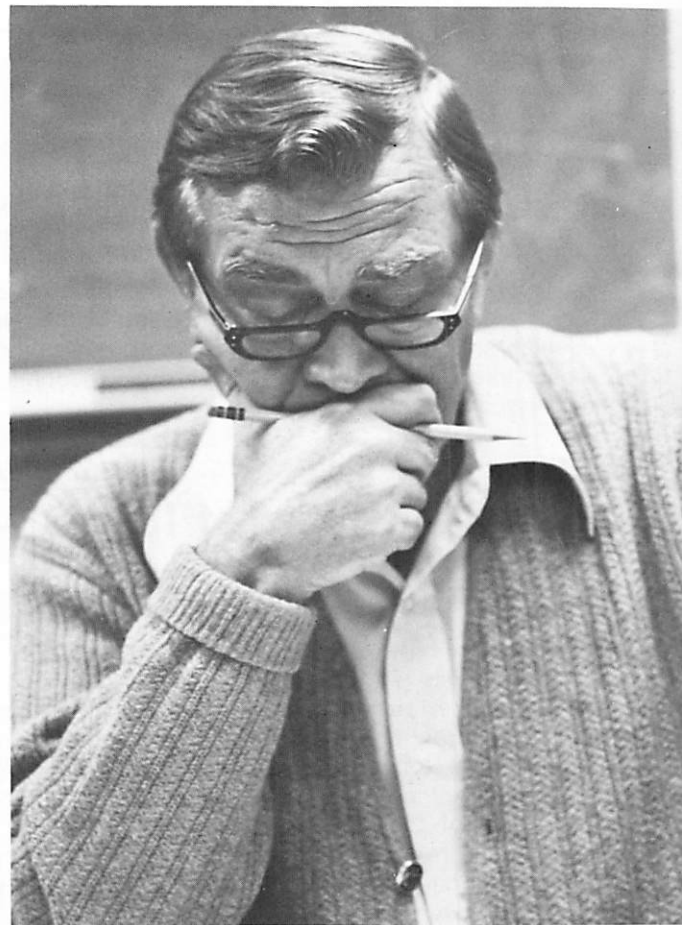
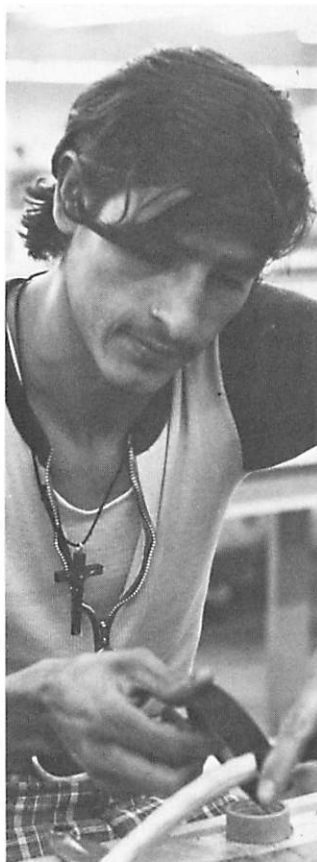


INTERCOM

A newsmagazine for Memorex people everywhere

Volume 14 / No. 1 / February 1977



Memorex in Mexico

See page 6



Jaunich, Dobbie appointed executive vice presidents

Two Memorex vice presidents have stepped up to new positions. James Dobbie, formerly Vice President of Computer Media, has been named Executive Vice President, Equipment, and Robert Jaunich, formerly Vice President, Consumer & Business Media, has been named Executive Vice President, Media. They will join President Robert Wilson in a newly created Office of the President.

In announcing the promotions, Wilson said, "Their principal responsibilities will be for the operating results in Equipment and Media. In addition, they will contribute to overall corporate plans, strategies and tactics." He said the new posts represented "a natural evolution in the organizational structure as Memorex maintains its rapid growth."

Although both Computer Media and Consumer & Business Media will report to Jaunich, they are being maintained as separate business entities. Jaunich shared some ideas about the organization and its products in a recent interview. Executive Vice President Dobbie will be featured in the next issue of *Intercom*.



Robert Jaunich
Executive VP, Media

Lunching late, jogging early

Media VP talks of future — from disc packs to video cassettes

At 3:30 p.m., Bob Jaunich finally had time for a sandwich and a can of apple juice from the cafeteria vending machine. It was his third week as Executive Vice President, Media, and lunch was a low priority. Meetings had run non-stop all day as he briefed himself on the Computer Media side of the business and continued to oversee Consumer & Business Media operations. "It's been very busy around here," he admitted.

He was willing to take time to talk, though, about how he views the future of the Media business. "As an old timer, I'm delighted to see the positive attitudes throughout Memorex," he said, "All of the businesses are exciting. Growth opportunities are excellent. Both Consumer and Computer Media are growing

annually at rates in excess of 25 percent."

Thinking about the rapid development, he noted that, "There are changes evident with the 3650 storage technology and higher tension computer tape drives. The small systems business presents a significant futures opportunity for the company, the consumer era for home video is upon us, and important advances in office management and automation are a reality. Manufacturing technologies which utilize natural resources more efficiently are a high priority and must be pursued quickly."

Asked if the standard disc pack would be displaced by the new technology with the head and disc in a single unit, Jaunich expressed the belief

that the standard pack would be around for some time. "One of the strengths we enjoy is that our older product technologies tend to cascade down to new markets and applications. The idea that the standard disc pack will be replaced reminds me of comments a few years back that all of our 3660s and 3670s would soon be off-rent. The reality is different. The longevity of these products gives us some confidence about the future. It also helps underscore an important point. Product quality means more than excellence today. If we are to enjoy the long-term residual values in these products, quality must also include a concern for reliability over the long pull."

Jaunich also talked of the many applications for the floppy disc, from large data centers to small offices, as well as of what was ahead in Consumer &

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ON THE COVER:

Faces of Mem-Mex (clockwise from upper right): Plant Manager Rudy Sikorsky; Quality Control Supervisor Rodolfo Sanvicente and Inspector Fermin Espinosa; Quality Control Inspector Mary Jesus Sesteaga; PCB Assembler Aurelia Arriola; Electromechanical Assembler Arnoldo Moreno; and Cable & Harness Assembler Leonardo Ruiz. To find out more about the company's subsidiary in Nogales, Mexico, turn to page 6.



