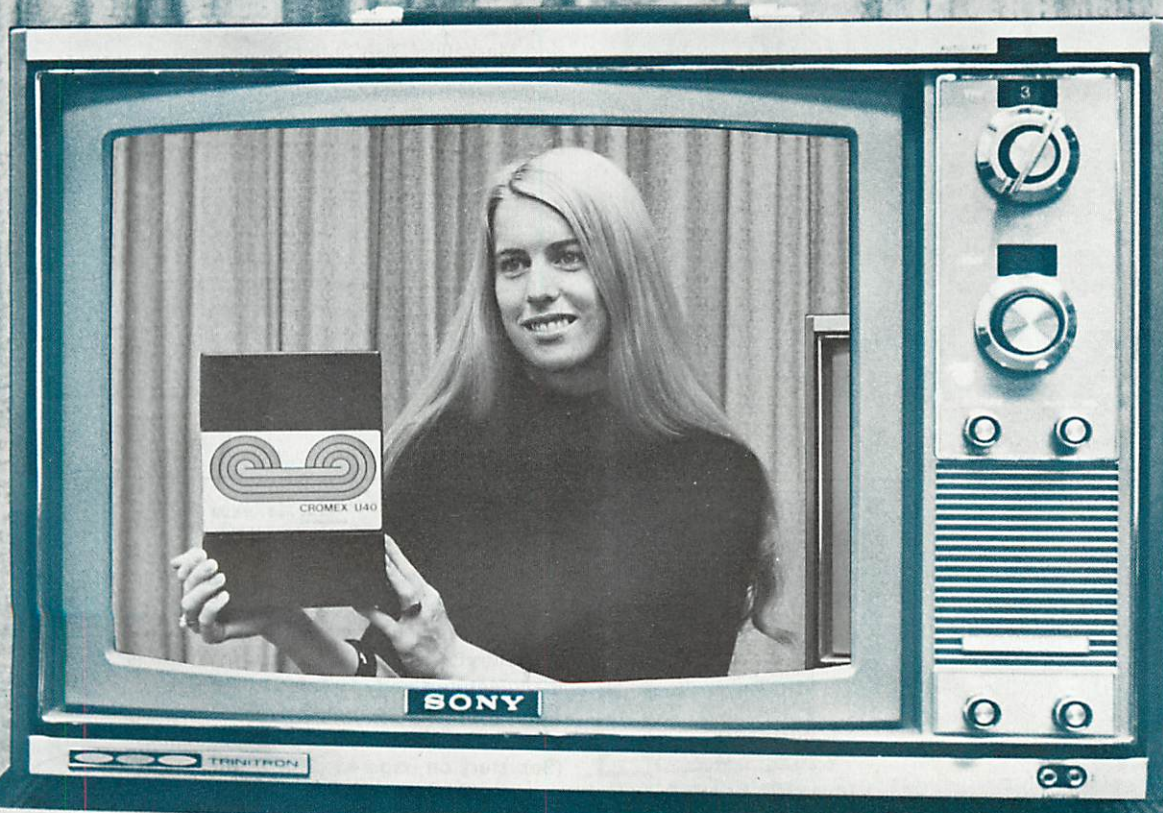


Memorex Announces Video Cassette Licensing Agreement With Sony



INTERCOM

Computer Disengagement Program Begins; Company Will Sell Returned Systems

In connection with its announced July 6 decision to phase out of computer systems, Memorex has reported that it is taking care to meet customer needs in a manner consistent with its disengagement program.

The company has reached certain decisions regarding the gradual termination of MRX/40 and 50 systems activity which it is communicating to its customers through its sales force. Additional determinations will be announced as soon as they are finalized.

Any customer with an MRX computer system on rent, on site but not on rent, or on order, may end his obligations to Memorex, or terminate his use or order for the systems program, immediately and without

penalty, said **John J. Kramer**, Vice President and General Manager of Equipment Marketing and International Operations.

