new product announcements emanating from HP's many divisions. As a non-techie, I knew this would be a stretch for me, but I was privileged to have on staff a man widely regarded as HP's "dean of product publicity," a gentleman named Ross Snyder. Thirty years my senior, Ross treated me with great respect and patiently taught me the trade, including the importance of accuracy, timing and fair-dealing with the editors who wrote about HP products. He had a level of integrity rarely seen in a field known for overblown product claims, backroom deal-making, competition-bashing and other forms of skullduggery.

Ross would have none of it. He set an extremely high standard that earned HP enormous respect among the trade press. Not surprisingly, that's exactly the way Bill and Dave wanted it.

HP's metamorphosis tests the company during the tumultuous '80s

HP people may remember the '80s as a period of rapid change fueled by the company's emergence as a major player in the computer business. Led by CEO John Young and Executive VP Paul Ely, HP used its growing reputation as an innovator in handheld calculators and desktop computation to move upstream into a field dominated by IBM and Digital Equipment Corp, and to explore the nascent market for personal computing devices. The change drove revenue growth and profitability to all-time highs, but it came with a steep learning curve.

The computer business was a much different animal from HP's traditional instrumentation business. It operated under a different model, with different competitors, customers, channels of distribution and business requirements. HP struggled to understand the integration and all-round system software demands of that business and often found its largely autonomous divisions working in competition with each other. HP products, though individually excellent, typically weren't designed to work together and

were rarely marketed as integrated systems, as most large enterprises expected. Yet HP customers insisted on buying them largely on reputation, and the marketplace seemed ripe for explosive growth.

The pursuit of this business tested HP in many important ways, making the decade both exhilarating and terrifying at the same time. It was my duty to direct and oversee the company-wide publicity network that announced and explained all of the particulars – from new products and technologies to new organizations, people and business partners – and make it all sound logical and convincing.

To coordinate this activity and ensure HP spoke with a single voice, we established a Product Publicity Council, which included publicity managers from all major product groups. I chaired the monthly meetings and gave each member a time slot to discuss upcoming announcements and media plans. We also used the sessions to share information about editorial calendars, media personnel, “best practices” and special events, such as seminars and press tours. Everything was captured in detailed notes, which were published within days for the entire HP publicity network.

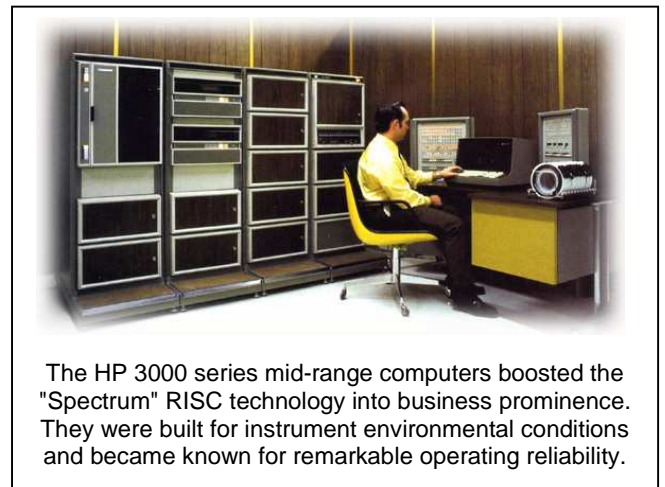
Participation in the council was excellent, and the talent level was exceptional. Despite HP’s decentralized character, council members came together as a professional network and actively contributed to the common good. They also served as mentors to each other and, at times, helped with Corporate events. In turn, my team at Corporate provided editing and proofing services for their press materials and coordinated all printing and distribution. By running all press materials through Corporate, we were able to give everything a one-company look and ensure company standards for editorial tone, manner, quality and competitive claims were met.

We announced hundreds of major new products and related news during this turbulent time. Following are some of the more significant media events I recall from this period.

The “Spectrum” project

HP 3000 business computers and HP 9000 technical computers were developed in the ‘70s as complements to HP’s instrument business. They quickly earned a small but intensely loyal following, enough to convince management that HP could succeed as a minicomputer maker.

HP made a major commitment to this business when it recruited Joel Birnbaum out of IBM in 1980 to manage the Computer Research Center of HP Labs and develop HP’s next-generation computer platform. The approach Joel favored was a leapfrog operating-system technology known as reduced-instruction-set computing, or RISC. Few people understood the technical achievement RISC represented but everyone remembered the unfortunate acronym. As the project progressed, we found ourselves fighting off the inevitable punsters, mostly competitors, who enjoyed portraying HP’s gambit as a “bet the company” exercise. Even some of the news media couldn’t resist.



The HP 3000 series mid-range computers boosted the "Spectrum" RISC technology into business prominence. They were built for instrument environmental conditions and became known for remarkable operating reliability.

While the technology was very promising, the project (code-named “Spectrum”) was difficult to bring to market. Rumors of program delays (which were largely true) began to circulate, boosted by competitors’ claims that HP was not really a computer company and had taken on more than it could handle. Throughout 1984 and 1985, our challenge was to reassure customers, market consultants, financial analysts, the media and other key constituents that the wait would be worth it – all while praying the

technology would actually work. Privately, even veteran HP managers and engineers were concerned the project might continue to slip.

In February 1986, the first products were finally ready to unveil. We staged a major press conference in the Palo Alto offices, with the invaluable assistance of HP's video-production department (HP TV). Joel, by then director of HP Labs, gave a brilliant presentation that was both technological and humanistic. His compelling performance convinced the tech world that HP's gambit had paid off. Though shipments were still months away from a full ramp, the products displayed dazzling speed and were extremely competitive, cinching HP's place as a serious contender in the fast-paced minicomputer wars. HP would never again be considered "just an instrument company" with a few data-processing products.