James Dobbie
Executive VP, Equipment

Business Media. "For the home user, there should be a Memorex video cassette on the market in the not too distant future. We're also moving toward a new generation of audio cassettes."

In Jaunich's view, Memorex is "rapidly becoming a major company, and this requires an even higher degree of professionalism. To successfully compete with such giants as IBM, Xerox, and Sony, it will be necessary for Memorex to market products that are truly different.

"Every substantial company insists on a valid reason for a product's existence before it will dedicate large resources to its development, manufacture, and marketing. As Memorex gets larger, the investments required to maintain that growth are greater,

and it becomes even more important that we focus on our strengths, whether our strengths are in product performance or customer service."

Jaunich joined Memorex in 1970 after a career at Procter & Gamble, where he was brand manager for "Tide, Dash, Ivory, Gain, all those names you've never heard of." Did he think it was a disadvantage not to have an engineering background when he was working in such a technical area as computer media? "No, not at all. I think it's important to have fresh ideas, a fresh approach. The principles of management are the same no matter what the product," he said.

Looking back on his seven years as head of the company's consumer group, he said that what impressed him most was the "team spirit and tremendous sense of dedication throughout the organization." That team spirit was evident last summer when Consumer & Business Media carried off the title in the company's first track meet. Jaunich was responsible for two of the group's gold medals, in the one-mile and the two-mile for men over 35.

With Jaunich's expanded responsibilities, there's less time for reading (though he's presently in the middle of *Fire and Ice*, the biography of Revlon founder Charles Revson) and tennis (he was on the tennis team at Wesleyan University). But he still finds time to run. "It's hard, though, getting up and running, then making it to the office by 7:30." He paused. "Of course, I wouldn't do it if I didn't enjoy it."

Company enters agreements to acquire BST, CFI

Memorex has reached agreements to acquire two companies specializing in the small systems market: Lencor International, a computer media manufacturer located in Anaheim, California, and Business Systems Technology of Santa Ana, a supplier of computer peripherals.

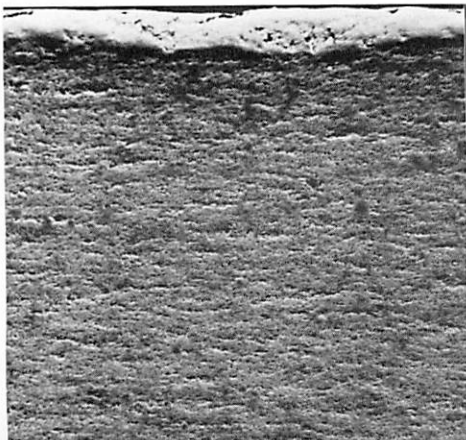
The agreements were announced last month, but are subject to further approvals. Lencor shareholders must approve the acquisition at their annual meeting in April. In the BST acquisition, a definitive agreement must be worked out and approved by the Boards of Directors of Memorex and BST, as well as by the BST shareholders.

Lencor is the sole shareholder and owner of CFI Memories, Inc., a manufacturer and distributor of disc cartridges, flexible discs, computer tape, and System/3 semiconductor add-on memories. Lencor reported sales of \$10.5 million and a net income of \$881,000 for its fiscal year ending March 31, 1976.

According to the Lencor agreement, Memorex would pay Lencor shareholders \$2.4 million in cash and 200,000 shares of Memorex common stock. An upward or downward adjustment not to exceed \$500,000 may be made depending upon the value of Memorex common stock during the 30 trading days before and after the closing.

BST, which reported sales of \$10.9 million and a net income of \$1 million for its fiscal year ending September 30, 1976, markets disc drives, memories, and printers to users of small computer systems. BST has been a Memorex customer for the 660 disc drive since 1974, and Memorex, in turn, has purchased core memories and controllers from BST to sell under the Memorex label outside the U.S.

Under the agreement with BST, Memorex will exchange 346,000 of its common shares for approximately 501,500 of BST common shares, an exchange ratio of .69 of one Memorex share for one BST share.



Right now, you could be on the edge of destruction.

You're looking at a byte's-eye view of the major cause of early tape retirement: edge damage. It can happen to any tape, but it's most critical on tape used with 9-track heads, where the outer tracks are a scant 9-thousandths of an inch from the edge of the tape. It happens because of continual high-speed starts and stops. Because of constant mechanical contact. Because of interference with tape path components. And because human operators can do some pretty inhuman things to tape.

You probably can't see the damage happening. But you can sure see the costly results—dynamic skew, erratic output, data loss and job failures.

So we developed a new tape—Cubic—so named because side-load strength increases by the cube of the tape thickness.

Memorex Cubic has a base film 25% thicker than conventional tapes. As a result, it offers TWICE the resistance to edge damage and lateral movement. It also offers improvements in auto loading reliability and time displacement errors.

See your Memorex representative or write us at 1200 Memorex Drive, MS-0064, Santa Clara, CA 95052. Memorex Cubic Tape—it gives you the edge.

MEMOREXCLUSIVE

AWARD WINNER—This Memorex ad for Cubic computer tape recently won an Award of Merit from the Western Art Directors Club. There were 27 categories in the 12th annual competition, and the Memorex ad won a medal in Business and Trade Advertising. The first ad in a Computer Media series, it was designed by Bergthold, Fillhardt, & Wright of San Jose.



Mechanic Norm Kahr checks a few of the cassette shells being fed into the giant Rockford #2.

'Rock #2' keeps cassettes rolling at Consumer Products

It's no secret to employees at Consumer Products in Santa Clara that a lot of work goes into making their machines operate smoothly, particularly when the machine is brand new.

The new machine in this case is a Rockford, or Rock for short. It is a giant cassette assembly machine, and it represents part of the expansion program at Consumer Products, which, when complete, will more than double the company's audio tape and cassette manufacturing capacity.

After the new high-speed Rockford hits full production, it will be possible to refurbish Rockford #1, which has been assembling audio cassettes since 1971.

According to Process Engineering Manager Fred Ansell, Rockford #2 is "the most sophisticated machine of its kind in the world. It was also the

most important piece of equipment added in Santa Clara in 1976." The new machine means increased cassette tape production at lower cost.

