

Bill & Dave
How Hewlett and Packard Built the World's Greatest Company

by Michael S. Malone

A Business Biography of Two Men of Character

Bill Hewlett and Dave Packard achieved what businessmen rarely do: They started, built, and ran until their retirement one of the world's great companies – and remained friends while doing it.

What distinguishes their lives and their company more than anything else, says author Michael S. Malone, is the fact that Bill and Dave “almost always made great business choices” because they were men of character. Bill and Dave were two men who stood in stark contrast: Hewlett was short, fearful of failure, technically brilliant. Packard was tall, unfailingly successful, a diplomat and industry statesman. Despite their differences, the pair became friends who shared common values before they became business partners.

Malone tells their story in a way that captures the reader's interest by offering rare insight into both men's lives, personalities, and business experiences. Malone worked for Bill and Dave at Hewlett-Packard (HP) and then interviewed Packard in his last days at the company. The author was also granted access to private archives.

HP began when Bill and Dave incorporated in January 1939. They did, as legend would have it, start in a garage in California. Their first product, developed by Hewlett himself, was an audio oscillator. They named it the “200A” because they wanted the product to sound like “the latest in a long line of products from a mature enterprise.” They actually priced it arbitrarily and ended up losing money on every sale. But the popularity of the 200A was the foundation they needed to get their company off the ground.

Malone traces the growth and success of HP through the next six decades, from its early beginnings, to its going public in 1957, to the heady days of the Seventies when, despite a challenging world economy, HP thrived. We learn about the inevitable layoffs that later became common in the technology world, the birth of the HP-35 calculator, considered HP's greatest product, and the ill-fated tenure of HP CEO Carly Fiorina, who led HP to acquire Compaq Corporation.

We also learn some intriguing pieces of HP history, including the fact that Steve Jobs' eventual partner at Apple, Steve Wozniak, worked at HP for more than three years and expected “a long and rewarding career as a Hewlett-Packard technician” – until Jobs came calling and changed Wozniak's life forever.

Most importantly, however, we learn of the relationship of Bill and Dave and how it forged a company that was as much a vanguard in business innovation as technology advances. It was HP that pioneered the concept of “Management By Walking Around,” celebrated in the book, *In Search of Excellence*. It was HP that created the family

environment among employees for which technology companies would later be known. It was HP that innovated the “Open Door Policy”: Any employee with a concern or complaint had the right to approach their immediate supervisor and take the issue up the ranks of the company if it wasn’t satisfactorily addressed. It was HP that played a key role in establishing standards in the electronic industry, such as the IEEE-488 interface bus.

It was HP that, as early as the Fifties, created an employee stock purchase plan. This was a particularly influential move, according to Malone: “If indeed it can be argued that the history of Silicon Valley and modern high tech is really the story of stock ownership... then it all begins with Hewlett-Packard and its munificent (and clever) methods of transferring stock ownership to its employees.”

In sum, the HP experience became known as “the HP Way” – the unique combination of values, corporate objectives, plans and practices that made Hewlett-Packard an exceptional company.

Why We Like This Book

Michael Malone does an admirable job of weaving together the personal and business lives of the HP founders. He offers the reader an insider’s perspective on Bill and Dave, yet provides sufficient detail about HP so the reader always sees them in the context of their company.

Perhaps the most useful aspect of the book is the technique the author chooses to simultaneously tell the story of Bill and Dave while imparting lessons to the reader. Malone asterisks those sentences that relate the key lessons and decisions of the two men’s career; then he compiles these sentences into a single appendix, with page number references, at the back of the book. This way, a reader can enjoy the story without worrying about highlighting the essential learnings, since the author has done all the work for the reader. It’s the kind of creative innovation Bill and Dave would have applauded.

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