The HP 150 touchscreen PC

By the time HP's new minicomputers were gaining traction, the next generation of computer – smaller, more personal, and much easier to use – was already redefining computing in a dramatically different fashion. IBM and a Silicon Valley upstart called Apple Computer were well into their platform wars, trying to establish market dominance and convince software developers to write exclusively for their operating systems.

Nobody actually understood what "personal computers" could do or where the market was headed. New players came and went with the blink of an eye. The PC Revolution was in full swing and would soon change the world in profound ways, but like the auto industry of the early 20th Century, its winners and losers were impossible to predict.



The HP 150 Touch-screen Personal Computer

Ironically, HP could have been among the earliest pioneers. In March 1976, a young employee at HP's Advanced Products Division in Cupertino sketched out a proposal for a "microprocessor system" he believed HP should pursue. Finding no interest among his managers, he wrote to HP's Corporate Legal Department for permission to develop his idea on his own. In a brief written reply, HP's general counsel gave his consent, noting that "we are happy to release this invention to you subject to a worldwide, royalty-free, non-exclusive license."

The employee was Steve Wozniak. Later that year, he co-founded Apple Computer with Steve Jobs. Today, Apple is the most valuable company in the world. Who knew?

HP jumped into this chaotic world a few years later. Early products, the HP 125 and 120, were sturdy machines but lacked the range of application software available for IBM or Apple products and, thus, had limited market appeal. HP strategies sometimes chose proprietary software although one previous decision led HP to lead the creation of an industry-open-standard IEEE-488 as an instrument controller bus. To strengthen its PC hand, the company wanted something that would stand out technically and command a premium price – a serious challenge in a market rapidly heading toward commodity status.

HP's answer was the HP 150, a touchscreen PC introduced with great fanfare in 1983. The user's ability to control applications by touching icons on the screen was innovative and potentially very compelling, but software limitations and the product's unique interface limited its appeal. Oddly, some observers, including a reporter for the New York Times, even raised the issue of cleanliness – i.e., how do you clean smears and smudges off the screen without inadvertently executing a command? Imagine asking that question today of a smartphone user!

We were prepared for all of these questions, but buyers weren't quite ready for the product. Like push-button drive in the auto industry of the 1950s, the touchscreen idea was novel but just a bit too unconventional for mainstream users. The HP 150 was eventually repositioned as a terminal for the HP 3000 while more standardized products took its place, helping HP rise to Top 5 status in PC sales by the mid-1990s.

The HP ThinkJet: HP redefines printing, and printing redefines HP

HP may have missed the first wave of the PC revolution, but it more than made up for it with its foray into desktop printing – specifically, laser and inkjet printing. HP invented the segment with innovative technology and a steady stream of new products that flipped the printing industry on its head. Their extraordinary market success essentially rebranded HP, for better or worse, as “a great printer company,” a phrase often used by competitors (notably Scott McNeely of Sun Microsystems) in an effort to cast doubt on HP's reputation as a serious computer company.

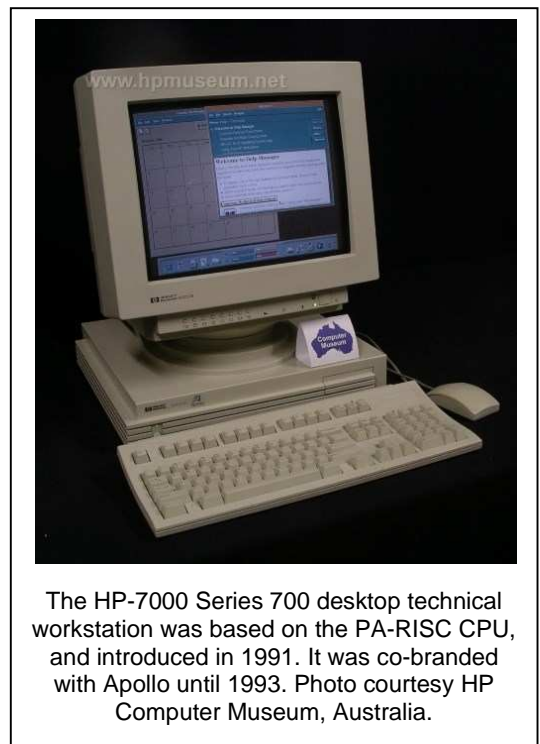
But nobody really knew that would be the case when the first products were announced.

I remember well the press conference in Palo Alto in 1984 when the first low-cost, thermal-imaging inkjet printer, called “HP ThinkJet,” was unveiled. With little fanfare, Vancouver Division General Manager Ernst Erni introduced the product by holding it in the air (to show how small it was) while explaining its many features. Though he tried to convey excitement, his understated delivery and technical emphasis didn't exactly wow the reporters in attendance that day. Many were new to the tech beat, which was suddenly attracting more interest from general and consumer publications. We didn't speak their language, and they didn't get it.

We learned a valuable lesson that day. If HP was going to compete with the likes of Apple and other big-name consumer brands in certain segments of the market, we'd have to stop speaking engineering-ese to the marketplace. Intuitively, HP people understood that rather quickly, but it took years to assimilate the change into a culture deeply rooted in engineering excellence – one that had always assumed its best customers were also engineers.

Workstations, the UNIX wars and OSF

Not surprisingly, HP enjoyed good success in the '80s as a maker of technical workstations. The engineering customer base for workstations was a good fit for HP, and HP was itself a major user of its own workstation products. But competition was fierce, led by Sun Microsystems, Apollo Computer and IBM. Despite strong product offerings, HP found itself battling



for every sale in a market segment it legitimately could have owned.

Undercutting this effort was the industry's ongoing struggle over whose operating system would emerge as the market standard for technical workstations. The so-called UNIX wars led to a secret, multi-company project to explore the notion of an "open" UNIX standard. Over the course of two very intense months in the winter and spring of 1988, representatives of seven of the world's largest computer companies, meeting in Chelmsford, Massachusetts, established a not-for-profit development company known as the Open Software Foundation. HP people, including me, chaired many of the committees. IBM, Digital Equipment Corp and Apollo were also deeply involved. Sun, the market leader, was not.