Although Rockford #2 is still in the start-up stage, a number of C-Zeros (empty cassettes) have already rolled off its conveyors, been loaded with tape, and shipped to customers. Getting a machine of this complexity from the drawing board to full production is no simple task.

The project began in August, 1975, with Memorex engineers working closely with a design team at Rockford Automation in Rockford, Illinois. During the 18-month building process, Ansell and Senior Staff Engineer Elmer Csaba traveled to Rockford to check on each stage of development. At one point, 26 design engineers from Rockford were working on the machine.

She had a better idea

Biology graduate's creativity pays off

Everybody wants to find the perfect job, but it's rare to be hired directly into one. With a little imagination, though, a less-than-perfect first job can be turned into a challenge.

That's the idea Karen Pettibone had when she joined Memorex in Santa Clara a year ago as a sub-assembler trainee in EPG Manufacturing.

Pettibone had been looking for a job for six months when she came to Memorex. Initially, she was aiming for a professional position in which she could use her B.S. degree in biology (with a chemistry minor) from the University of Santa Clara. And she wanted the job to be at night so that she could have days to spend with her two daughters, Carolyn, 2, and Lisa, 6 months.

A job like that seemed impossible to find. So when she heard about the opening for sub-assemblers on the Memorex swing shift, she applied.

"Working nights at Memorex seemed like a great idea because my husband is a Stanford grad student and he could take care of our children in the evenings," she says.

According to Supervisor Gary Weitz, Pettibone learned the job quickly and was soon training others in the inspection process. Then she looked around for a further challenge.

In her job inspecting slider heads, she knew that about three percent of the heads were rejected because they had bubbles and air pockets in the core bonding glass. Thinking there might be a way to salvage and recycle the rejects, Pettibone told Weitz she would like to work on the problem. "Go ahead and try," he said.

As a result of her experiments, Pettibone came up with a method of adding more bonding glass to the defective heads. It is a process that is now being used and should save the company as much as \$50,000 over the next two and a half years.

Then, last August, EPG's Quality Assurance Lab had an opening for a chemical technician. Pettibone, a logical choice for the job, was promoted. She was able to rearrange her schedule to work day shift and is now using her chemistry background in a variety of assignments, from analyzing metals in incoming components to testing for contaminants.



Karen Pettibone at work in EPG's Quality Assurance Lab.

"We hated to lose her to another department," said Weitz. "But the new job is more demanding of her capabilities. I think Karen's performance shows that if you have initiative and do a job well, the company is going to notice."

*Judy Christensen
Litigation Support Staff*

Once it was built, the mammoth Rock #2 had to be moved 2,000 miles.

"The machine is very heavy and it took four semitrailers to transport it," said Csaba. "Then, under the guidance of our head mechanic, Norm Kahr, a team reassembled it part by part in Santa Clara."



Fred Ansell (left) explains the Rockford to Art Fonda, Director of Facilities, Materials, and Distribution.

The machine, which nearly fills a room 31' x 75', will require two operators and one material handler to run. "Before Rockford #1 and Rockford #2, the entire operation was done by hand," said Csaba.

Using experience gained on Rockford #1, Ansell and his crew were able to design a number of improvements on the new machine. One of the most important is programmable controls, which regulate the precise sequence of operations, eliminate rejects, and help the operator or mechanic identify malfunctions. The machine 'communicates' with the operating and mechanical staff via color-coded lights displayed on three control panels.

Other improvements mean less downtime and less monitoring time for Quality Control. "We no longer have to wonder which parts are defective," said Ansell, "because bad compo-

nents are automatically dropped out along the way, and never get to the final product."

On a recent afternoon, Ansell stood by the imposing Rockford #2, watching the complex assembly process. Beginning at opposite sides of the room, the "fronts" and "backs" of each cassette shell were whisked by air along conveyors. They stopped momentarily for parts, the halves met, were threaded with leader tape, sonically welded, labeled, and rolled off the line. It was a flawless sequence.

"Eighteen months ago we were just beginning to dream about this thing," said Ansell. "And now we're shipping the product. You feel pretty good when you walk into a store, see somebody buying a stack of Memorex cassettes, and know the Rockford played a part."

Temperatures down, frustration up

Record cold spell changes employee lifestyles

The record cold temperatures that swept much of the Midwest and East last month forced thousands of people to drastically alter their lifestyles. For many Memorex employees, learning to cope with the coldest winter in more than a century has been difficult.

"The weather here is totally unbelievable," said Tony Antonik, EPG Branch Manager in Buffalo. "It's the worst nightmare anyone could conceive."

Although used to harsh winters, which normally leave about 44 inches of snow on the ground by the end of January, Buffalo residents will be talking about the winter of '77 for a long time. According to Antonik, more than 153 inches of snow had fallen by the end of January, but worse than that, deep-freezing weather had continued for 39 days accompanied by winds up to 68 miles-per-hour, making for a wind-chill factor that hit 60 degrees below zero.

"Any thoughts of a normal day under these conditions are quickly forgotten," said Antonik. "Last weekend was a good example of what it's been like. Picking up on the weather forecasts Friday morning, we decided it was best to leave the office at 11. It took me two hours to travel five miles

on the freeway before I was forced to pull into a nearby restaurant. I ended up spending the night, and didn't get home until six Saturday night. Many of the other employees faced a similar situation—some of them spending the night in the office."

Spectacular as its winter has been, Buffalo is far from alone in the winter woe, as Bill Etheredge, Branch Manager in Pittsburgh is quick to point out. "It's extremely frustrating," said Etheredge. "You can't plan your day, because the weather makes it impossible to keep any appointments.

"Our biggest problem is mobility. It's almost impossible to get anywhere, because of the snow. Each morning I have to shovel my way out to the car, then shovel the snow covering it, and finally shovel a path to the road. Then, the traffic is so bad that most people are late to work four out of five days. This means that appointments are virtually meaningless. Luckily, our customers are in the same position, or we'd be losing a lot of business."

Asked what it's like to work in an office that warms up to 55 degrees, Etheredge replied, "Wearing a topcoat at work is the least of our troubles."

Jim Censky, Equipment Sales Manager in Cleveland, reports more of the same. "We've renamed Interstate 71 the 'demolition derby,'" said Censky. "When one car brakes, the cars behind skid into it."

