

Hewlett-Packard in perspective



Electronics for measurement and computation...

Caught in a Pacific storm, a ship's captain checks his position using signals beamed from radio navigation stations in Hawaii. Hewlett-Packard cesium beam frequency standards synchronize the signals so precisely that the information he receives is accurate to within 100 feet.

Nurses in a New York hospital react to the beeping sound of an alarm; HP monitoring equipment has detected potentially dangerous changes in a patient's heart behavior.

A technician at a California airport uses a handheld HP digital voltmeter to quickly locate the faulty circuit in an aircraft radio, permitting repair before flight time. Across town, Hewlett-Packard gas chromatographs are operating in a food processing plant — analyzing products for impurities and factory wastewater for pollutants, with parts-per-billion resolution.

Working in an HP vibration test system at speeds approaching two million calculations a second, a Hewlett-Packard computer reveals to a European automobile designer that the source of an annoying buzz in a prototype model is surprisingly far-removed from the noise itself. In Canada, a manufacturing firm uses a computer-based multi-station communications network developed by HP to send high-speed "electronic mail" criss-crossing the continent at far less cost than postage.

Around the world, Hewlett-Packard products are at work in environments ranging from factories to research laboratories, from business offices to construction sites, from outer space to the ocean floor — making important and exciting contributions to mankind's technological progress.

Emphasis on technology

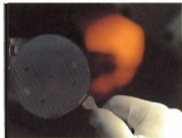
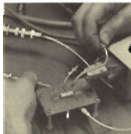
Long ago, mankind exhausted its ability to gain new knowledge using only sensory perception or mechanical devices. Now it is electronic instrumentation that largely determines how much we can observe and learn about the world and the universe.

For nearly forty years, HP engineers and scientists have been providing this type of instrumentation. They have developed instruments that measured phenomena never before measured, others that made previously difficult measurements easier, faster and more precise — and computation equipment that

has automated the test and measurement process.

Today there are HP instruments that measure and record signals as weak as a millionth of a volt, events occurring 40 billion times a second, intervals as short as 30 trillionths of a second, and differences in length as short as a millionth of an inch.

Many HP instruments make tens of thousands of measurements in a second. Using a computer, this data can be gathered, interpreted and printed out in useful form — and relationships between cause and effect that otherwise would have gone undetected become clear.



*A strong commitment
to research and development
has helped HP become a leader
in many product areas*

To maintain a flow of useful new products from its research and development laboratories, HP invests from 8 to 10 percent of its sales revenue in R&D — an expenditure that currently exceeds \$100 million annually.

More than 3,400 men and women are involved in HP's research and development effort. Nearly 90 percent of these people are with the product development staffs of HP's 30 divisions. The remainder are with HP Laboratories, the corporate research center in Palo Alto, California. HP Labs' primary objective is to provide technical support to the divisions, chiefly through materials research and exploration and application of emerging technologies.

applications in new fields

Hewlett-Packard applies its resources and skills to new product areas only when it believes it can make significant technological contributions. The company's first diversification outside its traditional

field of laboratory test equipment occurred in the early 1960s. By acquiring two firms — the Sanborn Company of Waltham, Massachusetts (a pioneer in electrocardiography) and F&M Scientific of Avondale, Pennsylvania (a manufacturer of gas chromatographs for chemical analysis) — HP was able to apply its knowledge of electronics

*HP products fill a variety of needs
in science, engineering, business,
industry, medicine and education*



to health care and chemical and analytical research.

Also about this time, HP was developing expertise in the design and manufacture of high technology solid-state components. This components activity — in addition to generating technologies and devices useful to product development efforts throughout the company — has become an important HP product area in its own right.

In the mid-1960s, the company introduced a computer designed specifically to work with its instruments. It was the forerunner of an HP family of small and medium sized computers that today performs a variety of tasks in business, education, science and industry. A similar pattern occurred in the electronic calculator field following HP's introduction of a significant new desktop calculator in 1968.

Hewlett-Packard now produces more than 3,600 products. Major product categories include electronic test and measuring instruments, computers and computer-based systems, electronic calculators, medical electronic products,

solid-state components and electronic instrumentation for chemical analysis.

a reputation for craftsmanship

Products must be of high quality to maintain a competitive position in the marketplace. At Hewlett-Packard, the responsibility for quality rests with every person in the design and production cycle — rather than solely with quality assurance personnel. Quality is built in, not inspected in.

