

INTERCOM

MEMOREX

A newspaper for Memorex people everywhere



Volume 21 Number 2 March/April 1983

Spangle presents Memorexcellence Awards to outstanding employees

At the annual Memorex Management Meeting held on March 26 at the Sunnyvale, CA, Hilton, Clancy Spangle, president of Memorex, honored nine Memorex employees with Memorexcellence Awards. Following are excerpts from his speech and his presentation of the Awards.

Each year at this time, it has been our tradition to give special recognition to individuals who have made exceptionally outstanding contributions in the performance of their work at Memorex.

*The first of two Memorexcellence Awards to be presented in the Technological Achievement category goes to **DUNCAN W. FREW**. Duncan is a staff chemist with RMCD Development Engineering and has been with Memorex since 1974. During 1982, Duncan played a key role in the development of a new iron oxide/epoxy formulation to produce a coating approximately 25 millionths of an inch thick. This coating optimizes the magnetic matching with thin-film heads, providing about 15 percent better resolution versus IBM's 3380.*

*The second Memorexcellence Award for Technological Achievement goes to **DR. YUK YANG**, manager of Design Automation in SEM & D Development Engineering. A member of the Memorex team since August 1979, Dr. Yang is the prime mover and chief architect of the design automation system that allows our engineers to design effectively, using the latest technologies.*

*The next two Awards are for Excellence in Quality and they both go to managers in the Communications Group. The winners are representative of the tremendous team effort which resulted in dramatic improvement in the quality of our 2078 terminal during 1982 — at the same time that we doubled our production rate on this product from 18,000 units in 1981 to more than 35,000 units in 1982. The winners are **EDWARD DUNN**, manager of Production Operations, and **SCOTT JACKSON**, manager of Quality Control. The improvement in out-of-box quality was due to a number of things. Significant improvements were made in the production process and test equipment. There were daily shipping audits and meetings with production workers to identify problems, listen to employee's suggestions, and implement corrective actions. Active quality circles and quality awareness programs also helped. Ed has been with Memorex since April 1970 and Scott joined us in April 1978.*

*The Award for the Outstanding New Product of the Year goes to **FRED MISHLER** for his role in the introduction of a 5¼-inch oxide disc to the OEM marketplace. Fred is RMCD's manager of 5¼-inch disc production. Under his leadership, production began last May. By the first quarter of this year, production had reached 20,000 units per month, the steepest production ramp we've ever achieved on a new disc product. The product has established an excellent quality reputation in the marketplace, orders continue to exceed capacity, and profitability is well ahead of the original business plan. Fred has been with us since January 1978.*

*The Award winner for Product Cost Reduction is **FRANK MORRIS**, a mechanical engineer in the 3680 Drive Development group. Frank has been with Memorex since May 1977. His Award is for the design of the 3680 linear motor. The motor, used to drive the actuators to position the heads radially with great precision, utilizes a permanent magnet assembly, historically based on expensive alnico magnets. At the outset of the 3680 project, Frank conceptualized a ceramic magnet which met the product requirements at significantly reduced cost.*

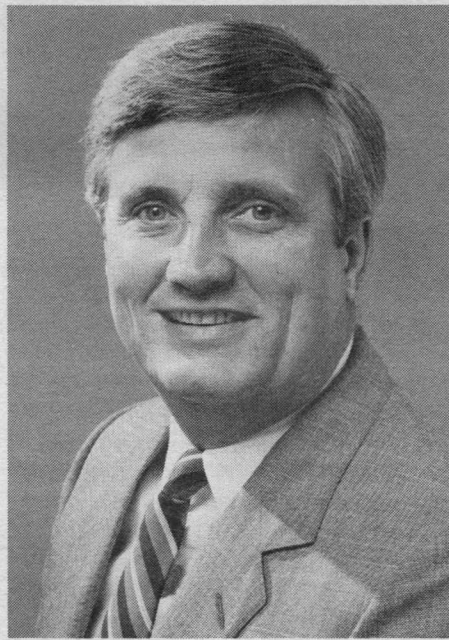
*The Award for Business Turnaround goes to **DR. ECKHARD SCHUETZ**, Country Manager for Germany, for the actions he took to bring Memorex Germany back to profitability in 1982. These actions included clearing up our organizational structure, lowering the break-even point, eliminating losing products, combatting the competition, and positioning us to gain market share in 1983. Above all, it is for bringing back a winning atmosphere.*

*Our first Staff Memorexcellence Award for Quality Performance goes to **RUSS WAYMAN** of our Legal department. This Award is for the exceptionally fine work Russ did in connection with the sale of our Consumer Products Division to Tandy. He played a critical role in the structuring, negotiating, and finalizing of this very important transaction. Russ did an extraordinary job in dealing with Tandy's very professional and tough negotiators.*

*The second Staff Memorexcellence Award for Quality Performance is being presented to a manager who has been on the Memorex team for 12 years. He has been described as the "consummate team player," one who sets the stage for others then fades into the background. He makes us look good and he does it with spirit, humor, and imagination. This Award goes to **AL SCHULER**, manager of the Corporate Design Center. Al's quality performance is expressed in many ways — in management presentations, off-site meetings, exhibits, trade shows, technical tours, MEMINET, and product brochures. His work reflects the quality image of Memorex.*

These Memorexcellence Award winners personify our Company's long-standing dedication to quality excellence in everything we do at Memorex.

Johnston is named MFC vice president



Clyde Johnston has been promoted to vice president and treasurer of the Memorex Finance Company (MFC), reporting to Hal Krauter, president of MFC.

Johnston joined Memorex in 1979, after retiring from the U.S. Marine Corps with the rank of Lieutenant Colonel, following 20 years of service. At Memorex, he was manager of Budgets and Measurements for the Computer Media Group until April, 1979, when he was promoted to Finance manager for that group. Johnston joined MFC in October 1979. His most recent position was that of assistant controller for MFC.

Johnston holds a bachelor's degree in Mechanical Engineering from the University of Colorado and an MBA from Harvard Business School, where he was elected a Baker Scholar.

Memorex introduces new disc drives

by Ken Rowe

Memorex has recently introduced the first two products in its 400 Series of compact 5¼-inch fixed/removable Winchester disc drives — the 410, with formatted storage capacity of 5 megabytes fixed and 5 MB removable, and the 415, with 10 MB fixed and 5 MB removable.

Memorex also announced that it intends to manufacture a 5¼-inch rigid disc cartridge, the Minimark™ cartridge, for use in these products and other industry-standard devices.

Aimed at the rapidly growing desktop computer market, the new 5¼-inch fixed/removable Winchester drives provide the long-awaited solution to the industry's need for a fast, reliable data cartridge and backup method in a compact, cost-effective package.

"The industry currently uses floppy disc or streamer tape for this function," Frank Buckley, vice president of OEM Equipment, said. "At best, these are compromise solutions, but until now, there has been no viable alternative."

Communications Group continues to concentrate on high quality

The Communications Group recently held its fifth presentation of certificates for employees successfully completing the Quality Circle training program. At the luncheon held in the graduates' honor, main speakers were Dr. James Castle, Memorex's executive vice president, and John Mitcham, president of the Communications Group.

Said Castle, "Quality improvement activities can pay off. If you look at our results, you'll see that they do pay off." Dr. Castle also discussed the four basic messages Memorex communicates to our customers. Those include:

1. The most important thing at

Memorex is quality.

2. Memorex is dedicated to keeping its commitment to performance, delivery, and price.
3. "We believe that investment in technology is crucial," said Castle. "We are doing it now and will continue to do it. That includes a front-end investment in quality."
4. We intend to be a profitable, strategically-planned Corporation. "Profitability is strongly related to the quality of the product."