(continued on page 10)

Santa Clara cools it for sake of the East

In keeping with President Carter's recent emergency energy proposals, the company's offices in Santa Clara and elsewhere in the state have lowered thermostats to 65 degrees.

The action, which is being taken by many companies in California, is a temporary measure. It will be in effect as long as natural gas is being diverted to the weather-torn East and Midwest.

According to Stan Zwicker, Senior Staff Engineer for Environmental Affairs, reduction in heat "might mean more people wearing coats and sweaters at work." In addition to turning down thermostats, Zwicker said that guards have been directed to turn off lights at night and on weekends when offices are not in use.



Mem-Mex employees put together dozens of types of wires to form the cables and harnesses that power Memorex disc drives.



At Mem-Mex, 'love is quality'

Lying row upon row down long assembly tables, the intricately woven wires look like multicolored ropes. They are cables and harnesses, components which most Memorex customers never see and without which disc drives simply don't run. They are the signal carriers and power lines within each machine.

Almost all of the cables and harnesses Memorex uses are put together at Mem-Mex, the company's subsidiary in Nogales, Mexico. Founded in 1970 to do precision assembly work, Mem-Mex has come to have an increasingly important role in the company in the past year. "We're aiming for it to become a totally self-sufficient plant," said Director of Manufacturing Henry Tinker.

Cables and harnesses are the subsidiary's main product, but not its only one. Mem-Mex also produces pig-tails (small harnesses which are attached to disc drive heads), several power supplies and mechanical assemblies, and four different printed circuit boards. By the end of the year, the small manufacturing plant will be turning out a complete product, the 550, the new flexible disc drive for OEM customers.

To many Memorex employees, Nogales is little more than a name. They think of it simply as "our Mexican plant," a place where people assemble things that aren't made in Santa Clara, where it's sometimes hard to

get through on the phone, and there's a language barrier to face.

As Ray Johnson, Manager of PCB Assembly put it, "Most people in Santa Clara have no idea what Nogales is like—or how big a contribution it makes. Visiting Nogales last year gave me a real appreciation for the plant. I couldn't believe how conscientious people were about their jobs. I came back feeling there were a number of things we could learn from employees down there."

Nogales, in the state of Sonora, is a border community 75 miles south of Tucson. The metropolitan area (which includes Nogales, Arizona) has a population of about 80,000. It is an area that has grown rapidly since the Mexican government began encouraging American companies to locate plants along the border in the late 1960s.

There are 232 employees at Mem-Mex, only two of whom are Americans, Rudy Sikorsky, Plant Manager, and Roy Thomas, Manager of Production Control. "That is the way it should be," says Sikorsky, "although it is somewhat unusual for a company here to have so many nationals in managerial and supervisory positions." Sharing management responsibilities with Sikorsky and Thomas are Oscar Mendoza, Manager of Accounting and Personnel; Manuel Marquez, Manager of Manufacturing; and Pancho Velez, Manager of Engineering and Quality Control. Mem-Mex is part

of the Equipment Products Group and like the printed circuit board plant in Eau Claire, Wisconsin, reports to Tinker.

Sikorsky is justifiably proud of the strides made at Mem-Mex in the last two years. Productivity and quality are up. "We're now turning out more product than we did in 1973 when we had 560 people," says Sikorsky.

It is an operation that has been through many ups and downs, but today, is in excellent health. Sikorsky, who joined Memorex four years ago after a career as a plant manager at Control Data Corporation—in Minnesota, Wyoming, and Korea—says that what has turned Nogales around is the feeling that "we all have to pull together. We emphasize the pronoun we here. All of us intermesh. If the manufacturing guy is out, the engineering manager goes out on the floor to run manufacturing. No one asks him to. He just does it."

In the view of Manufacturing Manager Manuel Marquez, "The problems here are the same as anywhere—efficiency, productivity, quality. We are constantly trying to improve. We have daily meetings with supervisors. And we do all we can to recognize line operators. Every month there's a prize for one of our production people who is named Employee of the Month."

In addition to the manufacturing area, which looks much like the PCB area in Building 10, the 60,000-square-foot Mem-Mex plant has offices for the accounting, clerical, and engineering staffs, a large warehouse, and a cafeteria. If there were a company-wide housekeeping contest, Nogales would probably win. The plant sparkles.

Posters from EPG's recent quality awareness program (translated into Spanish) decorate the walls along with some of Mem-Mex's own posters. One bears the message "Amor Es Calidad" ("Love Is Quality") and shows a heart surrounding a printed circuit board. Another translates roughly, "Quality is built in, not inspected in." The poster artist was Quality Control Supervisor Rodolfo Sanvicente.

Like many Mem-Mex employees, Sanvicente is from "the south"—in this case, the far south, Mexico City, where he studied electrical engineering at a polytechnical institute. He likes Nogales because it is quiet and friendly. "The beauty of a place is not just the place, but the people," he says.

In November, Sanvicente, Jesus Prado, supervisor of the PCB and pigtail lines, and Aurelio Villalpando, an engineer, visited Santa Clara to see the manufacturing operations. Prado is from southern Sonora, Villalpando from the neighboring state of Chihuahua. None of the three had been to northern California before. The Santa Clara complex impressed them because it was "so green." As for San Francisco, their brief glimpse made them want to come back. "It's really different from any other city."

Sonora is primarily an agricultural state. Industrial jobs are scarce, and many Mem-Mex employees have made long journeys to "the frontier" for work. Often, several women from a small town will live together in Nogales, taking the bus home every weekend. "People live at home until they marry or else they share an apartment with friends," explains Oscar Mendoza. "A single person doesn't think of renting an apartment alone. You are expected to participate in the family here. Everybody gives something to momma and papa."

Mem-Mex employees spend their after-work hours much as their counterparts in Santa Clara might. Ernie Barron and Armando Mercado, the two supervisors for cable and harness assembly, say that in their spare time they like to play baseball and pool, read, watch TV. "Emergency Room and Six Million Dollar Man are pretty good."

Engineer Raul Naba, who supervises electromechanical assembly, is a classical music buff and spends many of his evenings listening to the stereo. Manager Mendoza is a horse lover and unwinds by taking long rides in the mountains.

Mendoza was the first national hired when Mem-Mex opened in 1971. At present, he is doubling as Controller and Personnel Manager. The devaluation of the peso last fall has thrown Mexico into "a very difficult time," he says. But in the face of economic troubles, it is encouraging that Mem-Mex is growing. "Building the 550 is our big challenge for 1977," says Mendoza. "It's going to be exciting."



