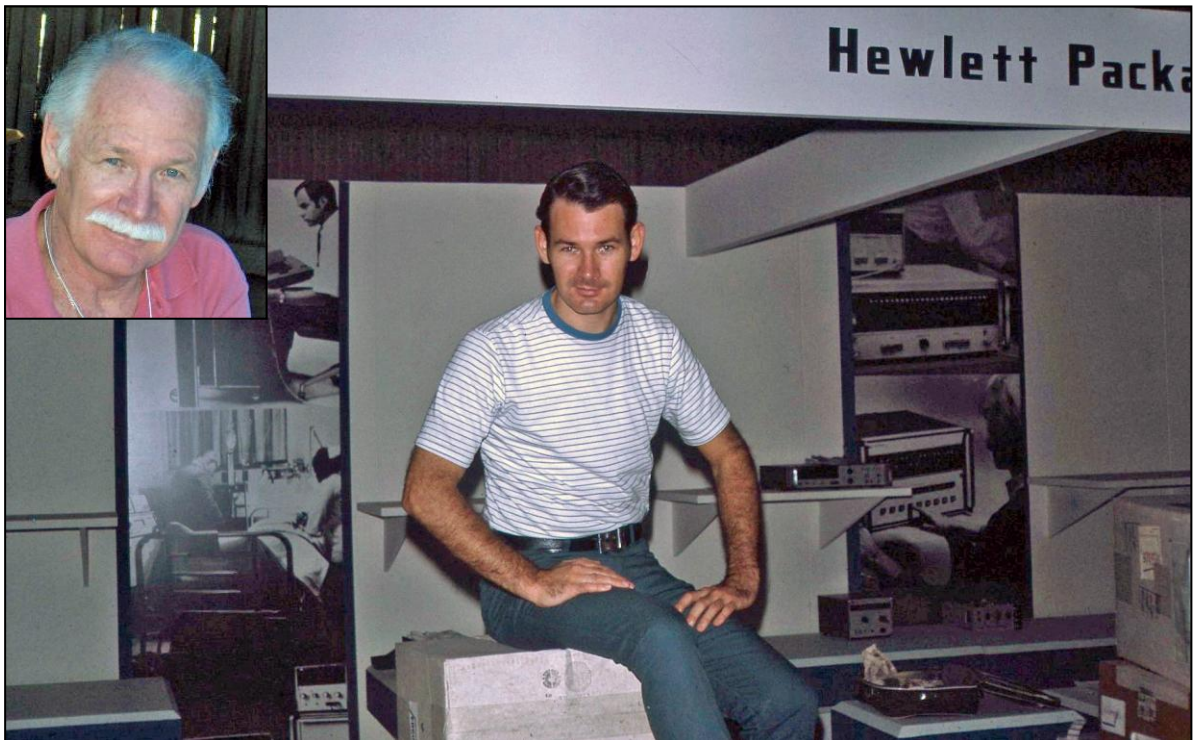


HEWLETT PACKARD IN THE MIDDLE EAST

PREFACE

The purpose of this document is to share some of my experiences, both personal and professional, while working for Hewlett-Packard Europe (HPSA) in the Middle East and North Africa from the beginning of 1974 through 1977. I was the founding manager of the customer service organization at HP's Mediterranean and Middle East Headquarters operation based in Athens, Greece. As one of the "start up" managers to have survived the early years of this operation I am uniquely qualified to write this story and thanks to Anne Jaquenod, my secretary at the time, who maintained a complete "chron file" of all my correspondence, I have a comprehensive history of my activities from which to paint an accurate picture of the trials and tribulations of the participants. Also, thanks to my interest in photography I have hundreds of photos to enhance my account of events that took place during those years. I have supplemented these with business cards as well as extracts from newspaper and magazine articles that were collected at the time and filed away with my other memorabilia. I have also relied on a few reference books⁽¹⁾ and internet sources for supplemental material and to check my facts.....such as the timing and other details associated with many of the events that I experienced. It has taken more than 36 years for me to find the time necessary to organize everything into a story that I think is worth telling.....and at the age of 71 there isn't much time remaining for me to tell it.



The content of this memoir is very broad, moving back and forth between memorable episodes in my professional life as well as my personal life, including the retelling of several experiences that come close to resembling National Geographic travelogues. I know that my adult family members and close friends will find this story of interest and, perhaps, a more focused and greatly edited version may eventually reach a wider audience of people who have an interest in HP history, especially those who have spent a portion of their careers in international management positions and/or in customer service.

This document is not meant to resemble in any way the usual upbeat and informational histories that have been written about Hewlett Packard in recent years. With few exceptions this is an unvarnished recollection of my experiences, which cover the entire range of human emotions, while working and traveling in the Middle East. The story also serves to provide an 'expose' of what went on behind the scenes.....unforeseen events, challenging conditions that existed in the territory, organizational restructuring, politically expedient decisions, less than competent managers.....and how the unwillingness of HP's European top management to follow through on their initial decision to heavily invest in developing the Middle East and North Africa led to the premature, painful, disappointing down-sizing and eventual shut down of the operation.