According to Mitcham, "Quality has a lot to do with the way we feel about the Company and the way we feel about the work we do."



Recent graduates of the Quality Circle program in the Communications Group are shown above at a recent luncheon held in their honor. In alphabetical order, they are: Angelo Agbuya, Susan Armstrong, Sylvia Badillo, Jim Bogart, Victor Cancilla, John Darcy, Nelia Delcarmen, Erika Eastman, Lydia Evans, Albert Garcia, Renate Herbst, Robert LaFountain, Greg Lasky, Mark Lautman, Lorie Loudon, Luminosa Olarte, Patricio Parra, Gabriela Patser, Louis Perkins, Shah Rajendra, Carol Tabellion, Ed Valderrama, Stan Wicka, Mike Willete. Not pictured are: Jeannie Cherry, Danny Gurule, Antonia Kewitz, Ravinder Mann, Sue Riverside, Jeffrey Shamus, and Kim Tran.

SPORTSTALK

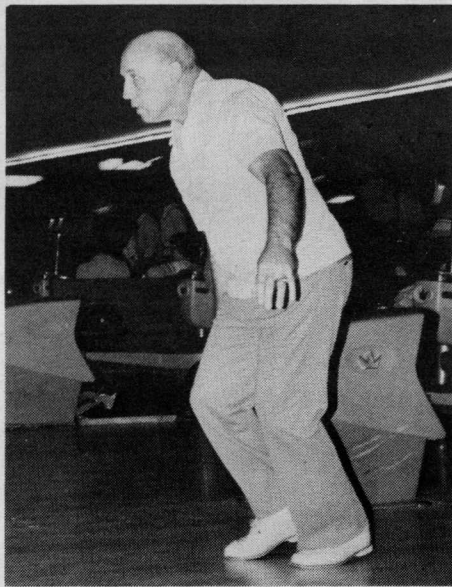
Gaetani qualifies to bowl in Budweiser Pro/Am in St. Louis

by Jeff Wagner

Nick Gaetani picked the perfect time to bowl his all-time highest three-game series.

Gaetani, an accountant at Memorex and a member of the Memorex Mixed Winter Bowling League, was among the more than 300,000 nation-wide amateur bowlers to participate in the second-annual Budweiser/Budweiser Light Hall of Fame Most-Pins-Over-Average competition this month. His whopping 754 series (205 pins over his 183 average) topped all other men from the 13 western states in region 4, thus qualifying him along with the four other regional winners in the finals to be held in St. Louis, Missouri, May 6-7.

Gaetani, who threw games of 265, 254 and 235 will carry into the finals the highest average among finalists. The finals will feature a round-robin tournament as the top five regional men finalists will be paired with five professional Hall-of-Fame women bowlers; while the top five women finalists are paired with five professional men Hall-of-Fame bowlers. Each team will bowl two games against each other in the first round. The top two teams with the highest



pin count (professional's game total plus or minus the regional partner's pins over or under average) will bowl against each other for the championship in a one game playoff. The winning team gets \$10,000 while the runner-up earns \$6,000.

Gaetani, who has been at Memorex for 13 years, has 23 200 games to his credit in this years Memorex winter league, while bowling one other 700 series earlier in the league.



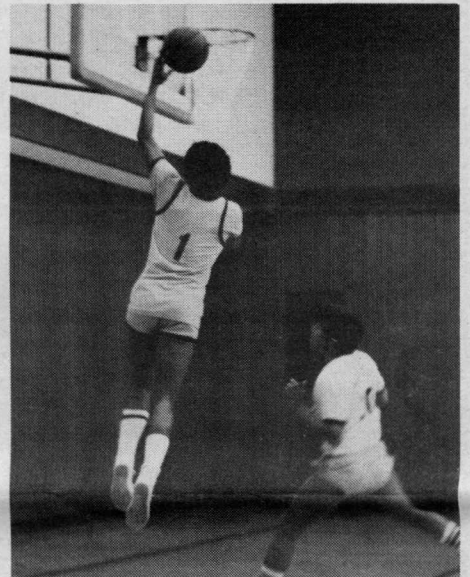
The outstanding Memorex basketball team is shown above with their trophies from the last two seasons. They are, left to right: Gary Eubanks, Parnell Lane, Jim Jones, Robert MacDonald, Bob Glaviano, Pat Gonzales (scorekeeper), Bubba Richardson, Ben Rapp, Steve Warburton, and Dave Mitchell.

Basketball players continue to bring trophies back to Memorex

by Jeff Wagner

The goal of any team in any level of sport is to capture first place in their league; and the ultimate disaster of any team is to finish in last place. This year's Memorex basketball team had the unusual distinction of accomplishing both in the same season.

A consistently successful "C" league team the past few years and last year's champion, the Memorex team was promoted to the "B" level at the beginning of the season. However, after the first half of the season was over, it was evident that they didn't belong there as they achieved only one win in their first six contests.



Following this, the team was moved back to the "C" league to finish up the second half of the season. Subsequently, the team put things back together and reeled off six straight wins, including a victory over first half champions Signetics, to capture their second title in a row.

The Memorex team then entered the Third Annual Rolm Tournament to defend the title they captured last year. After getting off to a good start with victories over Ford 64-53 and Atari 49-43, the eight-player team began to tire as they were unable to keep up with Moffett Field's run-and-gun style of play in round three. They were edged 44-43.

A 44-42 win over Amdahl put Memorex into the finals for a rematch against Moffett, but they were still unable to control Moffett's fast-break style of play and eventually lost 64-53. Memorex will probably get another shot at Moffett; however, as they are expected to participate in Moffett's annual basketball tournament that has yet to be scheduled.

Thanks to Bubba Richardson for his assistance in preparing this article.

Employees to run in National Road Race at Stanford

by Ken Kopec

Memorex runners have qualified for a chance to compete in the National Road Race Championships at Stanford University on July 23. Eight Memorex employees ran in the National Road Race qualifying meet held in Mountain View, CA on March 6. The eight-kilometer (approximately five miles) race attracts corporate runners from all over the country. First across the finish line for Memorex was Rod MacKinlay, manager of Software Development in the Customer Engineering group. Rod's official time was 31:42:00. Other Memorex runners and their times were: Bob Woodling — 32:49:00; Dale Silva — 35:07:10; Ken Kopec — 33:32:00; Steve Lawrence — 38:09:00; Jim Martin — 38:02:90; Dianna Cabral — 43:02:80; and Jackie Ruybal — 43:44:60.

Memorex runners are also scheduled to compete for the Chariot Cup in the National Corporate Cup Relays which will be held at Stanford University on July 23 and 24. Over 10,000 runners representing 500 corporations will vie for the coveted Chariot Cup.

The Memorex team is looking for runners who accept the challenge and want to be a part of the largest corporate competition of its kind. Corporations must earn an invitation to the 1983 Corporate Cup Relays by competing in a series of regional relays. Those will be held on May 7 and 8 at Foothill College and on June 25 and 26 at Stanford. If you would like to be a part of the Memorex Corporate Running Team, call me at (408) 987-9754.



Mardi Garren, right, manager of the Media Products Group Advertising and Sales Promotion department, discusses the new Burroughs Performance Planning and Evaluation (PP & E) program with one of her employees, Kerry Swanson, publications specialist.

Managers to receive training in Burroughs' PP & E program

by Jim McKnight

The new Memorex/Burroughs Performance Planning and Evaluation (PP&E) system is being introduced throughout Memorex this spring. All managers and exempt employees will be writing and prioritizing their objectives for 1983.

