

# INTERCOM

Newsmagazine for Memorex Employees Worldwide  
Volume 12/April-May, 1975



**New 'Data Mark' Module Expands  
Computer Media Products Line**

# First Quarter Earnings Restore Profitability; Wilson Attributes Turnaround to Employee Actions to Save Cash, Increase Revenues and Reduce Expenses

Profit is a key indicator in determining whether a company is winning or losing. Memorex has joined the ranks of the winners by earning a pre-tax profit of \$2 million in the first quarter of 1975.

First quarter net income was \$1,583,000 or 36 cents per share, a major gain toward improved performance. This is in sharp contrast to last year's first quarter net loss of \$1,607,000 or 37 cents per share. Revenues for the first quarter increased 25 percent to \$61,625,000 compared to revenues for the same period in 1974 of \$48,803,000.

"Our return to profitability represents a truly remarkable performance by Memorex employees throughout the world," said Memorex President **Robert Wilson**. "I attribute the Company's turnaround in large part to actions taken by Memorex men and women throughout 1974 and the first quarter to conserve cash, increase revenues, reduce costs and increase margins.

"The restructuring of the loan agreements and the increased sales of equipment also were significant contributors to the Company's profit and cash performance," said the chief executive.

"Although we can all be proud of first quarter results, it does not represent an acceptable level of profit," stated Wilson. "Every Memorex employee should continue to improve his or her performance throughout the year," he said.

Wilson restated his belief that unless the forces of recession, inflation and devaluation become greater than currently anticipated, Memorex will be profitable for the total year.

The day the earnings report was released, Wilson also announced that Memorex intends, in the near future, to purchase up to \$10 million principal amount of its Convertible Debentures. He indicated that the Company's strong operating performance makes the offer possible at this time.

	Three Months Ended March 31	1975	1974
<b>Total Revenues</b>	<u>\$61,625,000</u>	<u>\$48,803,000</u>	
Income (Loss) before Income Taxes and Extraordinary Credit (see note)	2,043,000	(1,607,000)	
Income Taxes	(1,035,000)	—	
Income (Loss) before Extraordinary Credit	1,008,000	(1,607,000)	
Extraordinary Credit—Income Tax Benefit from Utilizing Loss Carryforwards	575,000	—	
<b>Net Income (Loss)</b>	<u>\$ 1,583,000</u>	<u>\$ (1,607,000)</u>	
<b>Per Share Amounts—</b>			
Income (Loss) before Extraordinary Credit	\$ .23	\$ (.37)	
Extraordinary Credit	.13	—	
<b>Net Income (Loss)</b>	<u>\$ .36</u>	<u>\$ (.37)</u>	
<b>Average Number of Common Shares Outstanding</b>			
	<u>4,396,055</u>	<u>4,312,133</u>	

**NOTE:** Includes losses from foreign exchange adjustments of \$1,323,000 in 1975 and \$1,710,000 in 1974. Results for 1974 are restated for the Company's change in method of accounting for foreign exchange translation adjustments.

The chief executive explained that under the terms of the Company's credit agreement, the Bank of America and other creditors will convert additional debt to preferred stock if Memorex buys back debentures.

"First quarter profit and cash results have enabled us to propose a tender for up to \$10 million of our debentures. We intend to purchase them at a price of \$350 (plus accrued interest) per \$1000 of principal amount. This represents an investment of \$3.5 million."

Wilson said that if the tender is successful, it will have major benefits to Memorex. "One of the most important will be an improvement in shareholder equity. This improvement, coupled with a continuation of profitability, could lead to positive shareholder equity by 1976—another step toward improving Company performance."



Members of the Final Test department for controllers and drives learn of the Company's first quarter profit from their manager **Ed Hayes** during a staff meeting. Meetings were held throughout the day of the earnings announcement to inform employees of the Company's turnaround.

## INTERCOM

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Published by the Corporate Public Relations Department  
San Tomas at Central Expressway  
Santa Clara, California 95052  
Telephone: 987-2203



### On the Cover:

**Sheryl Cosper** proudly displays the new Memorex Data Mark data module. This high technology module, which incorporates components formerly contained in the disc drive, has already accumulated the equivalent of more than 11 years of normal operation at the Company's Disc Pack Facility. (See story on page 4.)

Cash on Hand Pays Off

## Cash Conservation Enables Purchase of Audio Tape Slitter; Capacity to Increase 55 Per Cent

Memorex's efforts to have cash on hand are paying off. Due to the high priority of cash conservation, the Consumer Products Plant has been able to purchase a new audio tape slitter. The machine slits jumbo widths of tape into cassette formats.

According to **Neal Rayborn**, Director of Consumer Operations, the machine was purchased ahead of schedule because of increased customer demand for Memorex tape products and the fact that another firm, which had ordered the slitter, could not come up with the cash required for its purchase.

"The normal lead time for slitting machines is approximately 8 to 12 months, so when we learned that a machine meeting our requirement was available, we quickly seized the opportunity to obtain it," explained Rayborn. "However, the purchase would have been impossible, were it not for Memorex's improved cash position."

Although the slitter required a capital investment of \$175,000, it is expected to generate more than \$100,000 in monthly revenues. The equipment will slit enough tape during two 8-hour shifts to span across the United States. The new machine will increase slitting capacity more than 55 per cent.

Rayborn said employee reaction toward the new investment has been extremely positive, especially in a time when there is a worldwide cash shortage. "But despite the weakness in the economy, the demand for audio products has continued to increase," he said.

According to **Ron Grandstaff**, Manager of Consumer Manufacturing, even though slitter productivity has increased more than 30 per cent over the past year, the plant hasn't been able to keep up with demand.

"Not only will the new slitter improve revenue and profit, it will also benefit the plant's employees who have been working long, hard hours trying to catch up with the backlog of orders," said Grindstaff.

"All of the Consumer employees deserve recognition for their efforts, which have contributed significantly to the growth of the business and, in turn, the purchase of the new slitter," added Rayborn.

Consumer Products maintenance and machine operator technicians carefully check out the slitter before they begin installing it.



## Executive Advisory Committee Formed to Assist in Company's Management Development Program

A five member executive committee has been formed to act as an advisory team for the Company's Management Development Program. Its function is to review recommendations proposed by participants of the Program.

Members of the committee include **George Bragg**, Vice President, Corporate Development; **James Dobbie**, Vice President and General Manager, Computer Media Group; **Robert Jaunich II**, Vice President and Gen-

eral Manager, Consumer and Business Media Group; **Roger Johnson**, Vice President and General Manager, Equipment Products Group; and **John Pew**, Director, Industrial Relations.

The Company-wide Management Development Program is based on concepts and practices used successfully in leading organizations throughout the world, with emphasis placed on the major activities of planning, organizing and controlling.

Here's how recommendations are made to the Committee. Included in each of the middle management sessions is a conference on various management concepts and techniques. Following the meeting, employees suggest ways to establish these techniques to the Company's operations to improve them or solve major problems. A copy of the suggestions are sent to the Committee, and they decide how they can best be implemented.