The OSF launch took place at a packed press conference in New York. CEOs from all seven companies took turns extolling the virtues of the open platform and committing their companies to its success. John Young served flawlessly as MC while I oversaw a team that handled event production and media attendance. It was a bombshell announcement that reverberated throughout the UNIX marketplace for years to come and strengthened HP's reputation as a big-time industry player.

The launch of OSF had an important, unexpected offshoot, one that instantly propelled HP to the top of the heap in the workstation market. The opportunity to work with Apollo on the project triggered the idea of a merger. In April 1989, HP announced it would acquire Apollo for roughly \$500 million. We made the announcement from HP's headquarters at 6:00 a.m., just ahead of the New York Stock Exchange's opening bell. When the news moved over the wire service, the management team, led by John Young, cheered and raced to their offices to start making phone calls. It was great fun to see, and a fitting way to end my eight-year tenure as HP's Corporate press guy. My next career move was about to happen.

Dave Kirby passes the baton to me

After 27 years as HP's first PR director, Dave Kirby retired on June 30, 1989. He was given a memorable farewell that drew dozens of HP's most celebrated figures, including Dave Packard himself. It was a fitting tribute to a hard-nosed, old-school communicator whose service to the company was a big part of its unbroken record of success. I was named Dave's successor.

Dave was never a "by the book" manager. He believed that every situation deserved its own consideration. Thoughtful and deliberate, he often lingered over decisions others might have made very quickly. He understood people very well and his instincts about them were almost always spot on. I marveled at this ability, which he often trusted more than his analytical skills.



At Dave Kirby's sendoff retirement party we did the usual HP job roast and remembrances of forgotten memories. Dave's own HP memoir is available elsewhere on this website.

As the new director, I now had responsibility for communications planning – i.e., what exactly are we trying to say through our many communications products? Dave had never put much stock in such plans, noting that the real world pretty much dictated the message on a day-to-day basis. In his view, formal plans were things that made sense only in the abstract. They looked good and pleased superiors but generally sat on shelves collecting dust.

I struggled with this idea and finally decided to discuss it with John Young. Surely there must be some set of corporate plans or a clear-cut set of issues that would help guide communications planning. I wanted our messaging to be aligned strategically with the leading issues of the day.

John shrugged. “If you think I have some set of messages and just haven’t given them to you, you’re mistaken,” he said. “You should probably pull a team together and figure it out on your own.”

Thus challenged, I corralled about 20 of the most-thoughtful HP people I could find from across the company and encouraged them to identify the issues and opportunities they felt were most critical to HP’s success. The half-day discussion that ensued was incredibly fun, insightful and energizing. We filled several white boards with ideas, and I eventually distilled the entire mess into our first annual Major Messages plan.

Organized around the seven Corporate Objectives, the Major Messages provided a clear focus for our communications priorities – in essence, what we wanted our key stakeholders to know about HP. The exercise forced us to search out and document facts, data and other forms of evidence to support our messaging claims while also identifying potential “gotchas” – the kinds of contradictory evidence that could undermine our messages.

The goal was to ensure our communications efforts were highly credible and consistently aligned with HP’s strategic interests. Department members did a fabulous job of researching and updating the material every year and using it effectively in our various communication products, from “Measure” magazine and the annual report to the many press releases, executive speeches, coffee talks and other materials we prepared on a daily basis.

Of course, Dave Kirby was right about the real world. It had a way of altering our messaging priorities on any given day, no matter what we had planned. But at least we had a reliable messaging framework to guide us under ordinary circumstances – and to demonstrate how our work supported the company’s corporate objectives.

Rapid growth fuels change

HP’s rapid advance as a computer company and, suddenly, “a great printer company” was a welcome development in many respects, but it presented some thorny, and at times volatile, management and communication issues that cut to the heart of HP’s persona. Two in particular stood out.

One had to do with organization. HP divisions were proudly independent in many ways. The company practice was to set up each division as a largely autonomous entity, often in remote locations, with limited interference from corporate bureaucrats and bean counters. This formula worked exceptionally well in the test and measurement business, but not so well in the computer-systems business. Efforts to align the divisions for better collaboration were often met with fierce resistance by HP traditionalists, who didn’t like “Corporate” telling them what to do.

As HP’s chief communications officer, I oversaw many announcements of major organizational changes designed to find the sweet spot between centralized versus decentralized operations. The language rarely changed. In the former case, we’d talk about the benefits of “greater integration and coordination,” making it easier for customers to do business with a single, customer-facing organization. In the latter case, we’d talk about becoming “more nimble and tightly focused” on customer needs in the individual markets we served.

Over the years, the pendulum swung back and forth many times. We kept past announcements handy and got pretty good at refreshing wording we'd used in years past, as the issues and rationale didn't change much.

The second issue – the evolution of the HP brand – was more complicated. HP had always had one brand and one mark (hp) that appeared on all products. The familial nature of HP products, markets and customers through its first 40-45 years made this a beneficial practice. All of the company's brand equity was captured by the company name and initials, and it meant the same in every case: engineering excellence, innovation, lasting value and performance. To own an HP anything was to enjoy a great experience with an exceptional product, often at a price premium. Even HP calculators fit this mold.

As HP evolved as a computer maker and a consumer-products company, the one-brand idea began to break down. Traditional attributes of the brand didn't translate well into lower-cost, commodity-type businesses. Some divisions wanted to create sub-brands or new identities for products that flew in the face of HP's single-brand practices. In a product-based marketing environment, few people had the expertise, tools or experience to understand or put economic value on such ideas.