Human Resources personnel are now training all managers in the use of the system, which consists of three essential elements:

1. Performance planning — objective and priority setting.
2. Performance management — manager and subordinate

communicating and working together to ensure plans remain relevant and timely; feeding back to each other status reports and critiques.

3. Performance evaluation — appraisal of performance "mid-term" and end-of-year.

All plans will be completed by July 1 and evaluations will start in December. Obviously, we will be planning for only a half-year in 1983, but 1984 and future years will provide complete 12-month cycles.

Contact your Human Resources department or Jim McKnight at (408) 987-9919, M/S 06-01, for details.

WANTADS

FOR SALE: 1982 Honda 750 Custom; \$2500 or best offer. Call Angel at (408) 251-9020.

FOR SALE: Decathlon Club membership — racquetball, tennis, swimming, and more for \$995. For information, call Bev at (408) 738-8700.

FOR SALE: Washer and dryer like new, \$300. Call Karen (415) 657-7052.

FOR SALE: 1981 Kawasaki KZ550 with alarm and manuals; 4500 miles; \$1500. Nava 3 helmet, \$85. Arai helmet, \$100. 40R leather jacket, \$100. Call Joe at (415) 349-7164.

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MEMOREX AND MEXICO WORKING TOGETHER

Special report on Memorex in Mexico

April 1983



A group of Mem-Mex employees is shown above at a party. See photographs of other Mem-Mex employee social and recreational activities on the back page.

Employee social activities in Mexican plants include Queens

Social activities of Mem-Mex employees are many and varied and include: football, volleyball, baseball, picnics, parties, golf, bowling, and basketball — many of the same activities enjoyed by all Memorex employees everywhere. One particular aspect of their activities is rather unique, however, and also serves as a fund-raising mechanism to support all other activities.

Each basketball team throughout the year nominates a candidate for Queen of the Tournament, the annual Mem-Mex Basketball Tournament in which 12 teams participate, including one team each from Magdalena and Tucson and the others from Nogales.

Each team's Queen candidate serves as a working focal point for fund-raising events sponsored individually by the teams throughout the tournament season. The events range from dances and picnics to bake sales and rummage sales. Each peso collected at a team event represents one "vote" for that team's candidate for tournament Queen. In the last tournament, many teams collected 4,000 pesos or more and one team collected 14,000 pesos.

The funds are collected at the end of the tournament and distributed under supervision of the Sports Committee (headed by Ricardo Ricartti, manager of Industrial Relations).

The tournament is one of the most popular employee social activities, routinely drawing extensive participation from all plants. Nogales newspapers gave a lot of coverage to the Mem-Mex tournament this year, especially when the "Gringos" (Memorex's team from the Tucson offices) came to Nogales to play. According to Ricartti, the "Gringos" were tough, but not tough enough.

Mem-Mex also sponsors two basketball teams in the Industrial League, which includes teams from other plants in Nogales; one basketball team in the Municipal League and one baseball team and one soccer team in the Municipal League.

Mem-Mex and Magdalena have players in the "Memorex Slicers" golf tournaments, and are working on launching an inter-plant bowling league.

The most popular social events of the year are the Mem-Mex Family picnic, held in the summer for all employees and their families; and the Christmas Party for employees and their dates. The Christmas Party Dinner/Dance is also the occasion to present awards and trophies for accomplishments during the basketball season.

Special thanks to Ricardo Ricartti and Kathleen Sullivan for their assistance in preparing this article.



Employees in the Mem-Mex plants are well-known for the quality of their work. See the article at right.

Beautiful desert highway takes you from Tucson to Nogales

The highway heading south from Tucson, Arizona, winds through the huge Sonoran Desert, abundant with cactus, tumbleweed, and desert wild-life seeking relief from the heat. Distant mountains in shades of beige and purple lie between the desert and indescribably beautiful sunsets. It seems like the end of the Earth, but no. There's a bustling city ahead that supports a large industrial area and a population of 150,000 — Nogales, Sonora, Mexico.

One of the many industries operating in Nogales is Mem-Mex, part of the Mexican arm of Memorex's domestic operations in the Storage Equipment Manufacturing and Development organization. Mem-Mex comprises three plants in Nogales, the newest having been dedicated in late January of this year, and one plant in Magdalena, Sonora, about 45 miles south of Nogales. Memorex has been operating its first plant in Nogales (Plant I) since 1971. Plant I started as a manufacturing facility for the cables and harnesses required for Memorex storage equipment. All of that work has been shifted to Magdalena. Of the three plants now in Nogales, Plant I is dedicated to printed circuit board assembly; Plant II recovers and refurbishes terminals, power supplies, and power distribution units; and the new plant (Plant III) houses the manufacture of power supplies, power distribution units, frame assemblies, and head/arm assemblies.

Located just across the road from Plant II, Plant III comprises 82,000 square feet, half of which is a centralized warehouse servicing all three plants in Nogales and the one in Magdalena.

All support functions for the Mexican operations originate in Tucson, headed by Bob Milo, general manager of the Tucson/Mexico

operations. Milo is assisted by Kathleen Sullivan, executive secretary; Cherry Hinote, Human Resources manager; Dan Scott, Finance manager; Terry Ettner, Engineering manager; Howard Reed, Operations Support manager; Oscar Mendoza, manager of Nogales Plants I and II; Luis Moreno, manager of the Magdalena plant; Joe Clemens, Quality Assurance manager; Dave McCormick, Customer Service manager; Roberto Moreno, Special Projects manager; and Francisco Velez, manager of Plant III in Nogales.

The interview inside this special issue with Bill Krehbiel, vice president of Off-Site Operations for SEM & D, provides more detail and some interesting highlights on the Mexican and Tucson operations.



Accompanied by two Mem-Mex employees, a local priest blesses the new plant in Nogales, Sonora — the beginning of the official dedication of the facility.

Burroughs manager notes high standards in Mem-Mex plants

Quality is just as important in Mem-Mex plants as it is in all other Memorex plants and offices. Last November, the general manager of Burroughs' Coral Springs facility, R. T. Kvalheim, visited the Mexican plants in Nogales and Magdalena to review their manufacturing facilities. Excerpts from his trip report are as follows:

On Magdalena: "This facility is extremely well kept. It is, basically, a new facility with modern production line techniques. The overall quality of the cables and harnesses produced at this facility is excellent. Presently, Memorex-Santa Clara does no incoming inspection of cables and harnesses manufactured in Mexico. The facility is on schedule."

On Nogales: "The three facilities located in Nogales are well maintained. Production in the plant is well organized. All assembly stations have manufacturing aids, showing exactly what is expected from employees...the attention to detail was always present...The attention to product assurance was very impressive. They utilize all of the control techniques

presently used in plants that are very concerned with the quality of their product. Training is foremost in their minds. When an error is repeated a number of times, specialized training sessions are set up for all employees concerned with that operation. The operators are then trained to do the job."

In a follow-up memo to all Mem-Mex managers from Bob Milo, general manager of Tucson/Mexico operations, Milo stated: "You are to be commended on the conscientious management and organization at your operations, the manufacturing disciplines and controls in place, the stringent quality assurance program, the clean and orderly condition of the plants, and the diligence and motivation of the workforce. Each of these factors, reflected in very positive terms in the subject (trip) report, will be vital to our performance in 1983... Maintaining the highest standards of quality in every aspect of our operations will assure our success in the coming effort. Keep up the good work!"