According to **Don Houk**, Training and Development Specialist, the Executive Management Committee is committed to resolving any problems that hinder the implementation of the suggestions. Houk said that many of the recommendations are proving to be very beneficial to each of Memorex's Divisions.

# Company's Computer Media Products Line Expanded With New Family of Premium Quality Data Modules; Few Competitors Capable of Producing New Device

Memorex is expanding its computer media product line by introducing a new family of 3340-compatible, premium quality data modules called Data Mark.

According to **James Dobbie**, Vice President for the Computer Media Group, the Company has an advantage over other independent manufacturers who are attempting to also introduce this product, because of its broad, technical experience in the specialization of both drives and media. "In fact Memorex is the only non-computer manufacturer in the world with this combination of experience."

Dobbie explained that one of Memorex's major market objectives is to supply computer users with a broad base of disc storage subsystems and media compatible with System/3, 360 and 370 computers. "Therefore, we're introducing these high technology modules."

Data Mark is unique in that it incorporates components formerly contained in the disc drive, such as the read/write heads, servo head, spindle and carriage, sealed with the discs in an enclosed integral unit.

**Sheryl Cosper** positions the Data Mark module onto a disc drive. The new unit utilizes an exclusive disc coating process which magnetically aligns the iron oxide particles circumferentially as opposed to random disbursement.



"Since discs and heads are mated at the factory, tolerances are much more precise. Thus, with reasonable precaution, it's almost impossible to damage heads when loading the Data Mark," Dobbie said.

"Additionally, because the head that writes the data is always the same head that reads the data back into the computer, errors resulting from head misalignment are far less likely to occur."

According to **Steve Stone**, Product Manager for the Data Mark, Memorex currently has more than 20 Data Mark test sites, and factory tests have already accumulated the equivalent of more than 11 years of normal operation.

Stone said the Data Mark's performance and reliability is enhanced by a number of proprietary manufacturing techniques. He explained that it utilizes an exclusive disc coating process which magnetically aligns the iron oxide particles circumferentially along the data path as opposed to random disbursement used in older type disc packs.

Research and Engineering Director **Dr. John Scott** and his group have developed a special head/disc surface shield for the Data Mark which allows head to disc contact without damage to either surface. Scott said this special shield virtually eliminates wear on the heads and discs during the several revolutions they are in contact at each start and stop operation.

There are two models of the Memorex Data Mark being offered, the standard Data Mark 70 and the 70F version with fixed heads.

The Model 70 is designed primarily to work with System/3 and System/370 computers. Its 13 read/write head elements provide moving head access to 70 million bytes of data, which is equal to the information contained in approximately 825 standard sized novels.

The Data Mark 70F is similar to the Model 70 except that it utilizes a combination of 13 movable and 30 fixed head elements, and functions with Virtual Storage systems and high activity disc files. The additional 13 elements electronically page, upon computer command, the next disc address to be sought for reading or writing. The paging feature of the Model 70F reduces access time and increases overall performance.

Although the market for the new data module is limited to the small user, its capacity will most likely be increased in the near future. This is possible because the Data Mark is capable of higher packing densities.

At a Memorex press conference in San Francisco, **Don Mattson**, General Manager for Disc Pack Operations, said the total market size for the data module is estimated in 1976 to approximate \$150 million in the domestic marketplace and \$250 million worldwide.

Mattson said Memorex will offer the Model 70 at \$2,000 and the Model 70F at \$4,000. "For the Model 70, deliveries are expected to commence in June, and the 70F deliveries will begin in September."

Full page ads for the new Data Mark are scheduled to appear in "Computerworld Magazine" on May 14, July 16 and October 15.



At a news conference in San Francisco, **Don Mattson** (l), General Manager for Disc Pack operations and **James Dobbie**, Vice President and General Manager, Computer Media group, unveil Memorex's new Data Mark data module to members of the press.

At Esalen Institute

# Equipment Sales Meeting Promotes Both Personal and Company Pride

Memorex Equipment Marketing Representatives from throughout the U.S. attended one of the most unusual and effective sales meetings ever held by any company.

"Experience Memorex '75", the theme of this year's conference, was held at the Esalen Institute. The institute is located in California's tranquil Big Sur region, known for its giant redwood trees, natural hot baths and spectacular view of the Pacific Ocean.

Esalen, an educational center, was organized to promote the exploration of trends in education, religion, philosophy and physical and behavioral sciences which emphasize the potentials and values of human existence.

According to **Robert Farmery**, Product Marketing Manager, Esalen was selected to host this year's meeting because it offered the best environment to develop a strong team spirit, conduct product education sessions and encourage both personal and Company pride.

The rally had four different activity sections that included team building, in which the sales force participated in Esalen sports activities and/or encounter groups; product education sessions conducted by six product marketing managers and the Esalen staff; organizational development, and optional self-awareness programs.

A review of the marketing and technical performance of each of Memorex's equipment products for 1974 and a discussion of current sales programs were included in the various product education sessions. To obtain maximum participation in the discussions, the sales force was divided into small groups that included representatives of all entities of the field business.

"The organizational development seminar was a unique experience for all of us," stated **Michael Mann**, Manager of Systems Engineering. "Unlike most traditional organizational development sessions in which the objective is to work on employee complaints, the Esalen session allowed us to identify the characteristics that make up the 'ideal' organization."

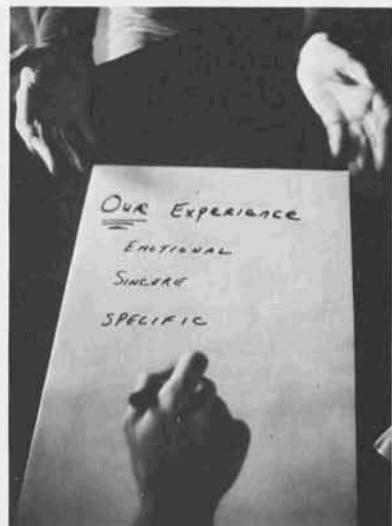
Mann said the sales team split into several groups of field sales and headquarters management. The field group was asked to ascertain the characteristics that made the "ideal" or model headquarters management organization, and headquarters described the "ideal" field marketing organization.

After the model organizations were established, the groups checked to see how their organization deviated from the model. "Why are we doing it this way?" was the common question posed by the sales force once the variations surfaced.

Farmacy said the major concern identified was inconsistencies in the commission plan. "This problem has now been corrected and we're now working on other problems addressed during the organizational seminar," added Farmery.

The consensus among the equipment marketing managers, the people who helped plan the conference, was that the best way to address employee pride, loyalty and teamwork was to place each member of the sales force in a position to learn more about himself. "In other words, the best way to

**Sales reps form small groups at Esalen to discuss the characteristics that make up the 'ideal' marketing organization.**



After one of the encounter group sessions, the sales reps wrote down their experience.

improve pride in the Company is through improved personal pride via self-awareness," said Farmery.

The self-awareness program was conducted by Esalen professional psychologists and included training in Gestalt, the theory and approach to personality integrations; Bioenergetic Analysis, understanding life of the body through its expressions of vitality, gesture, emotion and feeling; and Psychosynthesis, a developmental process based on a positive conception of man within the universe.