*Manuel Marquez
Manager of Manufacturing*



*Oscar Mendoza
Manager of Accounting & Personnel*



*Roy Thomas
Manager of Production Control*

When Henry Tinker talks about the future of Mem-Mex, he communicates excitement, too. "Nogales is going to become a very independent operation, a self-sufficient plant with a product charter. At present, the facility is a work center. That means it takes the work issued to it, but doesn't do its own material planning or scheduling or purchasing. That is going to change when Mem-Mex starts building a complete, shippable product. Eventually, Nogales will 'drive' its own production schedule."

Reflecting on the Mem-Mex operation, Rudy Sikorsky said, "People basically want the same things the world over — and that includes a feeling of pride in their work. We are 1,000 miles from Santa Clara, but Mem-Mex people care about the same things other Memorex employees do. The language is different, the culture is different, but we have the same goals. As we say in Nogales, 'Amor Es Calidad.'"



During the afternoon break, the warehouse staff gets in a volleyball game.

'76 brings record earnings; revenue up 31%

The headlines on January 20, the day after Memorex announced its 1976 earnings, said it well: "Memorex Forges Ahead in Profits, Expansion" (Palo Alto Times); "Big Earnings Jump for Memorex Corp." (San Francisco Examiner); "Banner Year for Memorex" (San Jose Mercury); "Rebounding Memorex Reports Record Income" (San Jose News).

Business writers were obviously impressed with the company's record results that showed income before extraordinary credit tripling in one year, from \$8.2 million, or \$1.74 per share, at year-end 1975 to \$24.9 million, or \$4.35 per share, at the end of 1976.

Net income for the year was a record \$40.1 million, or \$7.10 per share, including an extraordinary credit of \$15.2 million, or \$2.75 per share from utilizing tax loss carryforwards.

In 1975, the company had purchased a significant number of Memorex debentures. This purchase and the related tax loss carryforwards had resulted in an extraordinary gain of \$3.9 million, or 83 cents per share. The other extraordinary credit from tax loss carryforwards of \$5.9 million, or \$1.23 per share, had brought the net income to \$18.0 million, or \$3.80 per share in 1975.

Revenues for 1976 were \$344.6 mil-

lion, an increase of \$80.6 million, or 31 percent, over 1975 revenues of \$264.0 million.

Income before extraordinary credit in the fourth quarter of 1976 was \$7.2 million, or \$1.23 per share, compared to income before extraordinary credit in the same 1975 period of \$3.2 million, or 67 cents per share. Net income for the final quarter of 1976 was \$11.6 million, or \$2.03 per share, including \$4.4 million, or 80 cents per share, of extraordinary credit from tax loss carryforwards. Net income in the fourth quarter of 1975 came to \$5.9 million, or \$1.21 per share, including \$2.7 million, or

Tape slitting isn't what it used to be

Elder reminisces about Computer Media's pioneering era

His paycheck says he is employee number 33, but in terms of longevity, Wayne Elder is number four. He is the fourth employee to reach his 15th anniversary with Memorex and perhaps the only Memorex person, past or present, who still uses one of the ballpoint pens given out at the company Christmas party in 1962.

He pulls it out of his jacket pocket proudly. "Sure, it's had a few refills, but I use it every day. It's one of my prized possessions. I've got my five-year pen, too, but it doesn't have the same sentimental value as this. I think I'd feel real bad if I ever lost it."

Wayne Elder, like other company pioneers, feels a strong sense of identity with Memorex. With the people, to be sure. But also with the computer tape manufacturing process. He's seen it from its struggling beginnings.

Elder, a self-taught design engineer, knows well what makes a tape slitter run. He estimates that he's helped design 75 percent of the present slitting equipment.

Except for a two-year stint in Consumer Products, Elder has spent his company career in computer tape engineering. On January 28, a number of his long-time friends from Computer Media gathered to honor him.



Wayne Elder still uses his 1962 pen.

Along with the cake and congratulations, there was a lot of reminiscing.

In the early days, recalled Elder, getting the slitters to run properly often meant late nights and seven-day weeks. To Elder, it was particularly draining, since he commuted for three years from the village of Brookdale, in the Santa Cruz Mountains.

"I remember one time we'd been having problems with the slitter. We finally got it going late in the evening, and I made the long drive home on Highway 9. I collapsed in bed and was already asleep when there was a knock at the door. It was the manager of the liquor store in Boulder Creek delivering a big bottle

of champagne from my boss. Those days may have been difficult, but fun."

Elder came to Memorex via a design career in aviation metal-smithing ("I re-built planes as guys wrecked them"), the pharmaceutical industry, and the plywood business. He holds four patents for work he did at Cutter Laboratories in Berkeley and several more patents with a lab in Glendale; one of his more important achievements was designing a plastic container for whole blood.

In late 1961, Elder was laid off from a job in Medford, Oregon. He came home to California, ran into some former associates from Cutter who had helped start Memorex, and on January 29, 1962, he went to work for the young company.

"I wouldn't be honest if I said it's all been great. There have been some very frustrating times," says Elder. "But averaging everything out, it's been a good 15 years. Even when it was really rough, I don't think I ever thought about quitting. I guess I just felt a real sense of loyalty. And besides, I liked Memorex."

Elder talks some of what he'd like to do when he retires—a little rockhounding and tinkering—but that's a long ways off. He's counting on celebrating his 20th anniversary with the company first.

54 cents per share, from tax loss carryforwards.

Revenues for the fourth quarter of 1976 totaled \$100.1 million, an increase of 43 percent over revenues of \$69.8 million in the comparable 1975 period.

Cash and temporary investments grew to \$43.8 million at year-end, \$3.6 million more than the year-end 1975 amount of \$40.2 million. At the end of the 1976 third quarter, cash and temporary investments were also \$40.2 million.

The company's total indebtedness was reduced to \$158.2 million at year-end from \$185.6 million at year-end 1975.

They love us in the newsroom, too **It was a very good year in the press**

In 1976, Memorex had a very good press. In addition to newspaper articles reporting the company's improved financial position, there were a number of in-depth magazine pieces.

