

THE MEMOREX PRESS

A newspaper for Memorex employees

Volume 3 Number 8 December 1986

Division Of Memorex Being Finalized

Unisys To Sell DASD To Memorex

The story of the sale of Memorex begins with the merger of Burroughs and Sperry into Unisys.

Originally, Burroughs management estimated that the merger would save the two companies \$150 million per year in operating expenses. Cost savings of the merger into Unisys is now estimated to be closer to \$400 million per year. The largest savings resulted from combining procurements, distribution methods, and facilities.

The merged company is expected to produce \$11 billion in sales this year alone.

Burroughs management recognized that to continue to effect economies of scale and grow sales requires identifying businesses with the highest potential and focusing resources on these businesses. Burroughs appointed a team of top executives, to define core businesses for Unisys.

It was determined that the systems and defense businesses of Sperry and Burroughs should form the core businesses of the combined company and that large disk drive engineering and manufacturing was critical to the combined systems business. It was further determined that the PCM marketing business, while an attractive and growing business, was a business that could be divested.

Once the core businesses were determined, negotiations were opened to sell some of the assets not essential to the main focus of Unisys.

As a result of the Memorex sale, Unisys will retain all manufacturing and engineering of high-end, large disk drives, including the Rigid Media Components Division and all

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Dauber: Transition On Schedule

The transition of certain operations now under Unisys to the "new" Memorex is on schedule and is expected to be complete by the end of the year.

A great deal has been accomplished in leading to this transfer. Since many of the final details will take some time to complete, I urge everyone to work together to help make this transition as smooth as possible so that both parties can gain the maximum benefits from the sale.

For Unisys employees, I urge you to remember that you are now part of an aggressive new spirit. Unisys is now the second largest computer company in the world. As we close in on IBM, it is important that our number one priority ... the customer ... be our prime focus during this transition period.

For employees in groups designated for the "new" Memorex, you have an unparalleled opportunity. As of closing, you will be the largest PCM distributor of computer peripheral equipment plus media in the world. You have exceptional buying power and a strong base of over 20,000 customers to start.

I am very proud of what we accomplished at Memorex in the past three years and I hope that you share my pride and satisfaction in our considerable achievements.

As we approach year end, I thank you for your support and wish you Happy Holidays. Good luck as we begin our new ventures in 1987.

Sincerely,



Philip S. Dauber

Positive Reaction To Buyout

Customer and industry analyst reaction to the leverage buyout of Memorex by former Memorex International employees has been enthusiastic.

"I didn't see any changes in my relationship with Memorex when Burroughs bought them in 1981, and I don't expect any now," said Anthony Fiumefreddo, president of data services for Erisco, a data processing company and Memorex customer in New York. Fiumefreddo told *Computerworld*, "we would continue to work with Memorex as long as it quickly responded to IBM products."

Noted industry analyst Jim Porter told reporters that he "didn't think Memorex's

customers would have a lot to worry about as long as Burroughs continues to promptly respond to new IBM products."

The new Memorex, which was sold to several ex-Memorex employees and a New York investor in early November, will be headquartered in London. The London-based operation will be in charge of worldwide PCM sales and service organizations; Communications Group peripherals engineering and manufacturing operations; Computer Supplies Group; the organizations previously considered a part of the North American Operations Group, including the Memorex Finance Company;

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IN THE NEWS

NORTH AMERICAN OPERATIONS GROUP

John Graham has joined the Memorex storage equipment marketing group as manager of product marketing. Graham works with each of the Memorex product managers and reports directly to Bob Bodnar, marketing director, storage products. He has been with the Memorex systems engineering organization for many years.

Bud Boughton, a Memorex sales representative in the Orlando, Florida, branch, was recently featured on the sports pages of the Orlando Sentinel. Boughton is a former defensive football coach for Ball State University and Earlham College in Indiana. Today, Boughton spends his extra time coaching the Mini-Hunis, his eleven-year-old son's flag football team. In the article, Boughton talks about the benefits of flag football for kids and about the possibility of getting back to college coaching. According to the article, Boughton said he'd go back to coaching if he could "win the lottery."

INTERNATIONAL

Jayne Pickering was recently promoted to program manager, terminals, for Memorex International's communications department. Pickering is responsible for providing marketing guides, sales aids, and product announcement packages to countries. Pickering had been a business administrator for communications before her appointment. She reports directly to Marc Cantin, marketing manager, communications.

Stefan Sjoestroem has been promoted to manager, marketing planning for Memorex International. He reports directly to Geoff Seabrook and is now responsible for analyzing the market environment and defining products and programs. Previously, Sjoestroem had been product marketing manager for Memorex International display terminal products and launched the 2179 and 2180 products.