Although the Esalen Institute has hosted business groups before, Memorex was the first company to attend the center with its entire sales organization. Thus, it was a unique experience for Memorex employees and the Esalen staff.

Mann said that a majority of the field representatives have commented that the Esalen gathering was the most constructive and enjoyable sales rally that they have ever attended. "Not all of them could pinpoint exactly which part of the conference they enjoyed most, but they felt a tremendous sense of accomplishment and had increased personal understanding."



# Wilson Describes 1974 as Year of Accomplishment at Annual Shareholders' Meeting; Expresses His Thanks to Employees, Directors and Stockholders

"1974 was a year of great accomplishment for the Company," Memorex President **Robert Wilson** told shareholders at the Company's annual meeting, held April 24.

Wilson described 1974 as "the year when the Company moved from the brink of bankruptcy to unquestioned viability. It was a year when Memorex broke the \$200 million revenue level and changed from a big, small Company to a small, big Company. It was a year of posturing the Company for profitable growth," he said.

Shareholders listened intently as the president discussed the return to profitability with the pre-tax profit of \$2 million which Memorex earned in the first quarter of 1975.

"I want to emphasize the fact," he said, "that although posting this profit is a major breakthrough, we must also recognize that it does not represent an acceptable level of earnings for your Company. This is just a beginning, and you can be certain that all of us will continue our endeavors to improve that earnings figure to a level at which we can all be proud."

Wilson listed as the three major objectives for 1975: to make a solid profit for the total year, thus making 1975 the year of profit restoration; establishing the base upon which long-term, profitable growth can be built and continuously improve our reputation for excellence in all areas.

In his opening remarks, he reviewed the Company's condition in 1973 and early 1974 which he discussed at last year's annual meeting. He recalled that Memorex lost \$119 million in 1973, but was able to reduce that loss significantly, to \$9 million in 1974, despite the forces of inflation, recession, devaluation and cash shortages which applied severe pressures on the Company.

"Although any loss is unacceptable, this substantial reduction of losses is a remarkable achievement," said Wilson. He also noted that last year's revenue increase of \$40 million was more revenue than Memorex had for the entire year 1967."

"My report today is not one of failure, but rather a story of substantial success," said the chief executive. "It is a story of magnificent accomplishment by the Company. It is a story of a dramatic turnaround in 1974 and of continuing progress as we enter 1975."

In his review of the Company's accomplishments of 1974, the president said attitudes of the people at Memorex was the most im-

portant. "With the right attitude, anything is possible. With poor attitudes, it is extremely difficult to accomplish anything."

"Probably the most significant single accomplishment of 1974," continued Wilson, "was the fact that cash and cash equivalents were increased by nearly eight million dollars, and despite the fact that more than \$18 million of debt was repaid."

"Although we can take pride in the accomplishments of 1974, we are now well into 1975," stated the president. "Our first quarter operating results are unusually good. They were made possible by actions taken throughout 1974 and are particularly encouraging in view of the depressed state of our economy."

"Our first quarter revenues compared to the same period in 1974 increased 25 per cent over the prior year, to \$61 million. On an annualized basis, this is nearly a quarter of a billion dollar rate."

"This is excellent performance, however, it should be noted that sales of equipment were unusually strong and that level may not be sustainable. On the other hand, sales of computer media and video tape were disappointing and should strengthen later in the year."

"Cash performance in the first quarter was truly outstanding. Cash and cash equivalents at the end of the quarter totalled nearly \$16 million. This is an increase of over four million dollars during the quarter."

In his concluding remarks, Wilson said the actions taken in 1974 made our first quarter profit possible. "However, one profitable quarter doesn't make a profitable year."

"There are a number of major problems that continue to face Memorex. The dollar has been a weak currency; competition—particularly the predatory actions of IBM—represent a continuing threat; internal controls, disciplines and systems need substantial improvement and inefficiencies and waste costs are much too high."

"These and other problems mean that we will have to improve at an even faster rate in the future than we have in the past."

In closing the meeting, Wilson expressed his appreciation to Memorex people throughout the world for their personal contribution; his gratitude to the Board of Directors for their wise and generous counsel, and to the shareholders for their support, patience and faith during the Company's difficult times.



The president answers questions from shareholders.



A stockholder shakes president Wilson's hand following his address to shareholders.



Wilson is interviewed by Harvey Wilkinson, editor of 'Infosystems' magazine, and other members of the news media after the Meeting.



## Memorex Shareholders Reelected Nine-Member Board of Directors, Approve Issuance of Preferred Stock

Memorex shareholders reelected a nine-member Board of Directors and approved the issuance of 1.5 million shares of new preferred stock.

Board members reelected include **Robert Chambers**, Chairman and Chief Executive Officer of Envirotech Corporation, Menlo Park; **Alger Chaney**, Chairman, Medford Corporation; **Philip Gomez**, President, Western Gear Corporation, Lynwood; **Vester Hughes**, partner, Jackson, Walker, Winstead, Cantwell & Miller, a Dallas law firm; **Alvin Rice**, Executive Vice President of the Bank of America National Trust and Savings Association; **T. Robert Sandberg**, Vice President, retired, Cutter Laboratories; **Benno Schmidt**, Managing Partner, J. H.

Whitney & Co.; **Theodore Vermeulen**, Professor of Chemical Engineering, University of California, Berkeley; and **Robert Wilson**, Memorex President, Chief Executive Officer and Chairman.

The issuance of the new preferred stock will help to reduce the outstanding senior debt and improve shareholder equity.



Robert Chambers



Alger Chaney



Philip Gomez



Vester Hughes



Alvin Rice



T. Robert Sandberg



Benno Schmidt



Theodore Vermeulen



Robert Wilson

# Telecommunication Tester Developed to Pinpoint Faulty Networks; Device to Save \$96,000 Annually

The joy and elation of seeing a concept become a reality has been experienced by a small team of engineers who developed a device that helps field engineers service communication networks.

The engineers cooperatively developed the Telecommunications Online Tester (T-OT), an electronic device used to accurately pinpoint faulty operations in data communication networks.

Team efforts from the field, technical operations, equipment and manufacturing designed and developed the tester in just one year. With the implementation of T-OT, Memorex will save approximately \$96,000 annually.

T-OT is a compact, multipurpose device that exercises (sends data to the terminal through the network), tests and monitors a communication network, enabling personnel to direct service to the area of most probable failure.

Two prototypes of the communications tester were made before the final instrument was shipped to the field last fall.

While most communication network problems are not caused by Memorex terminals,

field engineers devote a lot of time locating the failing network equipment. The device reduces this time significantly.

Chicago Field Systems Specialist **John Hextell** reported one of his customers had a slight problem with his communication network since its installation a year and a half ago. By using the tester, it was found that Memorex equipment was not at fault, but rather another company's system.



**Garry Prideaux** checks out the latest feature he designed for the tester via a display on the oscilloscope.

The initial idea for the tester was generated from field engineers searching for a device to quickly analyze and isolate the fault of the teleprocessing network.