The first major piece of the year was the *Fortune* profile of President Robert C. Wilson in February. Other significant articles during 1976 included:

Journal of Commerce, May 14, 1976, "Spotlight on Memorex Corporation"; *Finance*, June 1976, "Rebuilding Memorex"; *Wall Street Transcript*,

August 2, 1976, "Who's Who in Profits"; *Dun's Review*, October 1976, "Lift-off at Memorex"; *Forbes*, October 15, 1976, "The Lesser Risk"; *Christian Science Monitor*, December 3, 1976, "Wilson of Memorex: an Architect of Rebirth"; *Financial Trend*, December 6-12, 1976, "'Turnaround Master' Bob Wilson Seeks Continuity at Memorex".

In the past month Reuters News Service, the London *Financial Times*, the Los Angeles *Times*, and the British publication, *Computing Europe*, have carried stories on the company.

To succeed in business, set goals, then achieve them, Levy tells women

"As women, we need to recondition our attitudes. We can do anything if we name our goals and set out to achieve them. To change the attitudes of men in business, we must first change our own."

As Arlene Levy sees it, women will find success in business only when they learn to view themselves in new ways. Levy stresses that message both in her job as a placement specialist at Memorex and when she talks to outside groups, as she did on a recent visit to the Resource Center for Women in Palo Alto.

Levy is one of several representatives of Bay Area companies who have taken part in the Resource Center's new training course for job hunters. The free, six-week program is limited to unemployed men and women who are single, divorced, or widowed, and who have at least one dependent living with them; they also must be ineligible for any government-funded training program. So far, all of the participants have been women.

Levy, who handles both the Memorex bid system and outside clerical recruiting, places dozens of women in jobs every month. At the Resource Center, she talked about this experience as well as her own struggle up the job ladder.

She recalled what it had been like when she returned to the business world after a four-year absence, divorced and with a child to support. "When I started at Memorex, I started as the lowest secretary they had. In fact, it was so low they don't even have the job anymore."

But for Levy, that lowly "Secretary C" job was a foot in the door; from there she progressed rapidly. "I'm a living example that the bid system at Memorex works," she said. "I also realized that I had to plan my own career goals. The company couldn't do all of my personal career planning for me."

When Levy first moved out of the secretarial path a year and a half ago (she was by that time an executive secretary), she took an administrative position in the Finance area. "But I realized after a while that I enjoyed motivating people more than working with numbers. And so I contacted Personnel and we talked about what my experience had been and what I'd be suited to do." This led to her present job as Placement Specialist.

The need for women to develop careers rather than "just a job" is greater than ever, Levy pointed out. In California, women make up 46 percent of the work force, and 47



Arlene Levy talks about career goals at Resource Center for Women.

percent of the women who work are single, widowed, divorced, or the sole breadwinner in a family. Female heads of households comprise a large part of the nation's labor pool.

The job-hunting course at the Resource Center is designed to help unemployed, single family heads become more effective in their job searches. In the intensive, six-week program, the participants cover self-assessment, resume writing, job opportunities in the Bay Area, interviewing (with videotaped practice), and related topics.

About 1,500 clients use the Center's counseling, education and employment services every month. Memorex is one of the Center's corporate sponsors.



Housekeeping winners — the mail room and print shop staff.

Second housekeeping contest

Print shop, mail room keep it clean

Reproduction and Office Services took the grand prize for the Most Improved Area in the second annual housekeeping contest in Santa Clara. The award was based on three unannounced inspections in December.

"We worked pretty hard to clean up the print shop and mail room and also make things safer," said Manager Larry Nelson. "I guess the judges were impressed with the difference between their first and third visits."

Judges picked the PCB Area in Building 10 as the best San Tomas production area, and the Audio Division in Building S as the cleanest production area on Memorex Drive. The Audio Division (Building S) also took the prize for best process production.

Payroll and Accounting in Building 10 won the award for the neatest

office area, and the Fab Shop and Tool and Die Area in Building 10 took the shop category. For chemical labs, the winner was the chem lab in Building 14; for electrical labs, it was the calibration lab in Building 10.

Each winning group has been honored at a buffet luncheon, and the group members were entered in drawings for prizes ranging up to \$250 in value. Plaques were given to the winning areas.

Gene Gilman, Manager of Safety and Health Services, said that the housekeeping contest was the prelude to a company-wide safety campaign which will begin this spring. "We really want Memorex people to be aware of how important it is to 'play it safe.' We have some great plans for the campaign, including a contest. Details will be in the next issue of *Intercom*."

In Cleveland, snow brings 'demolition derby'

(continued from page 5)

With the month of January breaking nine Cleveland weather records alone, including 21 consecutive days below zero, Censky's problems are predictable. "After coming back from a business trip last week, I discovered that the airport parking lot, along with my car, was completely snowed in," said Censky. "It took me more than four hours to get a cab, and I had to come back the next day to get my car."

Reports from Memorex branch offices in Indianapolis and Minneapolis show a somewhat brighter situation. Accord-

ing to Secretary Janis Jacobs, drought, due to lack of snow, is the major problem facing Minneapolis. "We just haven't had the usual snowfall expected by this time of the year," said Jacobs.

Field Engineer Mike Marter says the situation in Indianapolis is somewhat difficult, but tolerable. "We had some problems last week, with winds reaching 35-40 miles-per-hour, and drifts bad enough to keep us from getting to work one day. However, the problems here are nowhere near as bad as in other parts of the country."

Manager Nagakura dies after long illness

Rusty Nagakura, a well-known member of the Memorex team in Santa Clara, died at his home on January 23, after a long battle with cancer. He was 52 years old.

Nagakura was Vice President of Storage Systems Development from 1971 to 1974, and most recently served as project manager for the 3640 disc drive. He is particularly noted for his work in launching the 660 system, which although seven years old is still in demand; the 660 was the company's first entry in the end-user market.