He stated that the company will terminate computer systems on rent for which there is a fixed lease term immediately upon the effective end of that lease. There will be no renewals or continuances of any lease beyond its present term.

Memorex is prepared to fulfill all obligations for equipment which is presently on rent, although the company must cut back on computer products future developments.

"All proposals to customers have been revoked and withdrawn, and no new lease

orders will be taken for the MRX/40 or 50 computer systems," Kramer said.

Regarding the disposition of the systems, Kramer reported "Memorex is presently prepared to sell an MRX/40 and/or 50 without long term on-going support for either hardware or software. Terms of each sale will be subject to negotiations.

"Therefore, the approximately 100 MRX 40 and 50 systems that have been built will be actively marketed for sale in the United States and Europe to prospects who do not require long term support commitments from Memorex, especially to multiple systems users and educational and research facilities," Kramer said.

Kelly Named Vice President Of Newly Formed Product Marketing Services Group

Jack Kelly, formerly Vice President of Field Support, has been appointed Vice President of the newly formed Product and Marketing Services group. Kelly will report to **John Kramer**, Vice President and General Manager of the Equipment Products Division.

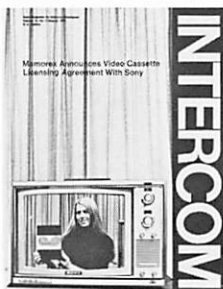


The purpose of the new group is to consolidate and improve Support and Services activities for U.S. Marketing and International Operations. It includes Field Engineering, Equipment Marketing Operations, and Marketing Distribution.

Jack Kelly's expanded responsibilities has led to the creation of a new position, Director of Field Services. **Don Snider**, formerly Manager of Region 2, has accepted this position and will be responsible for Domestic Equipment Field Service. He will report to Kelly. Reporting to Snider are Field Support Regional Managers: **Jim Tyson**, Western Region; **Doug Speed**, Central Region; and **Tom Owen**, Eastern Region.

INTERCOM

Editor: William D. Bellou



On The Cover:
Displaying the new Memorex Cromex Video Cassette Tape for both color and black and white recordings is **Gayle Clark**, Executive Secretary. Cromex Video Cassette Tape is manufactured and marketed in the Sony $\frac{3}{4}$ inch U-Matic format through a licensing agreement with Sony Corporation, Japan. (See story on page 4.)

Consumer Products Division Exhibits At Seventh Annual Consumer Electronics Show In Chicago

Memorex's Consumer Products Division put on a display of consumer salesmanship during the Seventh Annual Consumer Electronics Show held in Chicago recently. The Consumer Electronics Show (CES) is held every year to introduce home entertainment products, merchandising programs and promotion campaigns to thousands of retailers and consumers.

This year, a striking booth displaying the new MRX₂ Tape; a video tape presentation of Memorex's new merchandising program and advertising campaign; and Penthouse Pet Marian Maylam, provided a lot of excitement and a large number of sales orders.

"I'm very pleased with the reception of our products and sales promotion programs," said **Barry Berghorn**, CPD's director of sales. "Sales orders written during the four-day show increased 250 percent over last year," he said.

Berghorn said the international market has taken a far greater interest in Memorex tape products this year, and subsequently many foreign distributors are currently negotiating for distributorships to supply Memorex products to consumers in their respective countries.

With Penthouse Pet Marian Maylam handing out promotional material, a steady stream of customers and prospects stopped at the Memorex booth. The Consumer Products Division sales force then displayed their consumer salesmanship, talking to customers and writing sales orders. Each region of the CPD sales force was represented at the show.