Recognizing the need for the online tester, the technical operations group prepared the cost justification, analyzed problem areas of communication networks and acted as a liaison with the development engineering staff.

A small staff of the engineering department offered their time and services to design and build the tester.

**Walter Hillblom**, Director of Communication Controllers, oversaw the managerial aspect of the operation. He has also managed the development of the 1270 Terminal Control Unit, and is working on future communication products.

"I wanted to get involved in the project because I felt the tester was a good idea, but a complex device. But, as it turned out, practically all the engineers are now using the T-OT," **Hillblom** said.

Development Engineer **Larry Zimmerman**, who was one of the original 1270 designers, was involved in the preliminary design stages of the tester. He then turned over his rough designs to **Gerald Gartner**.

Product Engineer Gartner, who began his career as Field Support Engineer, designed the communication tester.

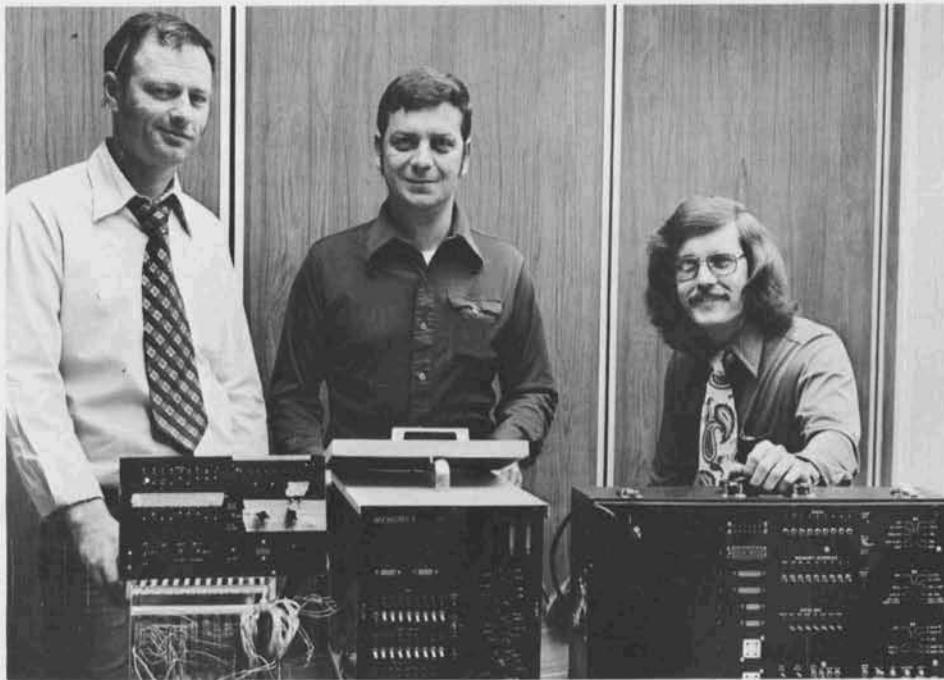
He explained three engineers got together and drew up the plans for the tester and then tossed ideas around for the design. "I think this is one of the better devices available for testing communication networks," he said.

**Gary Prideaux**, Service Planning Representative, created new features for the T-OT after its design and construction was completed.

"I've added a wide-band, high-speed data transmission interface as a means of monitoring data transmission at a very high rate," **Prideaux** said.

"These several enhancements to the basic design expanded the tester's capabilities and made it easier to use," he added.

The final assembling of the tester was done by Prototype Manufacturing under the direction of **Martha Wade**, Prototype Lead. She, along with **Betty Leis** and **Marge Benton**, wired the components from schematic diagrams and then assembled the tester.



Shown above is the evolution of the telecommunication online tester with the engineers who built and designed them. At left, **Larry Zimmerman** did all of the basic prototype design for the T-OT. Center, **Gerald Gartner** stands behind the first portable T-OT which he helped design, build and debug. **Gary Prideaux** stands with the first T-OT field version which he built and debugged. He also designed various features and additional capabilities for the tester which will be very useful to field engineers.

# Top Level Managers Attend Company's First Annual Management Conference

"In this rapidly changing environment, management must be flexible, must anticipate and must act," said Memorex President **Robert Wilson** during an address to 100 top level managers attending the Company's first annual management conference.

The three-day meeting, "Memorex Team '75," was held at the Silverado Country Club nestled in California's serene Napa Valley. The meeting's objectives were to establish better management understanding and teamwork; review last year's accomplishments; communicate plans and objectives for 1975; and establish winning attitudes.

Speaking at the three-day meeting were members of the Corporate Operating Committee who discussed their operations' accomplishments in 1974, current problems and objectives to be achieved during the year.

The meeting was significant in that it was the first time in the history of Memorex that all members of top management were assembled at one time. For many of the participants, the meeting enabled them to meet one another for the first time.

President Wilson told the management team that in a rapidly changing environment, coupled with recession, inflation and cash shortages, they must be a little like a top-notch professional athlete—aggressive, mobile and agile.

"The most important factor in our environment is competition," Wilson remarked. "Success can only be measured in terms of

competition—and our goals can only be achieved by competing and winning.

"In 1975, our most important objectives in improving profitability include obtaining volume in a recessionary environment and pricing in an inflationary environment, reducing waste, eliminating losers, controlling costs and expenses, and maximizing the value of our resources.

"The second key result area is market position. It is an extremely important measure because it gives you an excellent, continuous reading on customer preference.

"Some of the key actions required to grow the business at least 25 per cent in 1975 are getting everyone involved in order getting from top management down, providing competitive product availability and service, improving sales planning and strategies, developing Original Equipment Manufacturers business, establishing market structures for small computers and business machines, and developing creditor markets."

In a review of the Company's volume, profit and cash record since it was incorporated in 1961, Wilson explained that last year was the first time in the Company's history that it had achieved a positive cash flow.

"1974's cash flow of \$31 million was particularly impressive when you realize that it was accomplished in a worldwide climate of tight cash, inflation and recession; our volume grew by more than \$40 million; and Memorex lost money, therefore, the positive cash flow was really an asset management job."



'Our challenge is to carefully select products and markets which will best utilize our technological resources, as well as leverage our sales and service and customer position,' said **Roger Johnson**, Vice President and General Manager for Equipment Products Group.



'The Audio, Video and Word Processing businesses represent a building block for Memorex futures because they offer strategic development and diversification away from IBM compatible products,' said **Robert Jaunich II**, VP and General Manager, Consumer and Business Media Group.



Each day's speakers answered questions asked by conference participants. The first day's panel included (l to r) **Henry Montgomery**, VP Finance; **Roger Johnson**, VP and General Manager, Equipment



Products Group; and President **Robert Wilson**. Above, **Howard Earhart**, General Manager of the Comdata Division, directs a question to Wilson.



'Aggressive marketing, increased production and lower costs will play an important role in the Media Group's success in 1975,' said **James Dobbie**, VP and General Manager for Computer Media.