Nogales III Dedication Remarks

WADE MEYERCORD, PRESIDENT OF STORAGE EQUIPMENT MANUFACTURING AND DEVELOPMENT

The recent acquisition of Memorex Corporation by Burroughs Corporation has formed the second largest supplier of data processing equipment in the world. It is through our combined strength that we, Memorex and Burroughs, are able to make major investments in capital equipment that help to provide jobs through the manufacture and sale of computer equipment. The principal role of our Nogales and Magdalena operations is to supply subassemblies which are utilized in storage equipment, and terminals for connection to computers, and for the storage of information processed by those computers. As the second largest supplier in this marketplace, we can expect continued growth as mankind finds greater and greater opportunities to release people from repetitive calculations and analyses of information.

Since Burroughs and Memorex are involved in a growing industry, we have very handsome prospects for growth, both in the United States, and in Mexico, and across our world-wide marketplaces. Almost half the products assembled here in Mexico will be sold in other countries of the world, outside the United States, which indicates the size and scope of the world-wide information processing marketplace.

Therefore, I have every reason to believe that our investments here in Nogales and in Magdalena will reap a continued harvest of employment for your citizens. We look forward to continuing our history of growth in Mexican operations and the excellent relationships we have enjoyed in working with the federal, state, and local governments here in Mexico.

BILL KREHBIEL, VICE PRESIDENT OF OFF-SITE OPERATIONS STORAGE EQUIPMENT MANUFACTURING AND DEVELOPMENT

Memorex Corporation began its operations in Mexico nearly 12 years ago, in 1971. During the past few years, we have made major investments in additional production in Mexico in order to provide additional employment to the citizens of Mexico. Just last January, we dedicated our new production facility in Magdalena de Kino, Sonora. Mem-Mex operations now occupy 213,000 square feet in the State of Sonora, a production capacity with the potential for providing many jobs to the Mexican economy. This plant, therefore, represents the latest tangible evidence of Memorex Corporation's continued support of the Mexican government's manufacturing programs.



Shown cutting the ribbon at the official dedication ceremonies for the new Nogales plant, are left to right: Wade Meyercord, Bill Krehbiel, Enrique Moraila Valdez, Alfonso Aguayo Porchas, and Bob Milo. These five gentlemen were the keynote speakers at the dedication. Excerpts from all of their speeches are reprinted here.

ENRIQUE MORAILA VALDEZ, MAYOR OF NOGALES, SONORA

Since human beings have been established in society, our major assets have been our efficiency and solidarity toward each other and the sharing of happy and sad times that we sometimes have. Mexico is in a crisis, but we will survive it.

It is a pleasure to have been invited to a productive corporation because it demonstrates once more that the most important thing in the world is still its people. Men and women against adversity and risks help to restore the prosperity that creates employment.

We have centered our attention at this time on production. Production generates employment. Employment generates security, social peace, and support for human beings. I mention these three things in their order of importance. In order to obtain security, social peace, and support for human beings, we need employment. This is why we now acknowledge all those who work for Memorex Corporation for their support of human solidarity, for sharing their knowledge and economic resources with Mexicans. I deeply thank you for that.

I ask the Mexican workers to put all your effort into your job by demonstrating your punctuality, responsibility, and austerity in your personal and collective performance so that Mexico will continue with its accelerated growth. Care for your jobs. In this way, you will create more employment.

Directors of Memorex — thank you for placing your confidence in Sonora and in Mexico. All the people of Sonora and Mexico are confident that we will make it with the combined efforts of all of us.

ALFONSO AGUAYO PORCHAS, SECRETARY OF INDUSTRIAL AND ECONOMIC DEVELOPMENT FOR THE STATE OF SONORA, MEXICO

From what we have seen during our visit to the plant today and from the explanations by Memorex employees, (we realize) that factors which are important for the State of Sonora are taking place here in Mem-Mex. One of these factors is the technology being brought here from the U.S.A., one of the most advanced countries in the world. Another factor is the investment of local businessmen interested in the development of their community....The most important factor is the workmanship of our people who produce these important articles for the development of technology...Through this, we will create a better way of life and personal and community achievements. The contribution of Memorex Corporation is a source of great satisfaction for the State of Sonora and the people of Sonora. It has given me great satisfaction to directly observe the manufacturing process and to have received all the information about it from the friendly employees. Thank you very much and I wish you all success.



Francisco Velez (center, with moustache), manager of the new Nogales plant, explains some of the fine points of computer technology to Alfonso Aguayo Porchas, Secretary of Industrial and Economic Development for the State of Sonora, Mexico.

BOB MILO, GENERAL MANAGER OF TUCSON/MEXICO OPERATIONS

It is with pride that I address you today to dedicate the new building in Nogales. Four years ago, Memorex decided to reorganize the operation in Nogales in order to realize its full potential. Since then:

- employment has substantially increased;
- new levels of technology have been transferred, such as automated manufacturing processes and digital product testing capabilities;
- we have made investments of \$6 million; and
- we have expanded manufacturing space to a total of 213,000 square feet.

Our plans for the future include:

- further expansion of employment and space to support the growth of Memorex;
- a program that will permit the sale of Mem-Mex products directly into the OEM marketplace in the United States and in other countries in Europe and South America;
- expanded training programs for operators, supervisors, and professional employees; and
- offering products to the Mexican market through a sales office in Mexico City.

In a spirit of cooperation and enthusiasm, we can together be successful in realizing the above goals.

With this spirit, I want to thank all the members of the Mem-Mex team that have contributed to this new project. This building has 41,000 square feet of warehouse space and 41,000 square feet of manufacturing space. There is no space as efficiently used or as attractive.

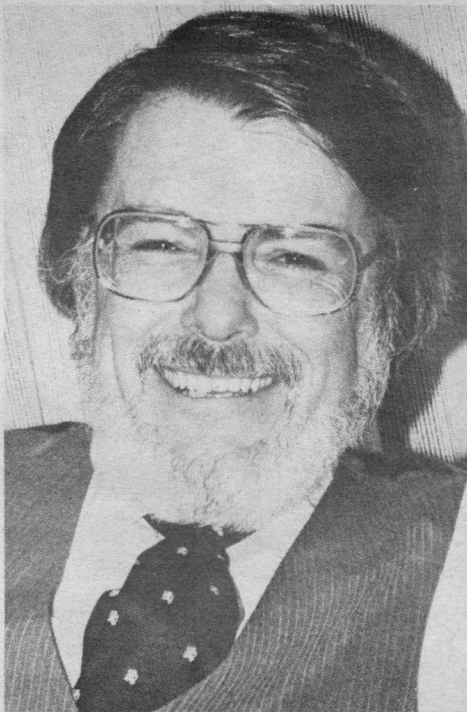
I want to thank the Dabdoub brothers, Luis Fernando and Antonio, for their time and their dedication to the construction of this new building. Also, I want to mention a few managers of Mem-Mex and their people who contributed to this project: Robert Moreno, manager of Special Projects, and Jose Maldonado, also of Special Projects; and Luis Moreno, who had the responsibility of supporting the needs of the Dabdoubs and coordinating the construction of the building. I would also like to thank Oscar Mendoza, manager of Plants I and II, for the legal coordination of the project; Francisco Velez, manager of this plant, and his crew for preparing the plant in order to be able to start production on schedule; Margarita Lopez, Finance manager of Mem-Mex; and, finally, I want to thank Ricardo Ricartti, Human Resources manager, for his efforts in organizing this inauguration.

Memorex and Mexico — working together — have developed an efficient combination with a group of ambitious and capable employees by accepting the challenges offered in the area of industrial development. These people live with this challenge. In the end, they will enjoy success and will achieve their career goals.