Internal spats broke out, driven by highly profitable divisions that liked to remind "Corporate" who was paying the bills. Their concerns were legitimate, but their proposed solutions often ran afoul of HP's long-standing guidelines for brand identity, including tone, manner, naming conventions and use of design elements – all carefully overseen by HP's Corporate Marcom group.

At the same time, HP management set no rules about how much each individual product line could advertise or promote its products. High-volume products, such as printers and personal computers, advertised the most, generated the largest amount of press coverage and accounted for the most customer experiences with the HP name. As a result, HP's brand identity began to evolve in the public eye, based largely on the volume of promotional spending and publicity – not as part of any conscious effort to manage the brand. The issue of brand equity, or what it was worth in the marketplace, rarely came up at the highest levels of the company.

Along with my colleagues in Corporate Marcom, a highly professional team I oversaw for about two years in the early '90s, I became concerned by what I believed was unconscious brand drift. I decided to raise the issue with HP's senior-most marketing executive, Dick Alberding, who headed a section of the company known as Marketing and International. The conversation was short but memorable.

"I see your point," he said, "but I'm not about to tell our most profitable divisions what they can or can't spend on advertising and promotion."

As he walked away, I thought of the words of Scott McNeely ("HP is a great printer company") and realized he'd probably have as much say in the matter as HP would. It was just not in the company's DNA to think about its evolving market identity as anything more than the sum of its various parts. Years later, that trait would become a key motivation for naming a marketing-savvy CEO as Lew Platt's successor.

Dave Packard gets re-involved

Tensions between HP divisions and Corporate leadership began to accelerate in the early '90s. Word got back to Bill and Dave that John Young was pressing HP's individual entities to collaborate more effectively and strengthen HP's hand in the systems business. Though Young had served a lengthy and highly successful tenure as president and CEO, his push for greater influence was regarded with increasing suspicion by some outside of Palo Alto.

At the same time, HP's stock price had begun to slip, raising questions on Wall Street about HP's long-term viability in the cutthroat computer and consumer businesses.

At this point, Bill was no longer active in company operations and had little interest in getting involved. But Dave was still chairman of the board, and he listened intently as complaints found their way to his office. A brief fact-finding visit to several HP divisions convinced him that trouble indeed was afoot. He returned to Palo Alto determined to take action.

By unfortunate coincidence, the presidential election of 1992 was fast approaching. Upstart Democrats Bill Clinton and Al Gore had targeted Silicon Valley for support. This did not sit well with Dave, a former Nixon Administration appointee and long-time supporter of the Republican Party. When several dozen Silicon Valley CEOs, including Young, expressed their support for some of Clinton's technology initiatives, Dave was infuriated. To him, it appeared to be a company endorsement, and he wasn't about to let that stand.

Within days, the San Jose Mercury News published a letter Dave contributed making it very clear he – and his company – were not jumping aboard the Clinton-Gore bandwagon. Dave didn't hide his disdain for those who supported Clinton. Many HP people were surprised by what appeared to be an open rift between Dave and some of the valley's most prominent business leaders, including his own CEO.

It's not clear how much each of these issues influenced Dave's thinking, but he decided it was time to reassert control of his company. In an article written by Kathleen Wiegner of Forbes Magazine, he declared that John Young would be retiring soon and that he and Bill would be coming back "to save the company," which he said had gone off track in recent years. Dave was nearly 80 at this point and hadn't been involved in day-to-day management in more than a dozen years.

This was bombshell news, the kind that can fuel all manner of speculation and cause Wall Street to take note. As HP's communications director, I should have known about Dave's interview with Kathleen in advance, but the usual protocols weren't followed in this case. I'm not sure to this day if anybody besides Dave knew of his intentions. We had no time to prepare for the obvious questions the article raised.

Stunned, I immediately alerted John, who was incredulous and not at all pleased to learn of his impending "retirement" in this way. I offered to write a letter to Forbes for Dave's signature, making it clear that John would remain CEO indefinitely and characterizing the founders' renewed involvement as a kind of coaching exercise, rather than management. John agreed.

I delivered a draft of the letter to Dave's secretary, Margaret Paull, with a carefully worded explanatory note. In my note, I suggested that Dave had probably been taken out of context by the Forbes reporter and his remarks miscast. I proposed that we quickly correct the record and eliminate any doubt about John's future with HP. If he would just approve the letter, I concluded, I'd take care of getting it published.

Margaret called the next morning. "Mr. Packard would like to see you," she said. I hustled over to his office in the old corporate headquarters, Building 3 Upper. I won't lie. I was as anxious as a mouse in a snake pit, but this was my job. I had to know how Dave felt and what I could say publicly, and internally, to patch things up.

Dave stood up when I entered his office. He may have been well past his physical prime but he still struck an imposing figure. His demeanor was cordial but very direct.

"I'm not going to sign your letter," he said.

I can't quote the rest of what he said but it was clear he stood by his comments in the article. He said John would be turning 60 soon and would need to retire "as a matter of company policy," and that he and Bill would take a more active role in management until a new CEO could be named.

And then he added: "I don't intend to change anything I said to Forbes. If you have a problem with that, then maybe your future here isn't as bright as I thought."

I had heard about Dave's legendary ability to come right to the point. His charisma and charm made his comment seem perfectly benign, but I wasn't about to debate the matter with him. I thanked him for his time and called John to tell him Dave had declined to sign the letter. I didn't say much about the rest of the conversation. That would need to come directly from Dave, and I knew it would, soon enough.

A short time later, Dave agreed to do one more interview, this time with the San Jose Mercury News. I met him in his office for a practice session that he quickly turned on its head. He knew exactly what he planned to say and didn't want a lot of preparation. With amazing humility and grace, he told me how he intended to praise and thank John for his many contributions to HP and would simply make himself available as a coach during the remainder of John's tenure. When the interview actually took place, that's exactly what he did.