# Regional Managers Named to Improve Company's Performance, Reputation and Field Teamwork

Nine Regional managers have been named to improve Memorex's performance, its reputation and encourage coordinated activities in the field.

Called "Mr. Memorex," each manager will work in his region to improve business relationships with customers, the government, the news media and charitable organizations. All report directly to Memorex President **Robert Wilson** for Corporate matters within each region.

The president said the nine Regional managers who will share the title of "Mr. Memorex" are **Ray Cook**—Southwestern; **Kay Finley**—Great Lakes; **Al Kennedy**—Mid-Atlantic; **William Koenig**—Federal; **Jonathan Leavitt**—New England; **Charles Splaine**—Western; **W. Jere Werton**—Midwest;

**William Whitaker**—Southeastern, and **Robert Zigman**—New York Metro.

Each Regional manager will select his representative in cities within the Region where Memorex offices are located. Each city's "Mr. or Ms. Memorex" will be responsible for field marketing assignments directed by his or her Regional Manager.

Other responsibilities of the Regional managers include the coordination of executive visits, monitor Corporate communications and establish marketing councils within each region.

The Regional marketing councils will interface directly with the newly established Santa Clara Marketing Council. This new Santa Clara group will provide direction for

assuring an effective and unified marketing approach to all Memorex markets.

The Santa Clara Marketing Council members include **Wendell Balc**, Director of Field Administration; **Barry Berghorn**, National Sales Director for Consumer and Business Media; **Arnold Cooley**, OEM Division Sales Manager; **Phil Davis**, Director of Administration, International Operations; **George Dashiell**, Vice President Equipment Marketing; **Gary Fisher**, National Sales Manager for Computer Media; **John Hoiness**, Director for Equipment Product Marketing; **Don Ivie**, Director for Disc Pack Marketing; **Robert Murray**, Corporate Advertising Manager; **John Pingree**, Director of Marketing for Flexible Computer Media, and **William Randolph**, Director for Field Engineering.



Ray Cook



Kay Finley



Al Kennedy



William Koenig



Jonathan Leavitt



Charles Splaine



W. Jere Werton



William Whitaker



Robert Zigman

Regional Managers

Santa Clara Marketing Council



Wendell Balc



Barry Berghorn



Arnold Cooley



Phil Davis



George Dashiell



Gary Fisher



John Hoiness



Don Ivie



Robert Murray



John Pingree



William Randolph

## Cost Saving Phone Lines Installed in Santa Clara

Low cost phone lines, from Memorex Headquarters in Santa Clara to San Francisco and Oakland, have been installed to reduce Memorex's monthly telephone expense.

According to **Greg Plahn**, Telecommunications Manager, the new lines provide a potential cost savings of more than 50 per cent over the current long distance call rates.

To utilize the new lines, employees must dial access code number 121, wait for a dial tone

and dial the seven-digit telephone number. The access code should not be used when calling locations other than San Francisco and Oakland.

Plahn said the new lines were installed to assist in the "Conversation Conservation" campaign, a program designed to help reduce Memorex's large telephone expense which is approximately \$2.2 million annually.

"Since the 'Conversation Conservation' program began last Sept.," said Plahn,

"the monthly phone costs have been reduced by approximately \$10,000. This is far from our goal, but we are making progress thanks to the efforts of employees throughout the Company."

Plahn said employees can assist greatly in reducing Memorex's phone bill by pre-planning their calls, keeping long-distance calls within reasonable time limits, and eliminating unnecessary calls, lines and equipment."

## **Memorex Com System Exhibited at 24th Annual National Microfilm Association Conference**

The Company's 1600 Computer-Output-Microfilm COM System was displayed at the 24th Annual National Microfilm Association Conference held this month in Anaheim, California.

Memorex was among 100 exhibitors displaying information handling, storage and retrieval systems and related products at the four-day industry-wide event.

This year's convention drew the largest attendance in NMA history, which included

buyers and users of micrographics systems from business, industry and government. The convention included 50 separate seminars, from technical sessions to panel discussions.

The Memorex COM System was displayed together with a full line of micrographic supplies, in a 30-foot booth. Visitors to the booth viewed a color film on the Model 1600's applications, ease of operation and low cost.

COM Marketing Manager, **Don Kelley**, said the NMA Show provides excellent opportunity to demonstrate the many advantages of the Memorex COM System to a very large number of prospects.

Kelley said there is growing interest in microfilm systems due to the increasing costs of paper and associated expense of distribution and storage of massive volumes of paper reports required in many organization's daily operations.



**Memorex COM Salesman Don Kelley (l) and Equipment Vice President Roger Johnson discuss the layout of the COM display at the NMA Show.**

## Word Processing Division Wins Advertising Award

The Word Processing Group has captured the Award of Merit for its trade magazine advertising by the Western Art Directors Club, a group of advertising, design and graphic arts professionals.

Memorex's ads were judged along with more than 2,000 other entries at the 10th Annual Exhibition of Communications Arts held in Palo Alto, California. The ads were appraised on the basis of copy, concept and art direction.

According to **Warren King**, Word Processing Division General Manager, the ad campaign is playing an important role in the Division's goal to increase sales.

"Since the beginning of the campaign in late 1973," said King, "1974 sales have increased more than 82 per cent over the prior year, and there has also been a substantial increase in distributorships."



# News in Brief

## Memorex to be Listed on Pacific Stock Exchange

Memorex has been accepted for listing on the Pacific Stock Exchange. The paper work required for the listing is now being completed, and the Company should be listed within the next 60 days.

## Appointments Announced for Equipment Division

Appointment of **Jack Callahan** as Acting Director of Manufacturing, Equipment Products Group has been announced by **Roger Johnson**, Vice President and General Manager.

It was previously announced that Gerald Gaspary, who was to assume the position, found it was impossible to join Memorex due to major personal problems.

Johnson said that in addition to Callahan's interim role as Manufacturing Director, he will continue to be responsible for the Inventory Management Program.

Johnson also announced the appointments of **Robert Shervem** as Director of Quality Assurance and **William Yee** as Manager of Recon Operations. Reporting to Shervem is **Robert Erickson**, Manager of Quality Control. Shervem reports directly to Johnson, and Yee reports to Callahan.

Callahan announced the appointment of **David Desmond** as Manager, Advanced Materials Planning. Desmond will be responsible for implementation of material analysis, planning and control programs that assure timely development and execution of material plans that meet Manufacturing and Marketing objectives.

Desmond's previous position was with Singer Business Machines in San Leandro, Calif., as Manager, Information Systems, responsible for installation of customized data base modules used in the Manufacturing Information Control System. Desmond graduated from Marquette with a degree in Business Administration. He reports directly to Callahan.

Also reporting to Callahan are **James Ferenz**, Director of Assembly and Test; **Stan Stegemeyer**, Director of Components; **Hiroshi Nagakura**, Vice President of Materials; **Joe Rizzo**, Plant Manager of Eau Claire; and **Rudy Sikorsky**, Plant Manager of Nogales.

## Vickrey, Fischer Named to Financial Positions

Appointments of **Robert (Vic) Vickrey** as Corporate Tax Director and **Richard Fischer** as Manager of Financial Analysis have been announced by **Ed Phillippe**, Vice President and Controller.