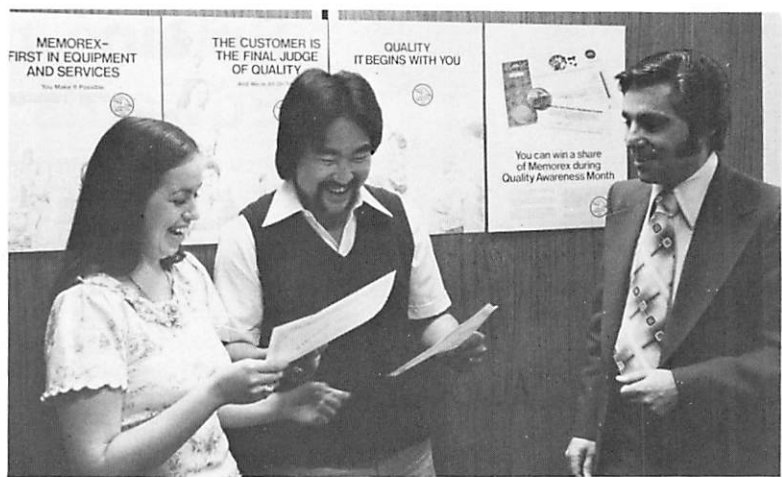
An engineer by training, Nagakura came to Memorex in 1969 after a distinguished career at IBM, where he was twice honored for technological improvements.

During World War II, Nagakura served in the famed all-Nisei U.S. Army 442nd Infantry Regiment, fighting in Germany and Italy.

He is survived by his widow, Gertrude; three sons, Wendell, Kenneth, and Clyde; and two sisters, Misao Shimizu of Hawaii, and Flora Weaver of Oregon.



RETIREMENT—When Ann Eder retired last month after six and a half years as a PCB touch-up operator, more than 50 friends attended a luncheon in her honor. They filled a scroll with their good wishes, and Ray Johnson presented it to her.



(above left) Drawing winner Shirley Vradenburg of Eau Claire receives congratulations from her manager, Dick Loftesnes. (above center) Assembler Rosario Rosas, left, receives his award from Mem-Mex supervisor, Armando Mercado. (right) Tony LaPine, Director of Quality Assurance, presents stock certificates to Santa Clara's two winners, Theresa Doberstein and Dave Fukagawa.

Four EPG people win a share of Memorex

"Hey, man, there's your name."

"Yeah, and there's yours, too!"

The two assemblers in the equipment plant in Santa Clara slapped each other on the back as they found their names among nearly 3,000 others on the shiny silver poster.

The poster, now on display at all EPG locations, reads, "Quality is Built into Every EPG Product at Memorex by . . ." and then lists everyone who signed an "I believe in Quality" pledge in November.

EPG people throughout the U.S. and in Nogales, Mexico, participated in the month-long program to increase

quality consciousness by signing pledges and wearing buttons. And everyone who signed a pledge card had a chance to win five shares of Memorex stock.

When all the cards were in and the drawing made, the four winners were: Dave Fukagawa, a warehouse inventory clerk for COM Products, and Theresa Doberstein, an assembler in head production, both of Santa Clara; Shirley Vradenburg, a gold plater at the manufacturing plant in Eau Claire, Wisconsin; and Rosario Rosas, an assembler for cables and harnesses in Nogales, Mexico.

Fukagawa and Doberstein had never owned Memorex stock before and

said that winning the drawing was a real surprise. Shirley Vradenburg, on the other hand, said she half expected to win. "I'm just lucky. I've won lots of things, but this is the biggest. The family was real happy about it." Rosas, who received the cash equivalent of the stock, says his prize is in the bank.

"I think the program was a real success," said Tony LaPine, Director of Quality Assurance for EPG. "Almost everyone signed up. The buttons, the pledges, and the posters all served as a reminder that quality doesn't just come naturally. In order to have quality products and quality service, we have to be thinking quality all the time."

New assignments

COMPUTER MEDIA

Olga Avila to Material Handler
Robert Bodnar to Product Marketing Manager, Disc Pack
Gary Bolen to Sales Rep II, Seattle
Anthony Bondura to Chemical Lab Assistant B
Bob Brown to Production Supervisor
Johann Cobb to Accounting Specialist
James Cocchiara to Regional Manager, OEM/Distributor Sales
Dianne Copeland to Sales Rep I, Seattle
Marty Davis to Sales Rep I
Michael Florence to Electrical Mechanical Maintenance Tech B
Janice Gibbons to Sales Rep I, Boston
Dawn Giroux to Accounting Specialist
Rick Gravely to Associate Process Test Technician
Helen Hansen to Telephone Sales Rep
Sharon Hoffman to Real Estate Administrator
John Hoiness to Western Regional Sales Manager
Michael Maselli to Mix Operator
James McGrane to Sales Rep II, Baltimore
Patricia Mosca to Traffic Analyst
Betsy Pule to Accounting Associate
Henrie Serrano to Finishing Scheduler Handler
Helen Steeves to Telephone Sales Rep
Stephen Stone to Product Sales Support Specialist

CONSUMER & BUSINESS MEDIA

Rodney Asano to Department Technician, Assembly
Edward Berris to Key Account Sales Manager

Billy Davis to Key Account Sales Manager, Newport News, Virginia
Chung Kim to Chemist II
Rita Northrop to Surface Treatment Operator
Francis O'Laughlin to Engineer II
David Perez to Supervisor, Technical Process
William Procop to Key Account Sales Manager, Solon, Ohio
Robert Ray to Engineering Specialist
Peter Rowe to Manager, Regional Sales, Clinton, Conn.
Lavern Selvog to Video Test Operator
Douglas Sims to Slitter Operator
Orvell Smoot to Senior Analyst Programmer
Nancy Sprinkles to Process Control Inspector
Donald Stump to Key Account Sales Manager, Houston
Donna Vazquez to Chemical Lab Assistant B
Witold Zalewski to Manager, Zone Sales, Milwaukee

CORPORATE

Deborah Agron to Field Administration Coordinator, Kansas City
Linda Belba to Supervisor, Litigation Support
Pamela Bright to Receptionist A, Washington, D.C.
Robert Broderick, Jr., to Manager, Collections
Frank Bua to Associate Engineer
Rosalba Bullara to Key Entry Operator B
Barbara Butcher to Field Support Operator Clerk A, Boston
Dale Clifton to Accounting Specialist
Patricia Cowman to Senior Schedule Controller
Darlene Crook to Analyst Programmer

(continued on page 12)



Tom Edwards and Charlie Splaine

Five-year awards

SANTA CLARA

George Controne	Janice Kirkland
Dan Deckman	James Mooreland
Richard Dege	Suresh Mehta
Barbara Dicks	William Pingel
Art Fonda	Debbie Reynolds
Maurice Iverson	David Sanchez
Donald Johnson	Jerline Scheibli
James Kane	

OTHER LOCATIONS

James Coady, King of Prussia, Pa.
 Robert Domzalski, King of Prussia, Pa.
 Anthony Fairbridge, Australia
 James Kratoska, Milwaukee
 Paul Sherman, Los Angeles
 John Tani, Washington, D.C.
 David Worden, Charlestown, West Virginia
 Newton Yamamoto, Sao Paulo, Brazil

Splaine named VP, Sales; Edwards heads service team

They are names everyone in EPG sales and service already knows: Charlie Splaine and Tom Edwards. Only the titles have changed. Splaine, formerly Western Regional Sales Manager, has been promoted to Vice President, Sales; and Edwards, formerly Manager of Field Engineering, has stepped up to Manager, National Field Service. Both will report directly to James Dobbie, Executive Vice President, Equipment.