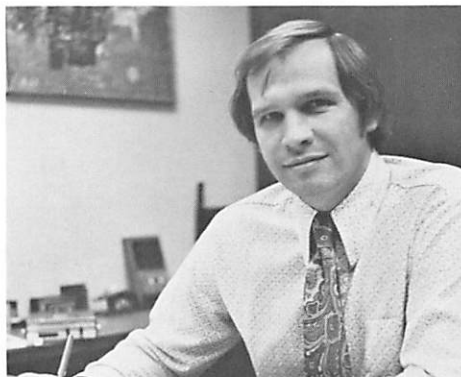
Promotion and Advertising

The Consumer Products Division's latest sales promotion program, which was introduced at the show, includes a pre-priced sale of two C-60 MRX₂ Cassettes in a bag at a reduced price. The promotion technique encourages consumers to buy several cassettes at a time.

National television programs, including the (CBS) Late Night Movies, Sports Spectacular, and NFL Football; and the (ABC) Midnight Special and the Dick Cavett Show will carry Memorex commercials. In addition, a full schedule of magazine ads will appear in *High Fidelity*, *Penthouse*, *Playboy*, *Rolling Stone* and *Stereo Review*.



Roy Nelson (r), supervisor for CPD's engineering and R&D, presents an interesting evaluation of the frequency response range of Memorex audio tape to a CES visitor. The presentation was made by means of a real time analyser, which can display the frequency response range of any audio tape and compare frequency characteristics of competitive tapes.



Penthouse Pet Marian Maylam, hands out promotional literature and a Memorex poly bag to a prospective customer at the Seventh Annual Consumer Electronics Show held in Chicago. Memorex sales increased 250 percent from last year's show.

BARRY BERGHORN



CES visitors to the Memorex booth view a video tape presentation of the new MRX₂ Oxide Tape and Consumer Products

Division's new advertising and sales promotion programs.

Memorex Announces Video Cassette Licensing Agreement With Sony

Memorex announced it has entered into a licensing agreement with Sony Corporation, Japan, that gives Memorex the right to manufacture and market video tape cassettes in the Sony 3/4 inch U-Matic format. U-Matic is the registered trademark of Sony Corporation.

Under terms of the agreement, Memorex has received all the technical specifications for the U-Matic cassette and tape, and is allowed to use the U-Matic trademark in its marketing activities. Memorex currently manufactures chromium dioxide video tape for use in the U-Matic cassette under the trade name Cromex for both color and black and white recordings.

"The agreement will insure that Cromex video cassettes, manufactured by Memorex, meet the exacting quality specifications of the Sony U-Matic Video Tape Recorder," said **Dave Berry**, professional division product manager.

"Under the agreement, Sony will inform Memorex of any changes to the U-Matic cassette which will improve its performance," said Berry. "This will allow Memorex to offer its customers the most up-to-date cassette available."

The Cromex video cassette uses a chromium dioxide tape formula which provides for slower tape speeds and improved picture quality. The new Cromex cassette, which joins Memorex's line of broadcast and closed circuit video tape, is expected to have excellent sales potential in the educational, industrial and home entertainment markets.



Jacobs Named Director Of Information Systems

Neil Jacobs has been named Director of Information Systems, announced **H. J. Krauter**, Vice President of Finance. Jacobs replaces **William Taylor**, who has accepted a position with National Share Data Corporation as Vice President and General Manager of their midwest region operations.

In making the announcement, Krauter said Jacobs' extensive experience in dealing with information systems from a user standpoint makes him ideally suited to carry on

the service-oriented operations for our Information Systems Group.

Jacobs, who has been with Memorex for approximately four years, has held various key manufacturing roles, the latest of which was director of Storage/Controller Products Manufacturing. Prior to his last assignment in Manufacturing, he served as director of Materials for Equipment Products. Jacobs was with IBM Corporation for more than 13 years prior to joining Memorex.



Goal Setting, Time Management and Teamwork: Three Key Elements Of Success

Editor's Note: The following is a digest of a speech by **Philippe Yaconelli**, Vice President of Media Marketing, which he gave at a recent Memorex Media Manufacturing Conference held in Palo Alto. In his speech, "Three Elements Of Success," Yaconelli makes some interesting observations about three important characteristics of individual success: goal setting, time management and team work.