Vickrey will direct Corporate tax responsibility and Fischer will manage cost and inventory accounting practices.



**Robert Vickrey**

Vickrey was formerly tax manager with Price Waterhouse & Co., San Francisco. He earned a Degree in Accounting from Northwestern University and graduated from the University of Michigan with a Degree in Law and as a Master in Business Administration.



**Richard Fischer**

Fischer's most recent position was with Fairchild Camera and Instrument Corporation as Plant Controller at the company's Shiprock, New Mexico plant. He earned a Masters Degree in Business Administration from Wharton Graduate Division, University of Pennsylvania, and a Bachelor of Science Degree in Finance from Seton Hall University.

## Large Disc Drive Contract Received From American Association of Railroads

A \$600,000 contract has been received from the Association of American Railroads (AARR) for Model 3670 Disc Storage Subsystems. Under the terms of the contract, Memorex will install and maintain a total of 16 subsystems, including Memorex 3670 standard density and 3675 double density drives and related controllers.

The AARR, an industry organization located in Washington, D.C., will use the Memorex equipment on its on-line computerized system called TRAIN II. When in full operation, the system will keep track of approximately 99 per cent of all the freight cars in Canada, the U.S. and Mexico.

## Good Employee Response to Safety Awareness Contest

As reported in last month's INTERCOM, the Memorex Safety Department is sponsoring a Company-wide promotional safety campaign contest in which cash prizes will be awarded for the best entries. According to corporate Safety Administrator, **Gene Gilman**, employee response has been excellent and a committee has been formed to judge the entries. More details in next month's issue.

## Engineering Managers from Four Divisions Meeting to Improve Communications

Engineering Managers from the Company's Equipment, Computer Media, Disc Pack and Word Processing Organizations did their part to improve communications when they met last month for the first time. During the meeting, each engineer described his group's organization structure, its current development programs and problems. The meeting was so successful that the group has decided to meet one hour a week for an indefinite period of time.

## Management Training Program Receives Full Accreditation by State Accountancy Board

The Company's Management Development Program has received full accreditation by the California State Board of Accountancy for the Board's Continuing Education Program. Under the program, California Certified Public Accountants must complete 60 hours of "approved" instruction during a two-year period as a requirement for their continued licensing. Employees who are California CPA's and have not enrolled in the Management Development Program should call **Victor Johnson**, 7-1650.

## First Memorex 6145 Memory Attached to 370/145 System

The first installation of the new Memorex Model 6145 Semiconductor Memory System to a 370/145 Computer for University Computing Company of Dallas was completed recently. The Memorex memory system, which extends the usable capacity of the internal main memory of select models of 360/70 Computers, was selected by UCC because of its proven reliability and Memorex's professional Field Engineering Organization. A Memorex field engineering team installed the unit in approximately 12 hours.

## George Campbell Named OEM Business Planning Manager

**George Campbell** has been named Manager, OEM Business Planning, announced **A. Keith Plant**, Director, OEM Division. He will be responsible for the planning and analysis of OEM programs for the Equipment Products Group.

Campbell, who joined the Company in 1970, has held various Memorex business planning responsibilities. He has more than 12 years of marketing and marketing management experience in the computer industry.



Campbell earned a Masters and a Bachelor of Science Degree in Mechanical Engineering and a Masters Degree in Business Administration from the University of Michigan.

## Balc Appointed Director for Field Administration

**Wendell Balc** has been appointed Director of Field Administration, announced **Henry Montgomery**, Vice President, Finance. His initial task will be to establish and implement the field Administration organization. Balc has held various management positions during his five years at Memorex and was most recently Director of Accounting Services. Balc earned a Bachelor of Science degree in Psychology from Aurora University, Ill. and a Bachelor of Science degree in Business Administration from Northern Illinois University.

# LeRoy Leatherman Retires



**LeRoy Leatherman** became the Company's second employee to receive income from the new Pension Plan when President **Robert Wilson** presented him with a check during a

surprise visit to the Tape Plant Maintenance Shop. Leatherman has been a maintenance technician for the Computer Tape Operations since 1964.

## Promotions

**John Baty** to Area Manager Professional Products

**Floydene Burgstrom** to Production Scheduler

**Donell Deffina** to Associate Marketing System Analyst

**Robert Faltyński** to Department Technician-Assembly

**Lonnie Farmer** to Coating Operator B

**Daniel Fichera** to Associate Programmer

**Sandra Foss** to Telephone Sales-Supervisor

**William Grayson** to Department Technician-Assembly

**Dennis Hardy** to Area Manager Professional Products

**Maria Haro** to Associate Production Test Technician

**Joseph Harrison** to Systems Analyst

**Thomas Hartman** to Area Manager of Professional Product

**Elisabeth Herzfeld** to Manager-Technical I

**James Maiers** to Department Technician-Quality Assurance/Quality Control

**Mark Kearney** to Senior Computer Operator

**Stephen Marcus** to Area Manager Professional Product

**George McCormick** to Area Manager Professional Product

**John McMahon** to Regional Administration Manager

**Roland Monihan** to Area Manager Professional Product

**Joseph Morrow** to Area Manager Professional Product

**Michael Noon** to Area Manager Professional Product

**Lynda Pickering** to Accounting Associate

**Marvin Phillips, Jr.** to Area Manager Professional Product

**William Proctor** to Manager-Technical I

**Julie Reid** to Production Control Analyst

**Arnold Robinson** to Supervisor-Maintenance

**Melody Schmickrath** to Regional Administration Manager

**Edward Sessler** to Assistant Media Order Administration

**David Sugishita** to Manager Financial Planning and Analysis

**Vincent Tarpey** to Regional Sales Manager Computer Media-Illinois

**Leslie Thomas** to Dispatcher

**Keith Thompson** to Technical Programmer

**Thomas Walker** to Telephone Sales Representative

**Dennis Zanone** to District Sales Manager-New Jersey

**Robert Zigman** to Regional Sales Manager-New York

# Equipment Development Engineering Organization Enjoys Reputation for Designing Reliable, Low Cost and High Performance Peripheral Equipment

**Editor's Note:** This is the eleventh article in a series on the Company's organizations and their contributions to the Memorex "team effort." This month's feature takes a look at the people who develop the Company's computer peripheral equipment products.

The organization that plays a key role in shaping the future direction of the Company in the equipment products market area, and that enjoys an excellent reputation for developing reliable, low cost, and high performance machines, is Memorex's research and development team—Equipment Development Engineering.

Headed by Director **John Kevill**, the organization includes five major groups, Administration and Procedures, Storage Systems Engineering, Communications Products Engineering, Support Engineering, and COM Product Management.

## Storage Systems Engineering

The largest group within Development Engineering is Storage Systems Development, led by **Jack Clemens**. Jack's group includes many different and complex functions directed toward developing new storage system products and providing engineering support for the existing product line.

Responsible for developing storage products sold directly to end user customers, and providing both field and engineering support for the entire 3670 Storage Family is End User Engineering, directed by **Tom Gardner**.