I couldn't have asked for a better outcome. John retired months later with due recognition for his role in making HP a computer powerhouse while maintaining HP's enviable reputation as one of the world's best-managed company. But the Forbes article still haunts me. I didn't see it coming and was not able to prevent the initial hurt and confusion it caused, especially to John. I will always regret that.

Lew takes over: "I didn't know you're a smoker!"

Lew Platt became the new CEO late in 1992. Word around the Corporate Office was that Dick Hackborn had actually been Dave Packard's first choice, but Dick declined, saying he didn't want to move to Palo Alto. The offer was then extended to Lew.

I was called to Dave's office for a meeting to discuss the transition and review plans for the worldwide announcement. Lew was there, along with Bill Hewlett and long-time HP Executive VP Dean Morton.

The meeting was very brief and upbeat. Dave assured Lew that he'd do a good job and could call on him for guidance at any time. There was no talk of future direction, organizational matters or anything else that bordered on strategic guidance. Dave's only concern was that Lew continue to embrace the company's core values as codified in the HP Way. Lew assured him he would.

We were about to wrap up when Dave suddenly realized Lew was a smoker. Somehow that had never come up before. Dave wasn't pleased.

"I didn't know you're a smoker," he bellowed. Lew turned bright red but managed to mumble something about cutting back. For a moment I thought Dave might actually change his mind about Lew, but I guess he felt he'd made his point. The meeting ended with laughter and handshakes.

I met with Lew the next day to discuss plans I'd made for media interviews and to review a Q&A I'd developed for practice purposes. Lew just wanted to talk. He seemed genuinely humbled by the honor of leading HP. I knew this was his natural character and part of what made him so likable, but I worried that he might sound a bit unprepared for the task. At one point he said, "I'm never going to be the smartest guy in the room, the one with the best ideas. John Young is usually that guy. But I'm very good at surrounding myself with bright people and getting their best ideas on the table. I can pick the winner almost every time."

After some discussion, we agreed that this would be a good way to characterize his management style, except for the part about not having good ideas. I assured him he could just leave that out and still make his point. Thankfully, he agreed!

The transition came off with minimal disruption, a testament to HP's "deep bench," and within a year Lew had earned the respect of everyone who mattered – from rank-and-file employees he routinely greeted in the hallways to hardened market consultants and financial analysts. In 1993, he was also named chairman of the HP board, succeeding Dave, whose low-key retirement after 54 years severed the last direct tie to the company's storied roots.

Several major business magazines (including Forbes) profiled Lew and hailed HP as the hottest tech company in the industry. Lew credited John Young for creating the strategy and team that made success possible. He refused to take credit for himself.

Change accelerates, the Internet proves disruptive, and HP struggles to adapt

The pace of change in the tech world at this time was rapidly accelerating. By the mid-'90s, the company Lew Platt inherited from John Young was still thriving by traditional measures but straining to decide where to invest strategically for future growth. Competing technologies and product lines, legacies of the HP divisional structure, could not all be fully funded. At some point, winners and losers would have to be decided.

This issue surfaced in a big way on the computer side of the house. Two groups – one supporting HP's own proprietary technologies (such as PA-RISC and HP-UNIX), the other pushing for industry-standard (Microsoft-based) systems – fell into hot competition over available resources and HP's future direction. This competition pitted two very different group general managers – Wim Roelandts and Rick Belluzzo – against each other. While both had Lew's ear and could muster strong support for their positions, Lew often had to make tough decisions that stressed his relationship with both groups.

The tension finally came to a head, with Lew realizing he'd have to choose either Wim or Rick to run the entire operation. Despite having strong ties to Wim's group, which he formerly managed, and a close personal friendship with Wim and many of his top people, Lew decided to give the nod to Rick, a fast-rising protégé of Dick Hackborn. It wasn't clear at the time if Lew truly believed Rick and the strategy he favored were the better choice, or if he got some help making the decision. What was clear to everyone is that Lew had gone against his instincts in rewarding the younger, more aggressive manager at the expense of his close friend and long-time associate.

Lew broke the news to Wim in a face-to-face meeting that he later admitted was one of the toughest of his career. Wim left HP almost immediately for the CEO position at Xilinx; Rick left two years later for a similar spot at Silicon Graphics. He and Lew never really got along.

Lew was challenged in another important way as the end of the decade approached. Though HP continued to bring excellent new products to market, it struggled to come up with a compelling strategy for the next big thing – the Internet Age. The sudden emergence of Internet commerce as a business and marketing force threatened to disrupt traditional business models everywhere. It required creative thinking and a willingness to venture in new directions. Some board members began to wonder if Lew had the answers.

Lew's internal popularity masked this problem for some time. He was extremely approachable and genuinely interested in talking with employees at all levels, often during informal lunches in the Building 20 cafeteria. As a single father during part of his HP career, he understood the challenges of work-life

balance, especially for working women, and strongly supported progressive programs aimed at making HP an even better, more flexible and welcoming place to work.

It was not unusual for Lew to respond personally to phone calls or emails, often late at night, on matters that ordinarily would never make it to the CEO's desk. He readily gave speeches and coffee talks about issues of company culture, lifestyle and diversity that marked him as a truly thoughtful, compassionate individual. Employees loved him for that, but some critics thought his focus on employee well-being and lifestyle issues was sending the wrong message at a time when competitors were becoming increasingly aggressive.

This concern led to endless discussions about the HP Way – what it meant and what it didn't mean in a changing world. Some felt key tenets of the HP Way had been hijacked and reinterpreted in ways the founders never intended. They called for a return to common sense. Others saw the HP Way as outdated and unsustainable. They questioned whether it should apply equally across all businesses, especially those operating in the most competitive arenas, or perhaps be abandoned altogether.