"We are all born with approximately 100,000 working hours and that's it. Why then are some people fantastic successes, others normal or average, and yet others dismal failures? Being a 'genius' is not the answer, as there are a higher number of failures among people with high IQs than among people who fall into the norm. If your 'yardstick to success' is money, education is not the answer. In the U.S. today there are more millionaires with a high school education or less than there are millionaires with a Ph.D.

"The key difference between being average or outstanding is so simple, it is often overlooked. **There are only two things that any human being has going for him: His time and his attitude.** Many experts agree that a person's life is determined by his mental attitude.

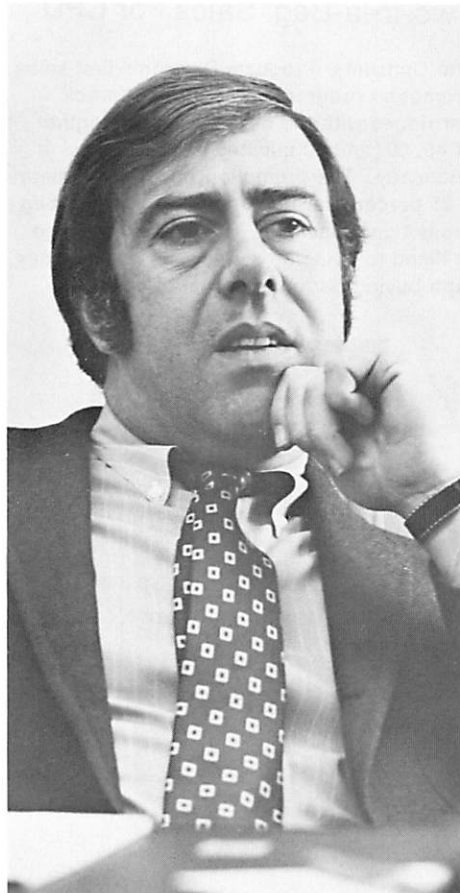
GOAL SETTING

"Most people spend more time each year planning their vacations than their lives. When was the last time you sat down and said (and wrote it out) here are my goals for the next year, two years, five years, etc. Having once defined and aggressively pursued a set of goals almost guarantees they will be obtained. How they are obtained is more difficult than the execution of the plan itself.

"There are two books that provide a detailed understanding of goal-setting techniques which I fully recommend: **Think and Grow Rich**, Napoleon Hill and **Success Thru A Positive Mental Attitude**, Clement Stone/Napoleon Hill.

PERSONAL TIME MANAGEMENT

"Personal time management is another important element to success. It is imperative your time is spent doing what you do best. To illustrate this point, I would like to cite the following example:
In a small town a lawyer bills his time at\$75/hour
He also envisions himself as the best legal



secretary in the town and does his own secretarial work. The second best legal secretary in the town sells time at\$15/hour
She also feels she is the best seamstress in town and makes all her own clothes. The second best seamstress in the town charges\$5/hour
She also feels she is the best cleaning woman in town and cleans her own store. The best cleaning woman in town charges\$1.65/hour
What does it cost the lawyer to do his own secretarial work? \$75/hour! If he were working, that's what his income would be. The same applies to the legal secretary. Her clothes cost her three times as much as they should.

"This concept of spending your time in doing that which you do best is called marginal utility. As we established, the lawyer's highest marginal utility is legal work. His second highest marginal utility is **marketing**, not legal secretary work! The lawyer markets future hours to \$75/hour. This maximization of our future time is of

extreme importance. We must all ask ourselves, 'Am I using my greatest marginal utility?'

GETTING ALONG WITH OTHERS

"The one common denominator to all success is other people. Scientific studies have proved that by learning how to deal with people, you will obtain about 85 percent success in any business, occupation, personal endeavor or profession. We must learn the art of human relations in a way that our egos and the egos of others remain intact.