One of the first tasks in building a new piece of equipment is the design of a power supply system which feeds electric power to the various motors and sophisticated electronic components. This responsibility is handled by the Power Systems Engineering group, also managed by Gardner.

To tell the drive how to perform in special situations and give it direction, control units are developed by the Control Unit Programs Group, managed by **Ron Singleton**. Over the past several years, Ron's group has been creating some of the most complex control unit logic designs ever attempted.

The Hardware Design people are responsible for incorporating the control unit's complex system of electronic components, such as printed circuit boards and integrated chips, in the frame via a complicated network of wires. This group, managed by **Tore Larson**, then hands over the frame to **Tom Idleman's** Microprogramming group which puts the microprogramming in place to give the disc subsystem its intelligence.

Originally, Memorex 3670 Storage Products could only be attached to the System/370 computers. **Jay Kirby's** Software Products Group changed that situation by creating a software package that allows the drive to be connected to the large System/360 computers, providing a larger market for the 3670 Storage Product Line.

Technical Engineering Support, headed by **Vince Mirko**, works to solve problems that may arise in maintaining and manufacturing the product after it's handed over by Development.

A new group within Storage Systems Development is OEM engineering, headed by **Tony LaPine**. This group is engaged in the development of new products for the Original Equipment Manufacturers (OEM) market (selling products to other manufacturers who in turn sell them to their customers). This effort will open up major new markets for Memorex products.

Working with Tony is **Bill Montero's** Mechanical Engineering Group. Bill's team is creating a new package for the OEM market which will allow a drive to be assembled outside the frame to allow for easier manufacturing.

**Mike Popovici** manages the Electrical Engineering Group which is designing special electrical requirements for various OEM applications.

Evaluation of the OEM equipment products is currently being performed by **Dennis Moynahan** and **Ron Reams**.

A research task force headed by **Al Wilson** is looking into the development of new products in order to expand the scope of Memorex's Storage System product line.

Recording Head Technology Engineering, the people who develop very precise head devices that read and write data from discs, is directed by **Ray Herrera**. This group contains four different but inter-related teams.

**Ian Graham** heads the Electrical Circuit Design group and **Howell Lowe** has charge of Head Mechanical Engineering. Lowe's group is responsible for the mechanical suspension of the read/write head which flies over the disc, while Ian's engineers are concerned with the amplification and detection of the electrical signal.

Two other groups, Head Materials and Head Design and Processes, led by **Art Withop** and **Joe Carioglia**, work to develop new technology required to manufacture a brick of ferrite material and reduce it down to a slice two-thousandths of an inch thick (less than the thickness of this page) with a thin glass gap approximately one ten-thousandths inch wide.

## The Communication Products Team

The communications area is one of the fastest growing segments of the computer industry and provides excellent market opportunity for Memorex. Meeting the challenge to provide the latest in technological advances for these products is **William Bridge's** Communication Products Engineering team.



John Kevill



Don Lueders



Jack Clemens



William Bridge



Bud Gandler



Joe Werning

**Walt Hillblom's** Communication Controller Engineering group specializes in the development of new communication equipment, and provides engineering support, along with the Field Engineering Organization, for Memorex's current communication products.

Systems Engineering, managed by **Bill Black**, and **Dick Ellgen's** Product and Electrical Engineering, are two groups responsible for designing special features to meet the various requirements for special data processing applications. An Electronics Packaging Engineering group, led by **Bob Mueller**,

works on mechanical design and electronic packaging.

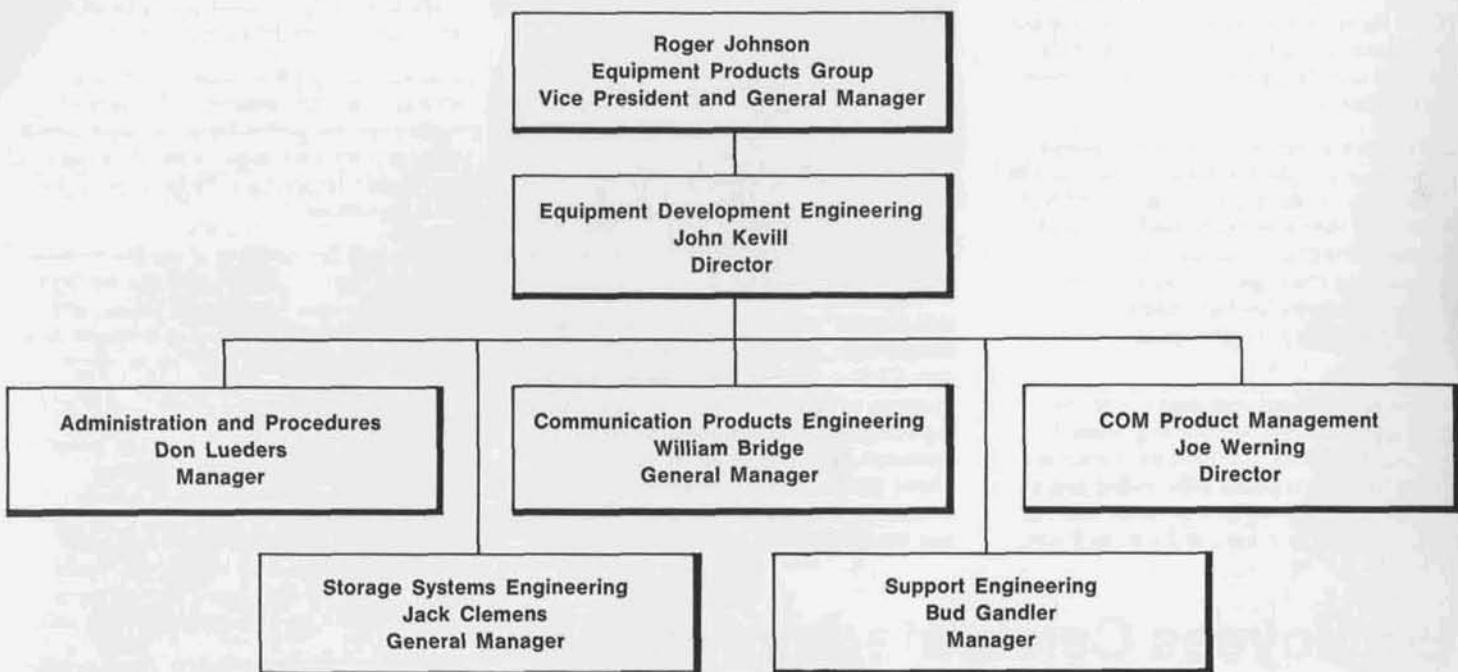
Also included in the communications group is Communication Programming, managed by **Dick Hoehnle**, a team concerned with software applications and diagnostic programming. These activities provide programs for customer applications, factory testing, and maintenance, and also provide Field Engineering personnel with test routines for problem solving.

Looking to the future is Advanced Product Engineering, managed by **Herb Green**.

**Green's** group is responsible for incorporating new technology, such as microprocessors and large scale integration devices, into future products. The application of new technology into Memorex Corporation products should provide good market opportunities in areas which the Company is not currently participating.