CORPORATE

The Memorex Credit Union is offering members a special loan for the purchase of any Unisys equipment, up to a maximum of \$3,500. As of early December, the annual percentage rate for the loan was 13 percent and could be repaid over a 36-month period. Contact the Memorex Credit Union Loan Department at 7-3733 for more details.

EMPLOYEE SUGGESTION PROGRAM

Ken Vold, a marketing distribution coordinator, recently won an estimated \$7,800 after his suggestion to save money on Memorex mailings was implemented through the Employee Suggestion Program. Vold suggested that the Memorex Marketing Distribution Center be brought back in-house to avoid having to go to outside for mailings. Results from the move reduced costs, allowed for better inventory controls, and improved mailing turnaround time. Vold is responsible for distributing information to field branch offices.

William R. Matheson, a senior dispatcher for the National Dispatch Center (NDC), was recently awarded an estimated \$4,800 in the ESP program. Matheson suggested that an NDC operator transfer calls to ATAC. In this way, the call prompter on the NDC telephone line could be removed.

New Memorex To Take Over Building 7

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Memorex International Group operations; and the Santa Clara-based Memorex Corporate Physical Distribution organization.

Under the new structure, Unisys will own preferred stock in Memorex, but has no say in the day-to-day operations of the company. Unisys will also become a vendor to Memorex, supplying IBM-compatible large disk drive storage equipment. At the announcement of the sale, Unisys Chairman Michael Blumenthal said, "As a holder of preferred stock and a key vendor, Unisys retains a stake in and important ties to the new Memorex, and looks forward to a long and mutually beneficial relationship."

A huge sales force and a strong European base are among the assets the new Memorex management team plans to use to build the future of Memorex. Giorgio Ronchi, who will become chief executive of Memorex, noted, "Memorex International operations account for over two-thirds of current sales and have always been profitable, even during difficult years. We feel this is because the management had more seniority and was allowed to be more entrepreneurial. One of our top priorities will be to mimic our European success in the United States."

Memorex will employ about 6,000 people worldwide, with over half the workforce outside the United States.

Since Unisys will maintain the Santa Clara campus (buildings 10, 12, 14), Memorex employees now working in those buildings will be moving during the first quarter of 1987. Most will be moving to the Building 7 complex in Milpitas (three buildings totalling over 200,000 square feet). Memorex will also retain buildings 23 and 27-A and all Computer Supplies Group buildings in Santa Clara.

*Happy
Holidays*

Terminal, Printer, Controller Features Unveiled



The Memorex 2173-B Screen Printer is the smallest, most cost-effective screen printer available to 3270 users.

Memorex is strengthening its 3270 communications product line in January by announcing a new modular terminal, the 2180; an enhanced screen printer, the 2173-B; and a new feature for its family of 2274 remote and local controllers.

These announcements follow closely on Memorex's largest product introduction in the company's 25-year history in October, which included 3270 intelligent workstations, modular terminals, and a double capacity disk drive.

"These product introductions are part of a long-term strategy to broaden our marketshare in the 3270 user environment by providing a very competitive product line," said Collin Bruce, director of communications product marketing. "We now offer a complete line of compact, versatile, ergonomically designed communications equipment at a very attractive cost of ownership."

2180 15-inch Modular Display

The 2180 is a monochrome version of the 2180C color terminal that was announced in October and is a plug-compatible replacement for the IBM 3180 display terminal. Users can select from four different screen sizes with a single keystroke with the 2180, which is designed for high-volume data entry and interactive processing. The terminal displays up to 3,564 alphanumeric characters and gives users a choice of green or amber screens.

2173-B Enhanced Screen Printer

Memorex's new screen printer, the 2173-B, replaces the Memorex 2173. This new

printer has added enhancements and a lower price, making it the smallest, most cost-effective screen printer available to 3270 users.

The 2173-B is listed at \$425 with a serial interface and \$400 with a parallel interface. The new model has a smaller footprint, only 14.5 inches wide by 11 inches deep, making it ideal for office environments.

Enhancements for the 2173-B include serial or parallel interfaces, full-sized or half-sheet printing, 8K buffer, and a one-inch paper-tear bar to reduce waste.

Expanded Controller Feature

Memorex also will announce a feature to increase the functionality of its 2274 controller family. This feature is the first in a series of Memorex planned enhancements to its controllers.

V.35 provides an optional interface to enable Memorex 2274 controllers to attach to a V.35 communications interface for 56K bps operation.

Volume shipments of the 2180 begin immediately with a single-quantity list price of \$1995. The 2173-B will be available in January to customers. The V.35 feature, available first quarter 1987, is priced at \$250.

Former Southern AVP Promoted To GM Of MFC

Bill Wiley was recently promoted to vice president and general manager of Memorex Finance Company, a wholly-owned subsidiary of Memorex Corporation.