Therein lies the opportunity of the future. Memorex and Mexico — working together for development, training, challenge, employment, competition, benefits, security, professionalism, and personal growth.



Designed and built by the Dabdoub Brothers of Nogales, the new Mem-Mex plant is a beautiful Spanish style building with tile floors, roof, and sidewalks. The Dabdoub Brothers also built the Memorex plant in Magdalena.



An interview with Bill Krehbiel

Bill Krehbiel, vice president of Off-Site Operations for Storage Equipment Manufacturing and Development, was recently interviewed by INTERCOM regarding Memorex's operations in Mexico. Krehbiel has been with Memorex for two years. He originally was manager of Special Projects for the Peripheral Equipment Group. In March of 1981, he was promoted to the position of vice president of Storage Equipment Operations. In January 1982, he was promoted to his present position. Prior to joining Memorex, Krehbiel was chairman and chief executive officer of Advanced Energy Technology, Inc. Before that, he served as president of the Audio Electronics Division of Dictaphone Corporation. Krehbiel holds a bachelor's degree in chemical engineering from the University of Kansas.

INTERCOM: Why is Memorex investing in the Mexican economy at this time?
KREHBIEL: Due to the devaluation of the peso, the difference between labor rates, when stated in dollars, is greater than it has ever been before. While the minimum labor rates in Mexico have gone up (by governmental decree), they have not gone up as far as the peso devaluation has brought the cost of that labor down. So there is an economic incentive to do it, and we're creating jobs within Mexico. That improves U.S. relations with Mexico

"The first and primary reason we would invest in the Mexican economy is because it has something in it for both parties. Any deal that has something for both parties is liable to work."

because the U.S. economy is assisting them in developing their internal resources to build goods.
INTERCOM: Doesn't that eventually lead Mexico to a point where the country is competing with us?
KREHBIEL: Yes, they are in fact competing with us.
INTERCOM: How will that affect us?
KREHBIEL: What happened in Japan is a good example of such international competition. Japan, as a matter of national priority, decided that they would become a producer with the most outstanding reputation for quality in the world and they recognized (by the way, thanks to the initial teaching of U.S. experts) that over the next couple of decades, the battle for business would not be fought on a cost basis, but on a quality basis. So they elected as a

matter of national priority to produce the highest quality. Before that, they had always been associated with the lowest quality. For many reasons, U.S. manufacturers did not see what a threat Japan was until they had us pretty much on the mat.
INTERCOM: Could that happen in Mexico.
KREHBIEL: It could. It could happen with any developing country, but I think we have to draw a contrast between the renaissance of Germany and Japan after the second World War, who were already industrialized nations, and the evolutions of developing countries into developed

"...we're creating jobs within Mexico. That improves U.S. relations with Mexico because the U.S. is assisting them in developing their internal resources to build goods."

countries, a la Mexico, Brazil, and others. You have to draw a distinction, in my mind, between those two situations. The first and primary reason that we would invest in the Mexican economy is because it has something in it for both parties. Any deal that has something for both parties is liable to work. This brings us the same production at a lower labor cost. It brings the Mexican economy jobs they would otherwise not have, and it brings dollars into Mexico. It also enables us to lower the final production cost on those items that we have a high labor content in. The opposite side of that is that we would probably never invest in Mexico with the most highly technological things we do, such as the most advanced media or thin-film technology, head/disc assembly, etc., because we need a very substantial technological body of knowledge close at hand in order to run head/disc assembly operations, head operations, media operations, and final system test of controllers and drives. That is the kind of work we will always need to have in Santa Clara because of the availability of technological resources. On the other hand, we are slowly increasing the technical content of the Mexican work by beginning to test printed circuit boards as opposed to just making them and inspecting them. We've put in place 1377 terminal refurbishment which involves a fairly complex test of the entire terminal.
INTERCOM: How has all this affected Santa Clara operations?
KREHBIEL: One of the things I'd like to make clear is that we didn't lay off and go on four-day weeks *just* in the Large Disc Drive Division in Santa

Clara. We also decreased our direct labor population substantially in Nogales and Magdalena at the same time. To give you some idea of how much that labor population changed: at the peak of our activity last year, the total direct employment in all of our Mexican facilities was 834 employees. At the close of the year, our total direct labor was 604 employees. So, we reduced the Mexican operations' labor force by about 30 percent. That was a direct result of the same downturns in the large disc business in the industry. In the Large Disc Drive Division here in Santa Clara, we laid off 100 employees and placed some others into the Communications Group. We also placed some LDDD employees on a four-day work week in order to preserve their employment. Our strategy throughout the entire 12 years we have been building our Mexican operations has, in general, not been to reduce the jobs in Santa Clara, but to prevent substantial increases in the jobs of Santa Clara as we needed additional production, by utilizing more and more of our Mexican facilities.
INTERCOM: How well does it work to manufacture different parts of the same final product in different plants?
KREHBIEL: It adds complexity. For example, to build the 677 drive, Westlake has to buy printed circuit boards from Eau Claire. They buy power supplies and servo amplifiers from Nogales, and they buy machine