Three Studies Reveal The Importance Of Getting Along With Others

"The Carnegie Institute of Technology analyzed the records of 10,000 people and concluded that 15 percent of individual success is due to technical training, knowledge, and skill on the job; 85 percent is due to personality factors such as the ability to deal successfully with people.

"Harvard made a study of thousands of men and women who had been fired. They found that for every person who lost his job for failure to do the work, two persons lost their jobs for failure to deal successfully with people.

"Dr. Albert Wiggam in his famous syndicated column **Let's Explore Your Mind**, says that out of 4,000 persons studied who lost their jobs, 400 (10 percent) failed because they could not do the work, and 90 percent failed because they had not developed the personality for successfully dealing with other people."

Remember these five key points:

"Establish some meaningful personal and business goals.
Effectively use your time in doing that in which you are best.
Develop the ability to deal with people.
Learn the meaning of teamwork. Be a team player. Help the other guy score.
Lastly, be creative and use your imagination. Don't settle for 'We don't do it that way here.'

"In conclusion, **success is a comparison of where you are compared to your own potential!** It is not a destination; it is a constant journey. As an individual you constantly grow to be the person you want to be. Success is yours for the asking, all it requires is a commitment from you to yourself."

News In Brief

Scale-down Of Memorex Operations Reduces Work Force By 1000

Memorex's employment reduction has reached approximately 1000 people with the news of another layoff made August 17 of approximately 300 employees. The reduction occurred in all levels of the organization. Of these 1000, 400 have been contract employees.

The work force cut-back was made because of decisions to reduce the scale of on-going equipment operations, including the termination of Memorex's computer systems program. Employee layoffs are now largely completed.

New FSR Newsletter Will Report On Field Activities

A new Field Support Newsletter is being issued to keep Field Support personnel informed about changes in their organization. The newsletter's content will relate to Field Support activities plus company news which is of specific interest to Field Support personnel, according to **Nancy Crippen**, Editor. "The FSR Newsletter will feature articles concerning product maintenance, promotions, regional news, and messages from **Jack Kelly**, Field Support vice president, and others," said Mrs. Crippen. **If you are interested in contributing information concerning the Field Support organization, please submit it to Mrs. Crippen at M/S 00-32, 1200 Memorex Drive, Santa Clara, Ca. 95052.**

Snider Appointed Director Of Memorex Field Services

Don Snider has been promoted to Director of Field Services, announced **Jack Kelly**, Vice President of Field Support. Snider will be responsible for all Domestic equipment field services. He joined the Memorex Field Support organization in the Western Region and later assumed the position of Regional Manager for Region 2. Most recently, he has been on special assignment in Santa Clara.

'Two-in-a-Bag' Sales For CPD

The Consumer Products Division's first sales promotion program for Memorex 8-track cartridges with the new recording lengths of 40, 60, and 90 minutes is currently underway. The promotion offers consumers a 25 percent savings through a **two-in-a-bag** promotional package. The special package is timed to coincide with the peak consumer tape buying period of the late Summer.



Hazard Promoted To Manager For Equipment Warehouse

Art F. Hazard has been promoted to Memorex Equipment Warehouse Manager reporting to **R. J. Walter**, manager of distribution. In his new assignment, Hazard will be responsible for all Equipment Warehousing and Receiving activities. He joined Memorex in 1970, and has served in a number of production control positions.

First Customer Shipment Of 360 Attachment Feature For 670 Disc Subsystem

The first customer shipment of the new 360 attachment feature of the Memorex 3670 Storage Subsystem occurred recently. The feature, a joint effort of Systems Development and Storage Systems, allows attachment of the Memorex 3670 to the IBM 360 model 65 CPU and up.

R. J. Walter Becomes New Manager Of Distribution

R. J. Walter has been named manager of Distribution reporting to **H. Nagakura**, Vice President of Material Operations. Walter will take charge of domestic equipment and media products distribution, equipment warehousing, and salvage activities. Walter was formerly manager of Santa Clara PCB Manufacturing.