Questions also began to arise about Lew's priorities – i.e., was he spending too much time on internal matters and not enough on business strategy? Pressure from HP's larger business units – some of them multi-billion-dollar businesses in their own right – was intensifying. Some lobbied hard for greater autonomy and a reduction in “corporate overhead” that they had to support financially. Demands for consolidation or elimination of corporate departments began to gain traction, driven by the business units. HP seemed to be splitting into different factions, with Lew endlessly tied up trying to make peace rather than focusing on business issues.

Recognizing the need for help, Lew eventually agreed to take on a chief of staff as a way of managing his calendar and work load more effectively. New rules and procedures were put in place to insulate him from disruptions while he focused on developing a strategy and vision for HP in the 21st Century. The fencing-off of the CEO felt very unnatural and “un-HP-like” to Lew, who prided himself on his accessibility. On several occasions I can recall Lew complaining that he simply could not get involved in certain issues because his priorities had been firmly reset for him.

One such issue involved my primary department, Corporate Communications. (I was also managing Corporate Philanthropy at the time and serving as executive director of the HP Company Foundation.) The communications team had operated as a separate entity under the Corporate Admin wing of the company hierarchy for decades. Previous efforts to move or merge it with other groups had always been rejected, for reasons I won't detail here.

Suddenly, without prior notice or consultation, I was informed that the department would be merged with Corporate Marcom and moved under the Marketing and International branch of Corporate. I strongly objected – not just to the nature of the move, but also to the process that somehow bypassed me. Not fair, not HP-like, and completely unexpected.

I also knew the philanthropy function I managed could never be construed as a marketing function (“self-dealing” in philanthropy is illegal) and, thus, could not be included in the move. If the move proceeded, I would have to give up one department or the other; I couldn't manage both.

Mustering my arguments, I went directly to Lew for help – and for the first time in memory, he refused to get involved.

“I'll solve that problem if nobody else will,” he told me, “but I just can't take it on now. Come back and see me if you can't work things out yourself.”

I knew it frustrated him to admit that he couldn't get involved. At his direction, I talked to several other senior executives but never got a satisfactory answer or justification for the change, other than a vague "commitments have been made" – presumably to the business units. I debated going back to Lew but knew he was already under more duress than he could handle.

Reluctantly, I decided to step away from the Corporate Communications department I had managed for more than nine years. Corporate Philanthropy became my permanent home, and none too soon, as it turned out. Big changes were about to happen at the top of the company. I don't think I would have enjoyed trying to explain to the world what followed.

The HP/Agilent split

After years of trying to hold HP together as a single unit, the HP board finally decided that the company might fare better by splitting itself into two separate legal entities. The larger piece, essentially the computer business, would retain the HP name while the smaller piece, the original test and measurement business, would be spun off and renamed.

For many long-time HP employees, this seemed backward. T&M was HP's original business, the one most closely associated with the founders and the one most likely to carry on HP's core values. But the HP name had evolved over the years and now had more equity as a computer-related brand than anything else. Sadly for many, the name went to the larger segment and T&M had to establish a new identity as Agilent Technologies.

Before the split became effective, I was asked to work with the T&M leadership team to develop an organizational framework for its communications and public-affairs function. The model I developed reflected my strong belief in centralized management of certain core assets, including the company brand and strategic messaging platform, along with a distributed network of communicators at the major business units. A dual reporting relationship to unit management (direct) as well as to Corporate Affairs (dotted-line) was intended to provide both strategic and functional alignment.

This proposed model was accepted as drafted and, to my surprise, I was asked to join the new company as its head of Corporate Affairs. This would have been a great move for me, and I gave it a lot of thought, but somehow I couldn't bring myself to leave HP. The decision was probably more visceral than logical. I loved my role as HP's head of philanthropy and the team I had working with me. They had lobbied for me to take the helm of their group when their former director, Rod Carlson, retired in 1993. That meant a lot to me. I realized, too, that overseeing HP's giving program was opening new vistas for me in the field of education, where our gifts were beginning to have an impact at both the K-12 and university levels. I saw this as my future and decided to stay with HP, the company I still admired and regarded as my second home.

The HP/Agilent split was announced in April 1999 and Agilent became a public entity in May. The move was a defining moment in HP history to that point. But it was soon overshadowed by another – one that had me quickly questioning my decision to stay with HP.

Lew steps down; Carly Fiorina takes the helm

Lew's heightened focus on a winning business strategy for the Internet Age produced a number of new proposals, but the output wasn't clear or bold enough to satisfy everyone, including several key members of the HP board and management team. Lew ultimately concluded that someone else might be needed to take HP to the next level. The board agreed, and the search for a new CEO began in the early months of 1999.

The board specifically wanted a dynamic leader who could re-energize the company behind a crisp and inspiring vision of the future. Though HP had always tried to promote from within its own ranks, several board members felt an outsider might be better suited to the task. Both types of candidates were considered before Carly Fiorina, a senior executive at Lucent Technologies, was selected. She succeeded Lew as president and CEO on July 1, 1999. Lew remained chairman of the HP board.

Lucent Technologies evolved from the divestiture of AT&T in 1996, taking the fabled manufacturing arm, Western Electric Co, and a product line of state-of-the-art automated switching systems, like the SSx line. Carly had gained a good reputation in the marketing and operations side.

Carly's appointment was widely heralded as a bold move for a low-key engineering company known more for sticking to basics than for venturing outside its comfort zone. Carly didn't fit the usual HP pattern. She was not an engineer and was not Lew's first choice; he favored an internal candidate (Ann Livermore) who had risen through the ranks to become HP's senior-most female business executive. But Dick Hackborn was quite impressed with Carly's confident demeanor, marketing sense and meteoric rise to prominence at Lucent. Despite her limited knowledge of HP's business, he felt she was the right choice, and he carried a lot of sway with other board members. Reluctantly, Lew agreed.

Because I was no longer managing communications at this point, my interactions with Carly were very limited during our one year of overlap. But it was clear after two or three encounters that she was fearless and very eager to make her mark on a company and an industry she didn't yet understand.