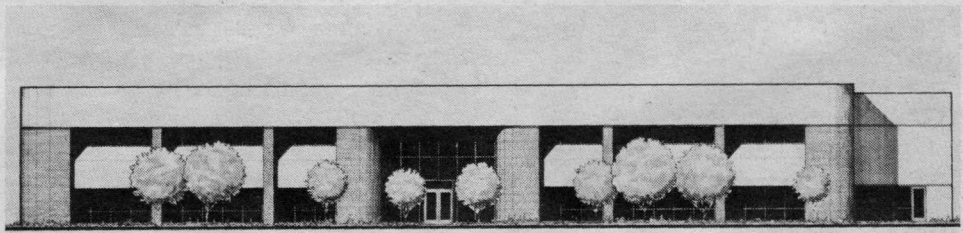
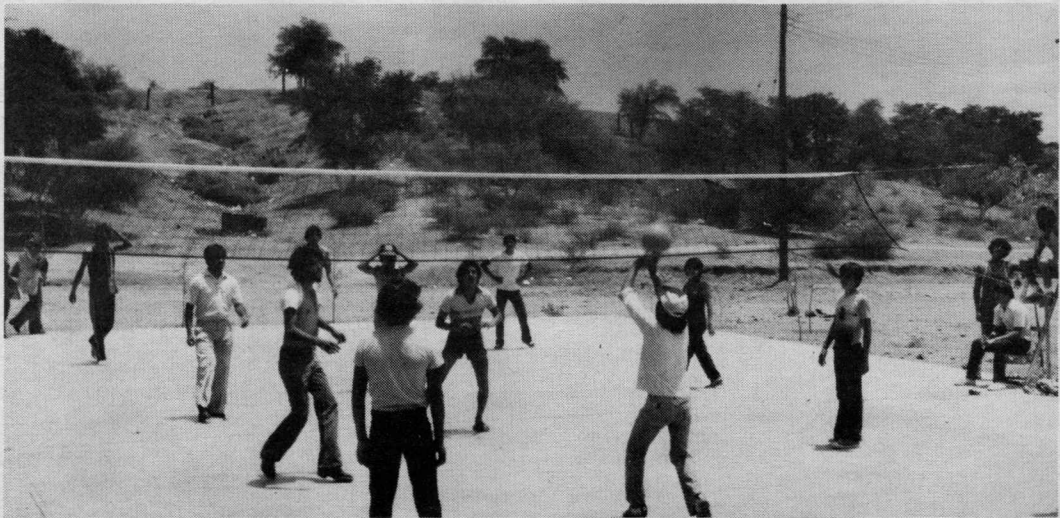
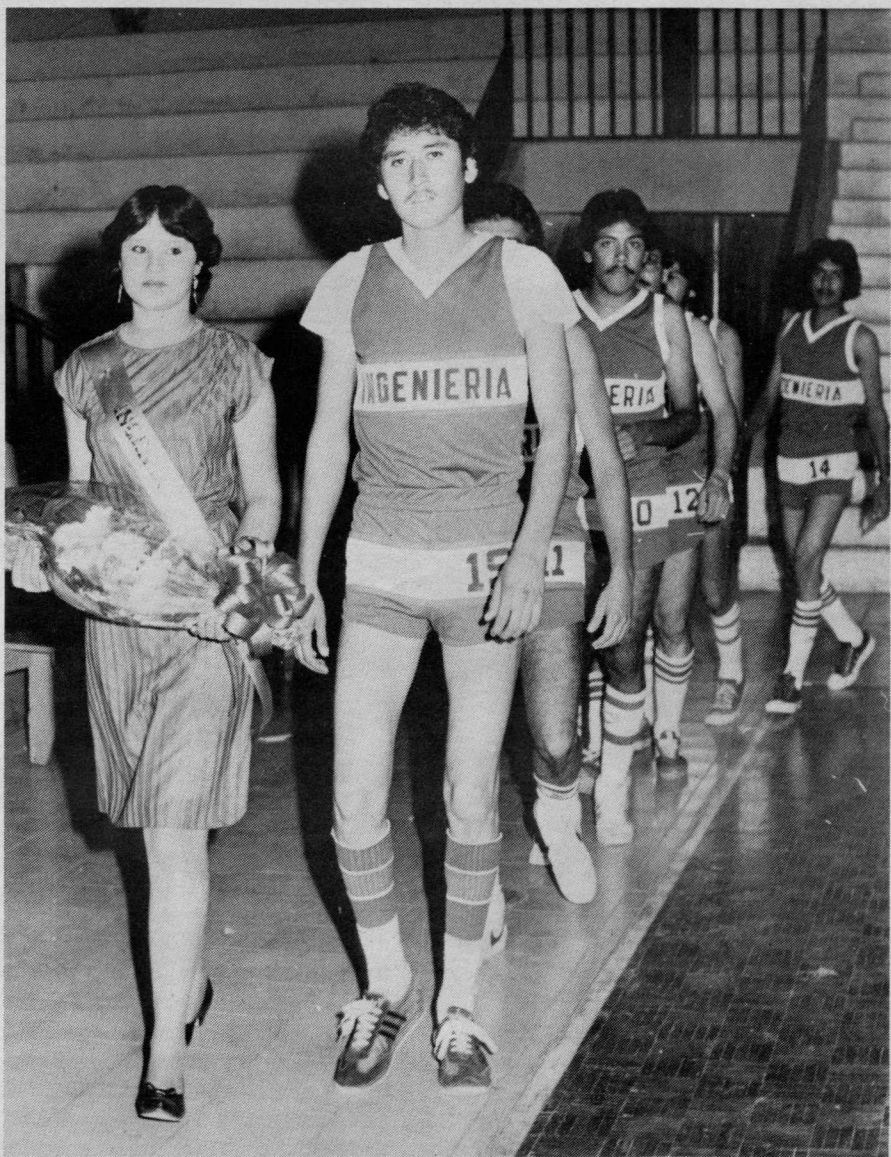
"It's a foreign country, a foreign culture, a different set of values, and a different behavior pattern...We're blessed by having Bob Milo as the head of all these operations."

parts and head-arm assemblies from the Large Disc Drive Division in Santa Clara. All this is required to make the drives.
INTERCOM: What is the relationship between the offices in Tucson and the plants in Mexico?
KREHBIEL: The following activities originate from Tucson in support of the Mexican operations: the consolidation of all accounting and reporting into Memorex of the results of Tucson and Mexico operations; the complete order entry material requirements planning system; and all the purchasing, with the exception of the few items sourced in Mexico.
INTERCOM: What is the relationship between Burroughs in Guadalajara and Memorex's Mexican plants?
KREHBIEL: Burroughs in Guadalajara is a part of Burroughs International Group and reports to Bob Holmes

who is Burroughs' Detroit's equivalent to Memorex's Lars Turndal, president of Memorex International. So, in Burroughs, they have treated their Mexican facilities as a part of their international company whereas we have treated our Mexican facilities as an arm of our domestic manufacturing capabilities. Both operations are in contact and regularly talk with each other about operating in the Mexican economy and the actual and potential activities of the Mexican government. We are closely associated on a

"We expect that if the 3680 goes to the volumes we expect, at some point in time, it will be necessary to increase our Mexican facilities."

business basis without being closely associated organizationally.
INTERCOM: How do Mexican operations differ from American operations?
KREHBIEL: Mexican operations differ from American operations in the same way that operating in any foreign country does. It's a foreign country, a foreign culture, a foreign language, a different set of values, and a different behavior pattern. It involves the necessity that management either be Mexican nationals or somehow think like Mexican nationals. We're blessed by having Bob Milo as the head of all these operations. He's had twelve years of experience in dealing with Mexican companies and border operations in Mexico. We're also fortunate that all of our key managers in the Mexican business are either Mexican nationals or U.S. citizens who grew up in or very near Mexico. There's also a border, which means we're subject to duties on certain materials. The materials we ship into Mexico and bring back again are basically duty free, but the value we add in Mexico is dutiable. We must also translate all the documentation, so when we consider the transition of a new subassembly or a new product in Mexico, we must also include the cost of the complete re-documentation of the process and procedures into Spanish. That's just one of the costs of moving anything to Mexico.
INTERCOM: Are there any plans to open any new plants in Mexico or to expand the existing plants in the near future?
KREHBIEL: We have no plans at the moment to increase beyond our current physical capacity. There is excess capacity today. However, we expect that if the 3680 goes to the volumes we expect, at some point in time, it will be necessary to increase our Mexican facilities.



NORTH ELEVATION
MEMOREX BUILDING
MIDVALE PARK COMMERCE CENTER

Bob Milo, general manager of Tucson/Mexico operations, has announced that the Memorex offices will be moved to a new facility in Tucson. Memorex will relocate from 22,000 square feet in the South Tucson Business Park to 51,400 square feet in the Midvale Park Commerce Center. Approximately half will be used as a warehouse to store finished goods which have been manufactured in the Mexican plants and which will be sent to Memorex plants in other locations. The new facility has a potential of expanding to 100,000 square feet within the next few years. An artist's rendition of the new building is shown above. It is expected to be completed in July 1983.

Safety records improving — new safety and health policy issued

by Gene Gilman

Memorex safety records continue to show significant improvement. Results for 1982 compared with 1981 show:

INDUSTRIAL INJURIES

Number of doctor cases	reduced 45%
Number of lost time cases	reduced 35%
Number of lost time days	reduced 43%
Medical/indemnity costs	reduced 33%

Storage Equipment Manufacturing and Development (SEM & D) achieved the greatest improvement with MRX-DIC and the Computer Tape Division also reducing costs.

There are many reasons why our injuries have been reduced, but the main one is increasing SAFETY OWNERSHIP, ACCOUNTABILITY, and INVOLVEMENT by Memorex employees. Other significant factors are:

- increased awareness of "continuing attention and problem solving" by safety engineers and safety coordinators,
- medical surveillance by skilled nurses, and
- strong evidence that safe processes are also more efficient and cost effective.