#### **The Service Group—Support Engineering**

Development's service group, called Support Engineering, is managed by **Bud Gandler**. The group provides support for standardizing the way products are designed, builds



model parts, does the mechanical drafting and printed circuit board layout, and publishes technical manuals.

Assuring that all Memorex products are designed to meet common standards, approving critical components for their quality and reliability, and recommending to Purchasing those vendors capable of performing the needed requirements, is **John Delasaux's** Equipment Standards group.

Equipment Program Services, managed by **Steve Nemeth**, has the central services of drafting, PCB design, Records and Production, and the Machine Shop.

**Don Herd** manages the PCB Design and Documentation Department, which does the design layout of printed circuit boards (PCB's) from schematic drawings designed by the various development teams. The team also produces the artwork used by Manufacturing to build the PCB's.

A centralized Mechanical Design and Drafting organization, managed by **Ed Ray**, produces drawings and diagrams of the equipment and its parts.

The mechanical parts for new Memorex products are usually born in the Model Shop. It's in this shop where parts are produced for their first use in prototype machines.

No products can be built or serviced without the release of engineering documents, or "blue prints." This service is supported by Records and Reproduction, which provides documentation to Engineering for designing, Manufacturing for build instructions and Field Engineering for service requirements. The group also stores master prints.

Technical Publications, managed by **Keith Hanlon**, is a group of people who write, design and publish various Company materials, usually technical manuals. The group also creates many other graphic arts services for the Company, including technical writing, art layouts, forms design, and typesetting.

Printing Services, supervised by **Larry Nelson**, is the in-house print shop which services hundreds of different printing requests throughout the Company.

#### **Small, But Important Administration Group**

A small, but important team within the Development Organization, is Administration and Procedures, managed by **Don Lueders**. Lueder's group provides various administrative functions required to allow Development Engineering to efficiently carry on its program activities.

The group defines documentation of policy and standard procedures. Other activities include interfacing procedures between Engineering and the Manufacturing, Marketing, Product Planning, and Finance organizations, and assisting in defining, designing and implementing various management information systems useful in managing equipment product programs, to mention a few.

#### **COM Product Management**

The renewed interest in the Company's Computer-Output-Microfilm systems, due to the increasing costs of paper, is resulting in new cash and profit for Memorex.

**Joe Werning's** COM Product Management group works to fully capitalize on this revenue generating product by providing continuing engineering support to Manufacturing, Field Engineering and Sales. The group also maintains inventory control of equipment, spares and supplies.

Werning's group engineering expertise is very important because of the complexity and breadth of technologies of the Memorex COM System, that includes an electromechanical printer, a chemical film processor, duplicator and optical viewing equipment.

# Santa Clara MAG Picnic to be Held at Marine World

Marine World/Africa USA will host this year's Memorex Family Picnic, sponsored by the Memorex Activities Group (MAG) for Santa Clara employees and their family on Saturday, May 17, from 9:30 a.m. to 6:30 p.m.

The 11th Annual event will feature 25 major shows and attractions at Marine World's 58-acre wildlife park situated on four man-made islands.

Saturday's shows will include the Jungle Theatre, a wild animal show; Water Ski and Boat Show, including kite soaring 400 feet in the air; Whale and Dolphin Show; and Ecology Theatre, an educational show concerning endangered species. In addition, there will be elephant and camel rides, a dolphin petting pool, and an aquarium display.

Memorex will have exclusive use of the park's picnic area, which has a capacity for approximately 1,000 people. Lunch will be served in the picnic area during one of four lunch hours: 11 a.m. to noon, noon to 1 p.m., 1 p.m. to 2 p.m., or 2 p.m. to 3 p.m.

Employees should specify which lunch hour they prefer when purchasing tickets.

In addition to lunch served at the picnic area, meal tickets are also redeemable during the entire day at any of the park's various eating locations. The same Memorex luncheon menu, consisting of a double cheese burger, potato chips, hot apple turnover, and a soft drink, will be served throughout the park.



**HOLD THAT TIGER!** Nadji, a 450 pound Bengal tiger, who lives at Marine World/Africa U.S.A., visited the Company's Headquarters with his trainer Peter Gros. Standing with three-year-old Nadji are (l to r) Memorex Activities Group (MAG) Director Chuck McCue, MAG Coordinator Kathleen Campbell, Memorex President Robert Wilson, and MAG President Ed Sutter.

According to MAG Coordinator **Kathleen Campbell**, the staggered lunch times should provide faster food service than was available during the 1974 picnic.

Picnic tickets are available for Memorex employees and dependents (employee's spouse and/or single children under 23 years old living at home). Single employees may invite a guest.

Tickets cost \$1.75 for adults (over 12 years of age), \$1.25 for children (ages 5-12), and 50 cents for tots (4 years and under). Ticket prices include admission to the park, free parking, lunch, and admittance to all shows and attractions.

Approximately 6,000 tickets are now on sale through Tuesday, May 13th. Any remaining tickets will be sold to Memorex contractors on May 14th. Employees must show their Memorex identification badge when purchasing tickets.

Tickets will be available at the MAG office (second floor of building 10) and the Disc Pack lobby from 7:30 a.m. to 8 a.m., and at the San Tomas, Consumer Products and Tape Plant cafeterias from 11:30 a.m. to 12:30 p.m. Building 23 employees may purchase tickets from 8 a.m. to noon through Pat Simons (Ext. 7-1568). Tickets will not be available at Marine World.

In addition to the park's numerous attractions, a MAG sponsored drawing for 20 gift certificates will be held at the picnic area during the day, and winning names will be posted at the front gate of the park.

Marine World is located 30 minutes north of Memorex Headquarters, off Highway 101, at the Marine World Parkway Exit.

## Employees Celebrate Anniversaries

Five employees recently celebrated their 10th anniversary with Memorex. In recognition of their accomplishments and contributions, each employee was presented with a gold clock and a letter of congratulations from their vice president. (Photo 1) *Elizabeth Cobb*, of the Business and Special Products Department, celebrates her anniversary along with (l to r) *Hank Hildredth*, her supervisor, *Vinnie Fowler*, her manager and *James Dobbie*, Vice President and General Manager for the Computer Media Group. (Photo 2) *Bob Cortinas*, Machine Operator; *Florence Swartout*, Schedule Handler; and *Santina Polando*, Production Engineer, also celebrate their 10th year with Dobbie. (Photo 3) *Roy Ericson* (l), Swing Shift Lead Process Technician, is presented the award from *Don Mattson*, General Manager for Disc Pack Operations.



Photo 1



Photo 2



Photo 3



Petite Tiffney Lyn Myers poses with her parents Alice and Gary following her crowning as California Little Miss. Tiffney's father, Gary Myers, is Manager of Quality Assurance for Memorex's Disc Pack Operations. Tiffney, 12, was selected among 35 contestants throughout the state who were judged for poise, appearance, personality and talent during the two days of competition. Miss Myers said she set a goal three years ago to someday become Miss America. It seems she's making good progress.