In many respects, her management and personal styles were quite the opposite of Lew's. She was creative, driven and bold, with a powerful personal presence. Where Lew typically deflected attention, Carly embraced it, serving as the centerpiece of a corporate rebranding campaign that she personally oversaw and starred in. And where Lew drew strength from his daily encounters with employees, Carly was rarely seen in the cafeteria or even in the hallways. Some, including me, knew right away that her tenure at HP would be markedly different from anything we'd seen before.

Stylistic differences surfaced in other ways. Shortly after her arrival, Carly took an extended business trip around the world to visit HP facilities and meet major customers. Lew joined her. The experience showcased an aspect of Carly's character that Lew instinctively mistrusted and felt compelled to discuss with anybody who'd listen.

"I was amazed at how often she answered questions about issues she knew nothing about," he told me during a memorable hallway conversation. "She could easily have turned to me for help. When I asked her about it, she shrugged it off as no big deal."

Lew told me he had registered his concerns with other HP executives and several members of the board, but to no avail. The board felt it needed to back Carly fully and did not want a rift to develop over personal styles. Lew retired shortly thereafter. Carly was named chairman of the board, in addition to president and CEO, in early 2000. She had been with HP less than a year.

Time to go

With Lew's departure, HP was finally Carly's company to run as she saw fit. In some respects, that was exactly what the board wanted: fresh leadership and fresh ideas. But the safety net of an experienced and trusted HP mentor was now gone. Carly was essentially on her own, and she seemed eager to take on the challenge of remaking HP's corporate culture. "Keep the best and reinvent the rest" became the operative slogan. But what exactly did that mean?

Some things became apparent to Building 20 employees right away. Many noted a marked decline in “Management by Wandering Around” and the “Open Door” policy – tenets of the HP Way intended to promote two-way communication between management and employees. Some felt Carly’s internal appearances took on the feel of staged events lacking in spontaneity. Access became more tightly controlled. Memos and emails requesting feedback on issues requiring her input or approval often got no acknowledgment or response. These things simply never happened under Carly’s predecessors.

While everybody understood that Carly needed time and space to get up to speed, I worried that walls were being erected around the CEO at a time when employees needed to see her and get to know her as an individual. I also felt this change in leadership style posed a threat to the kind of informal communication that had always made routine decision-making possible.

By early 2000, I began to hear rumors of imminent executive departures. To a degree, that had to be expected following a major change at the top. But I knew HP had always shown great respect for its people, and I felt certain my senior colleagues and I would be openly consulted on any decisions related to our functions and future roles. After all, another fundamental tenet of the HP Way was to give the people closest to the work a major voice in how it was done – pushing decisions down into the organization, not up.

I decided to remain optimistic, even as one of my closest colleagues told me he’d already been pushed out.

My reckoning came a few weeks later. Carly’s chief of staff called me to her office. She told me my department would be merging with another and my position eliminated. The decision was not subject to debate. I was directed to someone in HR to pick up a packet with information about my “terms of separation,” which had already been prepared. That was it.

I gathered my team the next morning to give them the news. More than disbelief, it was genuine fear and disgust that I saw in their faces. Some of them had worked at HP longer than I had. Their love of the company and its values ran deep. I will never forget their kindness and support as I said goodbye to each of them for the last time.

Life after HP—UC Merced

After 21 years, stepping away from such an integral part of my life was quite a shock to the system. I’ll admit to feeling betrayed for a while. But HP had given me enough financial security over the years that I knew I’d have time to replot myself in another setting. And I knew the HP I was leaving behind did



Imagine building an educational outpost for the most important university system in the nation from scratch. This was the beginnings of the University of California at Merced, in California’s Central Valley. It is an agricultural economy after a USAF Castle AFB closed down several decades ago. I was honored to help form the communications planning for this audacious startup.

not want the old guard lurking in the halls, questioning every decision Carly made. Within fairly short order, I began to feel fortunate that I had gotten out when I did.

I decided my next move would have nothing to do with the business world I'd just left. Instead, I began volunteering with community groups and casting about in the world of higher education. One prospect looked particularly interesting. I'd heard that the University of California was building a new campus in the city of Merced – the first new UC campus in 50 years and the first ever in the vastly underserved San Joaquin Valley. The prospect of working in higher ed had always appealed to me, and I knew my HP experience might be helpful to a young campus trying to establish a name and identity for itself. After a series of introductory meetings, I was asked to join the staff at UC Merced as director of communications. Though I couldn't accept the position for family reasons, I agreed to serve as a consultant. For the next 12 years, I applied much of the knowledge I'd gained at HP to the communications needs of an upstart campus with big dreams but few resources.

Working remotely for the most part, I drafted communications and positioning plans, assisted in writing the Strategic Academic Plan, created comprehensive crisis-communications plans and conducted periodic crisis drills. I also developed and conducted media-training programs for faculty and staff, wrote speeches and op-eds for three different chancellors, drafted dozens of press releases and other materials and provided general communication counsel as needed.

On referral, I also landed consulting assignments with UC Berkeley, including a top-to-bottom review of the university's crisis-communications procedures, and within the Cal State University system.

My experience at UC Merced was both rewarding and restorative. It allowed me to step back from the intensity of Silicon Valley while contributing to a rising star in the UC galaxy of great universities. It also introduced me to many dedicated individuals trying to re-imagine higher education at a time of severe budget cutbacks and growing public skepticism about the cost and value of a college education.

Perhaps most important, it taught me that my HP experience – as a writer, planner, manager, advisor and team player – could be useful to others, and that the values and standards we embraced at HP were absolutely second to none.