The momentum is with us and will continue with better on-the-job training, the new Safety Manual (about to be released), department safety guidelines, division Safety Councils, Emergency Response Teams, and management support and involvement. Clancy Spangle, president of Memorex, has recently endorsed a new Corporate Safety and Health Policy to support our on-going programs.

MEMOREX

SAFETY AND HEALTH POLICY STATEMENT

It is Memorex policy to provide and maintain a safe and healthful working environment for all its employees. This is a matter of good business, practical economics and sound management. The company considers no phase of production or other operation more important than the protection of its employees from occupational injury and illness. It is essential that all levels of management continuously monitor work areas and processes for unsafe acts or conditions; provide practical training; promote safety awareness; and enforce operating practices that safeguard employees from occupational illness or injury.

It is the intention of Memorex Corporation to comply with local, state and federal safety and health laws and, where practical, go beyond compliance to further our commitment to a safe and healthful work environment.

Occupational Safety and Health is the responsibility of Management. No Manager can ever be released from this legal and moral responsibility. Each Manager is responsible for safety and health in their department; for the safety of persons who report to, or are assigned to them; and for the safety of visitors and contractors to their respective areas.

The Corporate Safety and Health Services Manager is responsible for developing and recommending the Corporate Safety policies and procedures that will ensure the implementation of a safety and health program within all operating organizations. This will include utilizing the talents of our Safety Engineers and Occupational Health Nurses; the collective abilities of our Management; the counsel of our industry associations; local, state and federal agencies (OSHA); and the resources provided by our Risk Management function and insurance organizations.

C. W. Spangle

Correction — UW donations up at Winnipeg by 241%

In the last issue of INTERCOM, it was reported that the plant in Winnipeg, Manitoba increased their United Way donations in 1982 by 41%. The actual increase amounted to a whopping 241%. We regret the error.



INTERCOM wins awards from IABC and United Way for special issue

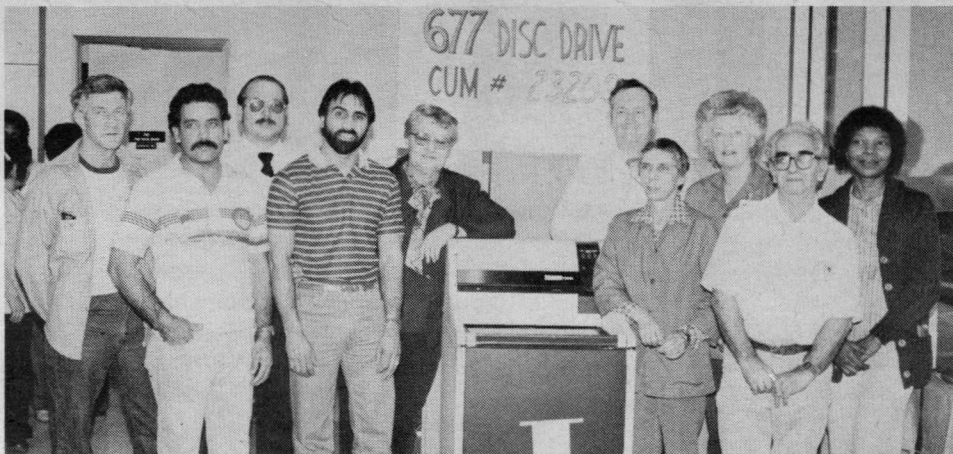
INTERCOM has received two awards from the United Way of Santa Clara County and the International Association of Business Communicators (IABC) for its technical quality and imaginative presentation of human interest stories related to the United Way.

Each year, the United Way holds a communication contest for industrial communications which inform their readers of the uses and the needs of the United Way. The contest serves as both a forum for sharing ideas and

techniques, and a personal challenge for the industrial editors.

INTERCOM received the awards for its story on the Los Pequenitos Infant/Toddler Development Center, which was featured in the October 25 — November 5 special issue of INTERCOM.

The United Way judges present the awards to only those business communications which they feel have made the United Way more meaningful to its readers through stories, photography and artwork.



Members of the original team that worked on the manufacture of the 677 Disc Drive at Memorex are shown above, left to right: Ron Burnell, Al Jaramillo, Dave Eatmon, Joe Salazar, Lou Martin, Jim Johnson, Jan Carpenter, Gwen Jackson, Eloy Trujillo, and Wanda Brown.

Manufacture of Memorex 677 disc drive moved to Westlake

The 677 Single Spindle Removable Media Disc Drive, a product developed in the Large Disc Drive Division and manufactured there for over eight years, will now be manufactured in the Westlake Village plant.

One of Memorex's most successful OEM products, the 677 brought the Company revenues exceeding \$185 million during its lifetime here.

With a normal product life cycle

being about five years, the 677 outlived that cycle by three years and remained a highly successful product all that time. The 677 life cycle is expected to continue for at least two or three more years, but has been moved to the Westlake Village plant to make room in LDDD for manufacture of Memorex's 3680 Single Spindle Thin-Film Head Disc Drive.

Coloring contest deadline nearing

The deadline for entering the first INTERCOM Coloring Contest is fast approaching. All entries must be received at Mail Stop 06-03 by April 29. If you haven't gotten a poster for your child or grandchild to color, call (408) 987-0376 and we'll send you one. When you send it in, be sure to write on the back: the child's name and age, your name, mail stop, and work phone number. All entrants receive a prize. Completed entries should be sent to: INTERCOM, 2800 Bowers Avenue, Santa Clara, CA 95051.



Gee, I sure hope Mom and Dad sent in my entry for the INTERCOM Coloring Contest.



LDDD managers and members of the Carriage Quality Improvement Team are shown above, left to right: Gene Ousterling, Tom Mitchell, Dirk Schoonmaker, Jack Pfefferle, Bob Leighton, Greg Foisy, Jay Barrington, Art Poore, Jeff Bryant, and Peter Noto.

LDDD team solves contamination problem in 3650's and 3652's

by Jeff Wagner

A persistent and potentially costly problem with the carriages for the 3650 and 3652 disc drives was put to rest due to the devotion of a team of employees from the Large Disc Drive Division (LDDD). The group, named the Carriage Quality Improvement Team, designed a solution to a contamination problem inside the head/disc assembly of the carriages.

The contamination was eventually traced to the coating on the carriage, and the team developed a carriage-coating process (in conjunction with coating vendors) which was found to discontinue the contamination. Continued contamination could have led to a head crash problem.

According to Jeff Bryant, general manager of LDDD, 1,780 carriages with a net recovery value of \$131,000 have been refurbished, and it is estimated that 3,200 additional parts at a savings of \$236,000 will be recovered by the end of June 1983.

"We worked together as a team," Bryant said. "We buckled down and saved the bacon."

Three steps — fine tuning the specifications, understanding all steps vendors take, and documenting everything — took place before the four-and-a-half year problem was solved.

Involved with the refurbishment process were team quality coordinator Gene Ousterling; group leader Jay Barrington (whose humor "helped us keep on going" according to Ousterling); manufacturing engineer Jack Pfefferle who provided all documentation; Greg Foisy and Dirk Schoonmaker, both development engineers at LDDD; Bob Leighton, a Procurement quality engineer at LDDD; purchasing representative Art Poore and LDDD receiving inspection manager Tom Mitchell. Members of the group were recently presented with an award for their accomplishment.

NEWSMAKERS

Cardosa moves to Financial Marketing

Mary Lou Cardosa has been promoted to manager of Governmental Financial Marketing in U.S. Equipment Sales and Service, reporting to Stuart Price, manager of Financial Marketing. Cardosa joined Memorex in 1978 and is a graduate of the Memorex Financial Development Program (FDP). Her most recent position was manager of Third Party Accounting and Analysis. Cardosa holds a BA and an MBA from Santa Clara University.