*Each person involved
in the production process
plays an important role in assuring
the high quality of HP products*



Efforts to achieve quality and reliability begin in the laboratory with a product's design. Prior to its release for production, however, prototype models are subjected to a multitude of reliability tests to assure that the product will perform efficiently under even the most demanding environmental conditions.

Manufacturing equipment and processes are refined and updated continually to meet the exacting specifications of today's complex electronic instrumentation. Purchased components and materials are carefully screened and tested. Job training programs stress HP's commitment to high quality.

These efforts — and many others throughout the company — are directed toward upholding HP's reputation for manufacturing products that provide lasting value to customers.

worldwide customer base

Hewlett-Packard has customers in nearly 150 countries, and about half its business originates outside the United States. The company has 1,400 field sales engineers and another 5,000 people who provide field service and administrative support. They operate from 172 sales offices throughout the world.

Each field engineer is trained as a sales specialist to represent

*Many methods are used
to acquaint customers with
HP products and marketing services*



one of the company's six major product groups. These individuals work closely with factory marketing staffs to keep informed about marketing strategy, new products, and product changes.

The job of the HP field engineer is to provide customers with solutions to their measurement and computation problems. To be an effective problem-solver, the field engineer must have a strong technical background and keep abreast of new technologies through periodic training.

After-sale product support is an essential element of HP's marketing program. The company has built a worldwide network of parts and repair centers for maintenance and service — one that can respond quickly to customer needs.

HP is committed to providing products and services of the greatest possible value to customers.

*The enthusiasm
and commitment of HP people
is vital to the company's success*



Moreover, in its dealings with all people — customers, employees, suppliers, shareholders, and the public at large — the company is committed to performing with integrity, honesty and fairness.

concern for people

Today, HP has about 35,000 employees worldwide — 25,000 of whom are in the United States. Nearly half of the company's U.S. employees work in the San Francisco Bay Area, where the company was founded in 1939 and still maintains its corporate headquarters. More than half of the HP people outside the U.S. are located in Europe.

Since its founding, the company has attempted to provide HP people with the opportunity to gain satisfaction from their work, to upgrade their skills, to be recognized for their achievements, and to share in the company's success.

One way the company engenders personal involvement and sharing is through its traditional philosophy of "management by objective." This management principle places great trust and confidence in each person's ability and desire to contribute to the company's overall performance. Employees are given considerable

freedom to show initiative and creativity in their jobs — whether working individually or as a team member. In return, the company expects its employees to be enthusiastic and to continually seek new and better ways to do their work.

The concept of sharing also is evident in Hewlett-Packard's benefits program. Among these programs is a cash profit-sharing plan that was adopted shortly after the company's founding. In recent years, more than \$20 million annually has been distributed to HP people through the plan.

Important, too, are HP's efforts to create advancement opportunities for employees, and its practice of promotion from within. Preparing people for greater job responsibility is considered essential to the company's success, and HP strongly encourages and supports continuing education through both internal and external programs. Each year, more than 10,000 employees participate in company-sponsored training ranging from executive seminars and management development programs to basic job skill classes. Reimburse-

ments approaching \$1 million a year are made to HP people for courses taken off-hours at colleges and universities under the company's educational assistance program.

HP's reputation for being innovative also extends to its personnel practices. As one example, Hewlett-Packard was the first major U.S. company to adopt a flexible working hours program. "Flexitime" permits employees to begin their eight-hour workday anytime between specified two-hour periods. The program provides HP people with flexibility for scheduling family activities or personal business and helps them plan commute times to avoid heavy traffic.



outside responsibilities, too

HP is responsive to its community obligations as well. It is fully committed to being an economic, intellectual and social asset to the many countries and communities in which it does business.

Fundamental to this commitment is providing steady employment and good working conditions for employees, as well as economic support for the community through payroll and tax dollars and local purchases.

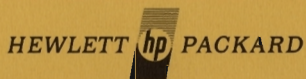
HP also participates actively in many programs aimed at meeting specific community needs. Financial and manpower assistance are provided to organizations involved in training and employment, equal opportunities, health and rehabilitation, youth guidance, low income and fair housing, minority business ventures, and charitable activities. The company also has voluntarily initiated a wide range

of pollution control and energy conservation measures at its plants and offices.

It always has been HP's intent to work innovatively to satisfy customers with technical products of high quality, to provide employees with opportunities for job satisfaction and career advancement, and to enhance its plant communities with attractive buildings and creative programs for social and economic betterment. And it is toward these objectives that HP and its people direct their energies and exert their best efforts.



HP responds positively to environmental, educational, economic and social needs within its plant communities



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