Wiley's new responsibilities include managing and directing all operations within MFC. He reports directly to Jack Scott, vice

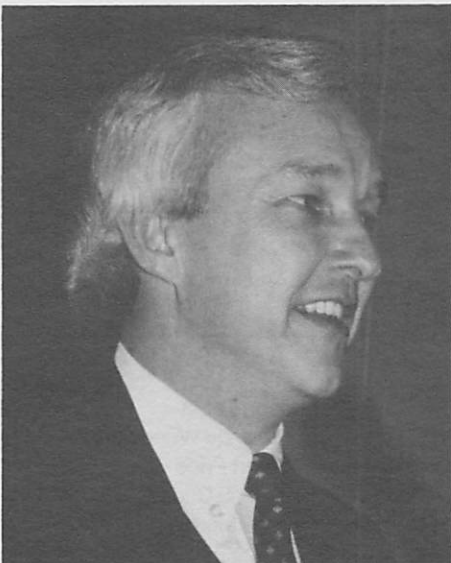
president of the North American Operations Group.

Before his promotion, Wiley was vice president of Memorex's Southern Area where he spent four years. Prior to that, he was an area leasing manager for the Memorex Finance Company for almost four years.

Wiley held a variety of positions at IBM, where he spent five years in manufacturing, which included managing the Production Control Engineering Change function at one plant. He also spent six years in sales.

He also has been a regional manager for an insurance-oriented software company, and began his computer leasing career with ITEL Corporation. Wiley arranged transactions at ITEL for IBM mainframes and peripherals.

"MFC is a vital link to NOG sales efforts," said Scott. "Bill brings about 21 years of computer and peripheral industry experience to the leadership of MFC. This experience and his success with the Southern Area make him a very important part of the NOG management team, especially as we expand MFC's scope and penetration."



Bill Wiley

ANNIVERSARIES

October 1986

Twenty Years

Larry Mullins

Fifteen Years

Creswell Cole
Alton Christman

Ronald Guthormsen
Charles Freeman

Jerome Keane
Robert Nordberg

Ten Years

Michael Parent
Kim Kelly
Joseph Reedy
Delores Mankins
Julia Rodil
Robert Hubbard
Marilyn Shaw
Guadalupe Andrade, Jr.
Jody Auman
Nancy Tolliver

Roxanne Krenz
Steven Stewart
Karl Helland
Joanne Klingbeil
Gregory Gibbs
Mac Johnson
James Dethlefsen
Bennett Hall
Hung Dinh
Eva Cervantes

Gary Patterson
John Senatore
Ralph Hill
David Sherman
Robert J. Nelson
James Ingrassia
Iva Cole
Sharon Kolstad
Dan Devou
Josephine Montez

November 1986

Twenty Years

Kenneth Lee

Fifteen Years

Geoffrey Raybould
Dorothy Staehs

Mark Jadus
Kathleen Danisi

Kenneth Hobbie

Ten Years

Gregory Johnson
Darrell Gorr
Constance Williams
Barbara Walker
Mary Brown
Albert Matej, Jr.
Beverly Franklin

Barbara Hicks
John Hix
William Nadzam
Whuida Lardizabal
Jefferson Palmer
Dennis Delaney
Thomas Bernzott

Keith McClung
Paul Wiest
James Cahill
Barbara Beers
Robert Brennan
Helen Kopas

December 1986

Twenty-five Years

Roland Gallegos

Fifteen Years

Richard Lepori
Suresh Mehta

Perry Segal
Farrokh Mottahedin

Ten Years

Leon Sarringhaus
Patricia Price
Nora Davis
Gerald Thacker
Ronald Julius
Wallace Olson

Herminia Alvarez
Raymond Olsz
Scott Dimeler
William Wilson
Michael James

John Taton
Suzanne Woodward
Stuart Price
Joseph Dudek
John Morgin

Buildings 10, 12, 14 Stay Unisys

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disk drive research and development operations. Buildings 10, 12, and 14 in the Santa Clara headquarters will become Unisys facilities, as will the circuit board plant in Nogales, Mexico, and the medium disk drive manufacturing facilities in Winnipeg, Canada.

Part of the negotiations included an agreement by Memorex to purchase large disk drives from Unisys that continue to meet or exceed the quality and cost attributes demanded by the plug-compatible market. This will assure continuity of product and service to Memorex customers.

"We intend to be manufacturing 3682-type drives for Burroughs A and V series mainframes by July of next year and hope to be manufacturing storage equipment for Sperry systems by the end of 1987," said William Morgan, newly appointed vice president and general manager of the Unisys Peripherals Group. "However, our long-range plans for growth depend a great deal on keeping Memorex as one of our most important customers."

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Memorex

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