Berg named Corporate ISD Manager

David Berg has been named Corporate Information Systems manager, reporting to Michael Haltom, vice president of Finance and Business Development. Berg has just joined Memorex after 23 years with IBM, where he held a variety of technical and managerial positions. He became a technical manager in 1964 and, since then, has held various positions in Programming and Information Systems.

Majid promoted in Communications Group

Maureen Majid has been promoted to Marketing Communications manager in the Communications Group, reporting to Dennis Flanagan, vice president of Marketing. Majid joined Memorex in January 1981 and has held various positions in advertising and marketing since then. She holds a BA in journalism from San Jose State University.

Myers moves up in Engineering

Margie Myers has been named Engineering Operations manager for the Westlake Plant Engineering activity, reporting to Bernard Masson, Engineering manager. Myers joined Memorex in 1968 and has worked in the Engineering activity since then. She holds a BS from Pepperdine University and an MBA from California Lutheran University.

Pitacco takes newly-created post

Virgil Pitacco has been promoted to the newly-created position of Customer Engineering manager of International Liaison and Export, reporting to Phil Dean, International Liaison and Export manager. Pitacco will also plan and coordinate support requirements for smaller subsidiaries and for export distributors, reporting on a dotted line basis to Edgar Francisco, Export Distributor Sales manager. Pitacco, who joined Memorex in 1972, has recently finished a two-year assignment at Memorex's Region I office in Milan, Italy.

Zerbe designs new HDA package

by Jeff Wagner

Scott Zerbe, a supervisor of traffic and material handling in Memorex's Philadelphia office, received an award for his development of safer packaging containers for HDA's (head/disc assemblies).

The wooden carrying cases being used were judged to provide insufficient protection and were too heavy and bulky for one person to carry.

Zerbe's concept was to design an

inner container inside a lighter outside container so that the HDA's will be protected during transit while at the same time be light enough to carry. His design passed the "drop" test, meaning the package will have some built in "crush."

Zerbe's award, which was presented to him at a recent Quota Club meeting at the request of the Storage Equipment Manufacturing and Development organization, had engraved on it, "In recognition of your commitment to quality and excellence."



Memorex security guard wins "Officer of the Month" Award

Jan Wilson, a contract security guard assigned to Memorex in Santa Clara, has been named "Officer of the Month" by California Plant Protection (CPP), Inc. — his employer. The award was presented to Wilson by John Blackburn, Memorex's Corporate Security manager, and by Lawrence Taylor, Area Manager for CPP.

Though Wilson is not a direct employee, he is assigned full time to Memorex and reports indirectly to Blackburn. According to Blackburn, "For the last several months, Wilson has performed his duties in a truly commendable manner. He has one of the most difficult jobs — writing

tickets for illegal parking. He's done it efficiently and effectively without alienating offending employees."

The award was inspired, in part, by a memo to Blackburn about Wilson's performance. The memo had been written by a Memorex employee who had parked illegally and was asked by Wilson to move the car. The employee wrote the memo to Blackburn to acknowledge Wilson's attitude and patience in doing a difficult job.

Wilson is now eligible for the "Officer of the Year" award presented to the CPP officer believed to represent the highest professionalism in the field.

MARCH/APRIL ANNIVERSARIES

15 YEARS

H. Mars, Holland
Lucille Kramer, Large Disc Drive Division
George Skeggs, Communications Group
Lillian Anaya, Large Disc Drive Division
Frank Batista, Jr., Computer Tape Division
Harry Tekawa, Corporate Physical Distribution
Margaret Wong, Computer Tape Division
Norbert Broussard, Computer Tape Division
Robert David, Jr., Large Disc Drive Division

10 YEARS

Alain Clero, France
Marie Anne Bouhy, Liege
D. Battiston, Italy
Heinz Becker, Germany
James Pidgeon, Corporate Staff
Catherine Rottiers, France
Jean Pierre Rousseau, France
Serge Barone, Liege
Peter Haysom, England
G. Pattarini, Italy
C. Veniani, Italy
Rainer Bengsch, Germany
Horst Herbert, Germany
Josef Neff, Germany
Joyce Garza, Large Disc Drive Division
John Shingara, Storage Equipment Manufacturing and Development
Rowena Shepherd, Storage Equipment Manufacturing and Development
G. Rinaldo, Italy
Walter Boden, Germany
Hannelore Hohn, Germany
Belisario Alanis, Development Engineering
Christian Poisson, Large Disc Drive Division
Phillip Thorne, Storage Equipment Manufacturing and Development
Johnny Meadows, Storage Equipment Manufacturing and Development
Ralph Bicksler, Large Disc Drive Division
George Kirchner, Customer Engineering
Sandra Smith, U.S. Equipment Sales and Service
Roger Kolle, Eau Claire
Walter Hofreiter, Germany
Uwe Klein, Germany
Erwin Vorbauer, Germany
Rosemary Callejo, Storage Equipment Manufacturing and Development
Jeanie Cherry, Communications Group
Gene Robles, Storage Equipment Manufacturing and Development
Ronald Gelaude, Storage Equipment Manufacturing and Development
Paul Mahoney, Memorex DIC
Richard Woodley, Precision Plastics Division
Wayne Davis, Computer Tape Division
George Creel, Storage Equipment Manufacturing and Development
Elba Rowe, Precision Plastics Division
Fredric Clay, Storage Equipment Manufacturing and Development
Mary Lahodny, Precision Plastics Division

Winnipeg plant hosts suppliers at one-day quality seminar

by Geoff Matte

With the release of the Burroughs Corporate Quality Policy and the increasing emphasis of the Corporation on quality, the Procurement Activity of the Winnipeg plant determined that we should gather our major suppliers together in Winnipeg for a one-day seminar to relay our commitment to ship a defect-free product to our customers.

Our suppliers play a major role in making quality "free" and their support is essential in avoiding the unnecessary costs of doing the same task more than once.

Utilizing Performance Management concepts, the Purchasing Department's quality team, the "Black and Blue Express," began planning the seminar almost three months before the actual event. Details were worked out step by step at the weekly team meetings. Many other individuals contributed their time and efforts to make the seminar truly a team effort.

We were fortunate to have two guest speakers: Bill Krehbiel, vice president of Off-Site Operations for Memorex's Storage Equipment Manufacturing and Development organization; and Joe Zeccardi, Burroughs' director of Corporate Quality. Krehbiel addressed the acquisition of Memorex by Burroughs and Zeccardi directed his

comments to the Corporate commitment to quality and to the supplier Award of Excellence program.

Other speakers included the general manager of the Winnipeg plant, Ed Trost; as well as activity managers of Product Engineering and Product Assurance, Dan Card and Chris Greaves. Carole Postnieks, manager of Training and Development, described the Performance Management program and some of the results achieved in the Winnipeg plant.

Although not presenting, we were also glad to have with us Al Wilson from Burroughs Detroit, Vern Larson and Leo Tandecki, both from Memorex.

Following the presentations, visitors were organized into small groups for a plant tour during which manufacturing supervisors described the activities performed in their areas. After that, guests attended a reception which included plant management for a two-hour discussion and question-and-answer session. The reception presented an ideal opportunity to reinforce our commitments to our suppliers and a chance to interface one-on-one with them.

The commitment to quality and to the achievement of zero defects cannot be realized by individuals but only by a group concern to DO IT RIGHT THE FIRST TIME.