Communication rules to live by

I've thought a lot about the many lessons I learned at HP and what universal truths I would cite today as fundamental to an effective communications program. Here's my short list:

1. Have a clear plan. Make sure it aligns with leadership's organizational priorities. Ask: What's the problem to solve? Why is that a barrier to organizational progress? How can communication help? But be quick to react when new issues or threats emerge that demand immediate response. Locking into a rigid plan without a daily reality check is as pointless as communicating with no plan at all.
2. Know your audience. Listen to them. Respect their intelligence and innate ability to separate fact from hype. What do you want them to think or do? What message can you convey to move your audience in that direction? What evidence can you present to make that message credible and compelling? Have this clearly in mind before thinking about strategy, tone and tactics.
3. Don't bury news and information under a pile of fluff. Present it the way you'd want to read or hear it – news first, fluff later.
4. When the news is bad, deal with it as quickly and completely as possible. Get it out, get it all out, and get back to work.

5. Admit and correct mistakes. Every organization makes them. Nobody benefits from leaving them on the record.

6. Don't hold bad news for dead news cycles or a "better time" when it might not get as much notice, such as Fridays at 5:00 p.m. That just undermines your integrity and increases the chances that the news will leak, putting you on the defensive.

7. Consider long-term reputation in all matters of communication. Err on the side of full and immediate disclosure, especially when public safety or welfare might be an issue. The respect and credibility you earn will serve you well when you need it the most....and you will need it!

A final reflection: What happened to the HP of legend?

Carly Fiorina's bid for a U.S. Senate seat in 2010 and the GOP presidential nomination in 2016 generated a lot of buzz nationally and made her record at HP a major campaign issue on both occasions. As HP's long-time communications director, I was asked by several major media outlets for my thoughts on what happened at HP during her tenure. Here's basically what I said.

Despite a promising start, the fit never seemed right – like a graft that didn't take. Early enthusiasm for a "rock star" CEO quickly faded as employees realized Carly did not embody or embrace the HP culture. Some felt she ridiculed it. The Compaq merger she engineered was highly contentious and unnecessarily ugly, forcing people to take sides and triggering an irreparable split with the founders' families. Layoffs during her tenure became commonplace and were not well managed and communicated. Employee morale suffered. Financial performance was uneven. The investment community lost confidence in her ability to deliver on her promises, punishing the stock. Her feud with the board over her ouster became national news for all the wrong reasons.

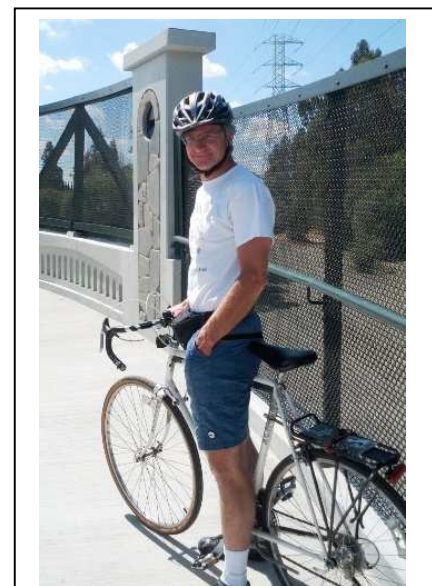
In fairness, it may have been unreasonable to expect a complete outsider to succeed without controversy in a company with such a deep and proud culture. To Carly's credit, she tried. To her discredit, she left a lot of broken china and bad feelings in her wake.

It must be noted that Carly's immediate successors, also outsiders, didn't fare much better. Mark Hurd picked up the pieces following Carly's exit and got the stock moving in the right direction for a few years, but many analysts felt he relied too heavily on cost-cutting and, like Carly, didn't invest enough in HP's R&D future. His sudden departure, never fully explained, was tainted by allegations of misconduct.

Leo Apotheker, Hurd's successor, lasted less than a year before he was shown the door – pretty much all anybody needs to know about his performance.

The steepness of HP's decline during this time left many observers in disbelief. As the Harvard Business Review noted in 2011, "HP hasn't just lost its way in the marketplace. It has lost the 'HP Way' – the values and behaviors and principles and commitments that made it more than just another company, but a beloved icon and institution."

How did that happen? Had the HP Way run its course? Was it packed up and shipped to Agilent Technologies when the split was announced? Did somebody consciously decide it had to be abandoned,



I've been an active bike enthusiast most of my adult life. Here I'm on a ride along the Stevens Creek Trail. I was President of the Friends of Stevens Creek from 2010-2012..

like an old pair of shoes that still felt good but had long since lost functionality?

I'll offer one hypothesis. Dave Packard used to say that more companies die from indigestion than starvation. Starting with the Compaq merger, HP suffered a lot from indigestion. It grew from fewer than 100,000 employees to nearly 350,000 in a decade, almost exclusively through mergers and acquisitions. That meant that *more than 70 percent* of the swollen HP workforce, including its leadership, had little or no experience with, or appreciation for, the HP culture. The HP Way didn't exist for them as anything other than an abstract concept.

The pursuit of market share or sheer size for its own sake was never an HP objective during the company's first 60 years (quite the opposite, in truth). But that principle got lost in the rush to find a winning business strategy for the Internet Age. Assimilating 250,000 new people, many from vastly different corporate cultures, in just 10 years was simply impossible. The HP Way was smothered under their weight. It couldn't breathe.

During Meg Whitman's tenure as CEO, efforts to trim excess employment through spinoffs, layoffs and split-ups have reversed some of the damage, but the jury remains out. The division into HP Enterprise and HP Inc hasn't done much to reinvigorate either company's prospects. Industry analysts question their lethargic performance and apparent inability to define a clear and compelling strategic vision. Deflated stock values, at a time of record market highs, add to the concern.

I truly hope both HPs defy the odds and regain market prominence. I don't know anybody in Silicon Valley who doesn't admire the legacy of Bill and Dave or recognize what they meant to the tech world of today. They were pioneers, adventurers, dreamers and firm believers in doing business the right way.

Their legacy lives on. I just hope the companies that still bear their names can live up to it.

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