Splaine will be responsible for all equipment sales activity in the U.S., including sales planning, analysis, and administration. Splaine joined Memorex in 1970 as a sales rep in Philadelphia, and in 1971 was promoted to Mid-Atlantic District Manager. A year later he came to Santa Clara as Western Regional Sales Manager.

The new vice president holds a bachelor's degree from the College of the Holy Cross in Worcester,

Mass., and an MBA from the Wharton School of Finance and Commerce. Memorex people also know Splaine as a distinguished long-distance runner. He picked up several medals in the company track meet last August and also ran in San Francisco's annual Bay to Breakers race.

Edwards will be responsible for managing U.S. Field service operations, including the installation and maintenance of all Memorex equipment at customer sites. He joined Memorex in 1970 as a sales rep in Houston and started the sales and service office there. In 1972 he was promoted to branch manager and in 1975 became Southwest Regional Manager. He was then transferred to Santa Clara, becoming Manager of Field Engineering a year ago.

Before joining Memorex, Edwards worked for IBM, principally in field engineering and sales management.

New assignments

(Continued from page 11)

Joe Forgy to Senior Financial Analyst
 Greg Goodere to Manager, Industrial Relations, Corporate Staff
 Karl Hawkins to Manager, Internal Audit
 Robert Keown to Credit Rep, Chicago
 Janice Kirkland to Manager, Regional Administration, Houston
 Katty Lin to Technical Librarian
 Margaret Lockhart to Supervisor, Litigation Support
 Jeannie Lott to Schedule Controller
 Beatrice McCardle to Senior Schedule Controller
 Sharon Matthews to Field Order Administrator, Boston
 Carolyn Myers to Senior Legal Analyst
 Marilyn Nicholas to Associate Accountant
 Berta Perez to Secretary A
 Pat Rogers to Manager, Regional Administration, Atlanta
 Jerline Scheibli to Relocation Administrator
 John Tripp to Manager, Domestic Taxes
 Jim Ziola to Manager, EPG Traffic

EQUIPMENT PRODUCTS

Elizabeth Amundsen to Associate Marketing System Analyst
 Charles Anderson to Product Engineer
 Phillip Atwood to Manager, Field Support, Kansas City
 Jacqueline Bakker to Finishing Material Handler
 Henry Baylor, Jr., to Manager, Branch Field Service, Syracuse
 Douglas Bengard to Product Control Expeditor
 James Berry to Manager, Production Control, Eau Claire
 Jane Bulgrin to Accountant
 Ronald Bulin to Manager, Regional Field Service, Chicago
 Nathan Cammack to Sales Support Specialist
 Alton Christman to Senior Staff Engineer
 Gloria Cortex to Inprocess Inspector C
 Jude Cordeiro to Field Support Engineer, New York City
 James Coulter to Territory Supervisor, King of Prussia, Pa.
 James Dimino to Product Engineer, Windsor, NY
 Thomas Edwards to Manager, National Field Service
 James Eyer to Field Support Specialist, Washington, D.C.
 Lawrence Foley to Manager, Branch Sales, Greenwich, Conn.
 Richard Foulk to Product Control Analyst

Bonnie Freezy to Manager, Quality Control, Eau Claire
 Arthur Gohmann to Engineering Change Analyst
 Claire Good to Customer Service Rep
 Joseph Gourd to Manager, Branch Sales
 John Graham to Manager, Regional Field Serv., King of Prussia, Pa.
 Margaret Hall to Secretary B
 Ronald Haulter to Engineer II, Quality Control
 Claire Henderson to Associate Credit Rep
 Patricia Hesselgrave to Associate Accountant
 James Holody to Manager, Field Support, New York
 Robert James III to Territory Supervisor, Baltimore
 Ronald Jobert to Senior Accountant
 Carolyn Johnson to Associate Product Test Technician
 M. Nile Jones to Manager, Daily Activities Report and Features
 Barbara Karp to Associate Accountant
 Paul Keller to Product Engineer
 Yvonne Krieger to Telephone Sales Rep
 David La Gue to Product Tester
 Carl Lemons to Product Control Analyst
 Richard Mader to Market Analyst
 Michael Makmann to Manager, Regional OEM Sales
 Roger Mauermann to Manager, Field Support, Tulsa
 Nancy McManus to Associate Credit Rep
 David Miles to Senior Sales Rep, Washington, D.C.
 Bill Moyer to Manager, Financial Systems and Procedures
 Robert Nordberg to Territory Supervisor, Pittsburgh
 Cathy Norton to Executive Secretary
 Betty Quinn to Manager of Contract Administration
 Joseph Ryan to Manager, Branch Sales, King of Prussia, Pa.
 Henry Seta to Manager, Branch Sales, Baltimore
 Wilmer Spencer to Manager, Branch Field Service, St. Louis
 Charles Splaine to Vice President, Sales
 Steve Stone to Product Sales Support Specialist
 Robert Umberger to Field Support Engineer, Buffalo
 Nguyen Van to Engineer I, Electronic
 Robert Varo, Jr., to Manager, Branch Sales, Miami
 Charles Weber to Field Support Specialist, St. Louis
 Reginald Widgeon to Field Support Engineer, Baltimore
 J. Wolfinger to Supervisor, Head Manufacturing
 Carol Wright to Field Support Rep
 Kenneth Yauch to National Accounts Sales Support Manager
 Sandy Youngman to Order Administrator