Component Engineering Issues Semiconductor Catalog For Reference

The Component Engineering Department has recently issued a catalog listing all the semiconductors used by Memorex. The purpose of this catalog is to provide an easy reference to released devices and to promote the usage of those devices designated as preferred. All devices are separated into functional groups and coded for easy reference. The catalog which is the first in a series that will reference all commercial components, is available to all Memorex Engineering Groups upon request.

Krueger Promoted To Manager Prod. Planning And Material Control For Disc Pack Plant

Merle Krueger has recently been promoted to Manager of Production Planning and Material Control for Disc Pack, announced **R. M. Bourgerie**, Vice President of Media Operations. Krueger joined the company in 1964 as production control supervisor for the Disc Pack launch group.

McDonald New Tech Process Supervisor For Disc Pack

Dave McDonald has assumed the position of Supervisor Tech Process for the Disc Pack Plant. McDonald, who joined Memorex in 1969, took part in the development of the Mark X Disc Pack.

Memorex Employees Celebrate Anniversaries

5-Year Anniversaries

The following employees have marked his or her fifth anniversary with Memorex. These employees will receive five year pens in recognition of their contributions to the company.

James Applequist
Jerome Ashford
Delmar Blevins
Hendrik Brandt
Patricia Buckham
Douglas Campbell
Carl Carlson
Lowell Carpenter
Sayoko Cashion
Richard Duerksen
Marie Endecott
Albert Flores
Frank Gentile
Mildred Germanich
Ole Haaland

Knowlton Harrell
Lettie Harris
Don Herd
Richard James
Carolyn Johnson
Margaret Kelly
William Krum
Rita Lara
Adrienne Lussier
Irvin Masserant
Howard Olson
Louis Pelkey
Thomas Sayers
Rhonda Taylor
David Weeks



Elizabeth Reulman, Consumer Products assembly operator, was presented an engraved clock honoring her 10th anniversary with Memorex at ceremonies held recently at the Consumer Products Plant. Ron Grindstaff, CPD manufacturing man-

ager and Art Fonda, director of CPD operations, made the presentation in recognition of Mrs. Reulman's contributions and participation in the company's growth. Mrs. Reulman joined Memorex July 25, 1963.

Promotions

Eric Anderson to Molding Technician Trainee
Jay Bailey to Technical Associate
John Barber to Manager, Technical II
John Beck to Department Manager, II Manufacturing
Richard Bigotti to Manager, Technical I
Scott Boyle to Sales Representative II
Vernice Branshaw to Department Manager, Manufacturing I
Evan Briggs to Manager, Production
Lyndia Chandler to Data Processing Control Clerk B
David Chase to Department Technician, Fabrication Testing
James Chatman to Placement Specialist
Walter Conway to E/C Analyst
William Cutler to Manager, Memorex Brazil
James Dershem to Territory Supervisor
Charles Dunker to Non-Technical Director
Milton Dupre to Manager, Technical II
Tomas Dupree to Inprocess Inspector A
Evelyn Evans to Manufacturing Engineering Aide

Ronald Fernandez to Department Manager, Production Control
Gail Francis to Secretary A
Jack Gibbs to Department Technician, Assembly
James Haley to Department Manager, Manufacturing I
Donald Higginbotham to Manager, Systems Design Group
Lemuel Hollins to Electronic Technician A
Billy Hughes to Export Specialist
William Jeremiah to Sales Representative
Stephen Joesten to Chemical Technician C
Ginger Johnson to Inprocess Inspector C
William Joseph to Refrigeration & A/C Technician
Joseph Kenik to Field Support, Field Manager
Gyula Kish to Territory Supervisor
Lucille Kramer to Sub-assembler
Merlen Krjeger to Manager, Planning & Control
Jack Lake to Senior Electronics Maintenance Technician
Howell Lowe to Manager, Mechanical Engineering
Jack Ludwig to Senior Systems Engineer
Ray Luevano to Engineering Technician A
Joseph Machutes to Production Control Specialist
Christine Martino to Order Correspondent B
Michael McCamish to Maintenance Technician C