After HPSA's Middle East business development plan was well into the implementation phase the original long-term commitment to invest in the area was abandoned when new managers came to power in Geneva after the company restructured in 1975. From HPSA's revised perspective profit generation once again became the primary objective for the HP Athens operation and was to be achieved through cost cutting. This sudden change in direction created a great deal of confusion and conflict as HPSA began putting pressure on Athens management to down-size the new organization.....while continuing to grow the business. These incompatible objectives resulted in the incomplete implementation of plans to develop the Mediterranean and Middle East operation into a stand-alone sales region that would dramatically expand the availability of HP products and quality service throughout the area. The progress we did make was achieved at significant cost, which was initially acceptable per the original plan, but became unacceptable when HPSA profits began to suffer. In the end, instead of being congratulated for a job well done under extremely difficult circumstances, the HP Athens management team was blamed for the losses and this left a lingering mark on the reputations of everyone involved.

My department came under the most pressure due to the high cost associated with building a service organization from the ground up. The other managers did not have to worry about the immediate acquisition of numerous expatriate (experienced) service engineers to deal with the existing and extremely unhappy customer base, which I inherited, or with the purchase of test equipment and the creation of a large replacement parts inventory. My ability to comply with HPSA's decision to reverse course and downsize the organization were impacted by what I like to refer as the "flywheel" effect: Once we began investing momentum quickly built to such an extent that there was no way to easily turn things around. There were just too many necessary irons in the fire and too many dependent customers. The product orders that we received from our own efforts and those of other HP sales offices shipping into the area had to be serviced regardless of the cost. Simply stated, my ability to control the service operation's expenses was limited. Like the proverbial tail wagging the dog, the cost of providing service was heavily influenced by events that were beyond my direct control. When forced to make a choice between profits and keeping promises to our customers I came down on the side of the customers, which I viewed as a moral imperative. Time has proven that I made the correct choice. This is evident from the number of successful HP subsidiary operations that exist in the Middle East today.....unhappy customers do not result in more business. However, at the time, my choice to keep the customers happy above all other considerations made me very unpopular with the new regime in Geneva, which is quite evident in the following story.

This document is basically a diary and as such the events are, for the most part, presented in chronological order.....although I have tried to not let my tendency to over-organize everything I touch get in the way of telling a good story. For additional clarity I have utilized an outline style format. Regarding content, to orient non-HP readers I briefly delve into some early HP history as well as my small contribution to it as my career evolved. This may be boring for people with an HP background but I feel that it is necessary for everyone to be on the same page before going deeper into the subject matter. I then move on to the collection of unusual people that I encountered, the unique places that I visited and the memorable events, both personal and professional, that I experienced over the 4-year period while living in Athens and traveling throughout the Middle East and North Africa. I have also spent some time providing a brief history of the area and the places I visited in order to give the reader an informed perspective of the challenges facing not only the organization but also the employees whose difficult job it

was to sell and service HP products in this misunderstood, volatile and often (and still) very dangerous part of the world.

As I proceed through the events of my time in Athens I make no attempt to be “politically correct” and to let sensitivities get in the way of the facts. The facts may sometimes may not be pleasant, but they never-the-less represent the truth. Also, I should advise the reader that this story contains some colorful language, but I have tried to limit its use to times when it was necessary to emphasize a point or to present quotations from other individuals.

Before beginning, I need to warn the reader that I am in no way an experienced writer, as you will soon see. If my college English professor read this document he would have a coronary. I often change tenses in mid-sentence, regularly end sentences with a preposition and have a little trouble figuring out when to capitalize certain nouns. My shortcomings aside, as this is never going to be a Pulitzer Price winning classic I am just going to allow my thoughts and memories to flow and hope that the reader will make allowances for my mistakes.

Also before continuing I would like to point out that to avoid confusion I have tried to standardize some of the nomenclature. For example, as many of the technical people that I hired had differing job titles, such as service engineer, customer engineer, field service engineer, and service technician, etc., for my purposes I have settled on just one, “service engineer”. Even so, throughout the story I often tend to use more than one description for the same thing, such using HPSA, HP Geneva and Geneva as well as interchanging someone’s first and last names in the same paragraph. I would also like to note that many Arabic words, but primarily the names of the many individuals mentioned in this story, often have multiple spellings. For example, Feisel=Faisal, al-husani=al-husayni, etc. However, generally speaking, most things should be clear, but in those instances when they are not, I will have to rely on the reader’s intuitive ability to make sense of it all.

The greatest lesson I learned from my Athens experience is to be careful what you wish for. The decision to pursue the service manager’s assignment in the Middle East was motivated by my personal desire to live in Greece while learning more about the Middle East, an undeveloped and misunderstood area of the world with growing economic and political importance, where few “westerners” had ever ventured. The price for acquiring this personal knowledge and experience was the near impossible task of building an organization that could provide HP quality service throughout a territory that encompassed 20 countries of differing cultures, customs, languages and religions covering several million mostly inhospitable square miles.

I decided upon “Choices and Consequences” as the sub-title for this work because it best describes the common thread that runs through the entire story. The decision to pursue the assignment in the Middle East was a choice that I made and therefore the personal consequences of that decision are mine. Likewise, the decision to heavily invest in the Middle East belonged to HP and therefore the company had to bear the consequences of that miscalculation. Unfortunately, the consequences I experienced were more damaging than those experienced by the company. For the company it wasn’t personal, just expensive. For me it was personal. While the company just wrote off the cost and the bad experience it took awhile for my career to recover. But it eventually did. ■

(1) The Kingdom by Robert Lacey
The Arabs by Eugene Rogan
From Beirut To Jerusalem by Thomas Friedman