Charles Morel to Senior Systems Engineer
Ronald Morosco to Master Scheduler I
Ramchand Nagpal to Manager, Production Control
Charles Newcomb to Department Technician, Fabrication/Testing
Robert O'Brien to Inprocess Inspector A
Celeste Paquette to Accounting Specialist B
Donald Racine to Manager of Video, Quality/Assurance
Joseph Reinhard to Engineer II
Oscar Rico to Engineering Specialist
Jack Sanders to Maintenance Technician C
Jerline Scheibli to Food Services Administrator
Ronald Singleton to Principal Engineer
Joanna Solorzano to Manufacturing Engineering Aide
Daniel Tanner to Supervisor, Fabrication
C. Suzie Taylor to Technical Publications Text Preparation Specialist
Alan Thorbjornsen to Department Manager, Engineering
Marilyn Toto to Executive Secretary
Robert Walzberg to Inprocess Inspector A
John Weathers to Department Manager II, Manufacturing
Glenn Wike to Department Technician, Assembly
Jerry Williamson to Mechanical Technician A
Clyde Williford to Supervisor, Finishing Operations

INTERCOM

MEMOREX CORPORATION
SAN TOMAS AT CENTRAL EXPRESSWAY
SANTA CLARA, CA 95052

INTERCOM COM-LINE

What is the "E" pennant on the flagpole in front of Corporate Headquarters?

The "E" pennant was presented to Memorex in 1968 by the U. S. Department of Commerce for the company's contributions to the U. S. Export Expansion Program through its increased export sales of magnetic tape and disc packs.

How much money is Disc Pack Division making? With the crisis of Memorex being so much in the red, what are our chances of being laid off and how soon?

With regard to your first question, it is Memorex's policy, as well as most companies' policy, not to divulge profitability numbers relative to individual product lines. This policy has been established to protect

Memorex from the competitive advantage we would give to our competitor if we were to divulge this type of information. However, I can assure you that our worldwide Disc Pack business is very substantial and very profitable.

With regard to your second question, although we all have concern for the Corporation's financial position, there need be no concern about the viability and profitability of our Disc Pack business. As a matter of fact, we will be increasing substantially the output of our Disc Pack plant through the balance of 1973. Probabilities of a layoff are nonexistent in the foreseeable future.

Would Memorex consider setting up training classes for assemblers and electronic technicians on Saturdays which would be conducted by volunteer Memorex employees? Students could be recruited from organizations such as Opportunities Industrialization Center. The training would be an asset to both Memorex and the community as a whole.

The company is now looking into new ways of expanding both its established in-house technical training and after-hours education

First Class Mail

programs. We recognize that one of our greatest needs at this time is for well-trained operators and technicians, and your suggestion of holding Saturday classes may help fill this need.

Memorex is heavily involved in the Opportunities Industrialization Center and Service Employment Redevelopment Programs in San Jose and on the Peninsula. This involvement has been in the areas of actively recruiting their graduates and assisting their teaching staffs.

Our Training Department is now looking into the possibility of implementing your suggestion.

COM-LINE is an open and anonymous communications channel available to all Memorex employees. Questions are limited to those regarding company policy and practices. To participate in COM-LINE, write or type your questions and send it via inter-office mail to Editor, INTERCOM Magazine, M/S 12-33. If you have any questions concerning COM-LINE or any other material appearing in INTERCOM, please write or call the Editor, Ext. 7-2200.

Comdata Holds Catalina Day Activity

Catalina Day, a MAG sponsored get-together activity, was held last month for the employees and families of Comdata, a Memorex Division located in Santa Ana, California. The day long activities included a cruise on the Long Beach around Catalina Island. A good time was had by all.

