

A newspaper for Memorex people everywhere

THE COMPUTER HISTORY MUSEUM

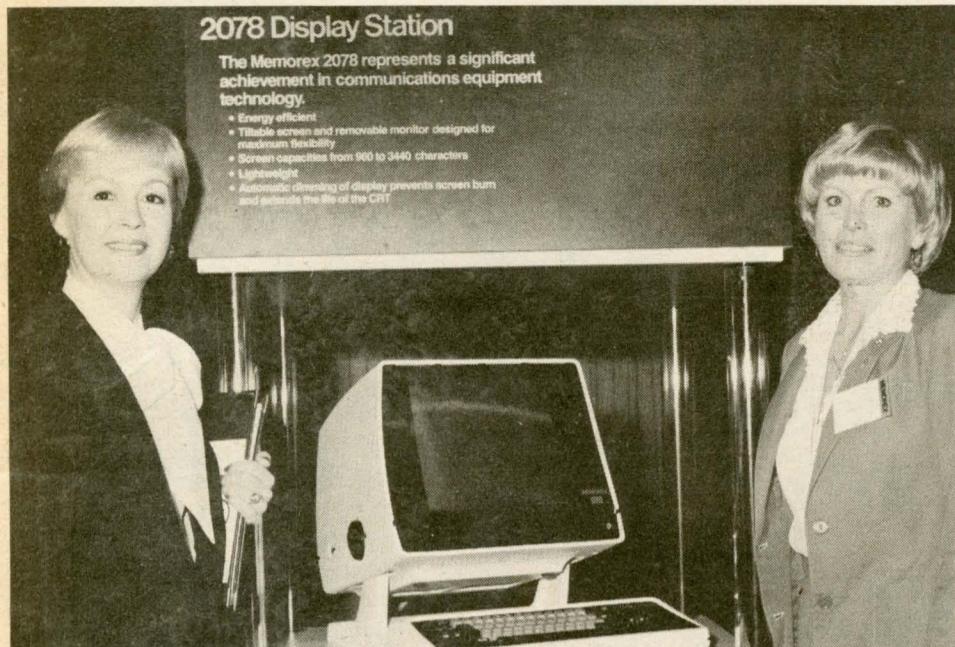
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Volume 18 Number 6 June 1981

2078 Display Station

The Memorex 2078 represents a significant achievement in communications equipment technology.

- Energy efficient
- Tiltable screen and removable monitor designed for maximum flexibility
- Screen capacities from 960 to 3440 characters
- Lightweight
- Automatic dimming of display prevents screen burn and protects the life of the CRT



Lynne Shanrock, a product manager for Communications Group, left, and Claire Good, Sales Support manager for the group were on hand to answer shareholders' questions about the 2078 display station at the recent Memorex shareholder's meeting.

C.W. Spangle addresses Shareholders Meeting

"The primary objective of your management is to make Memorex profitable as soon as possible, and to keep it profitable."

This was among the messages given Memorex shareholders by Chairman C.W. Spangle at the Annual Meeting on May 11 at the LeBaron Hotel, San Jose, California.

"I believe Memorex can achieve this basic goal," he went on, "because of the strengths it has developed in its first twenty years."

Spangle cited the company's "large and effective research and development program to assure the timely introduction of new products" (a 22 percent increase in 1980); a worldwide marketing organization; and a reputation for quality—"quality products, quality service and quality people."

The chairman detailed the problems that had been apparent a year ago and the steps taken to correct them. One result was achieving a cumulative positive cash flow since July 1980.

Continuing issues and efforts to solve them include:

- Economic environment (high inflation, high interest rates and weakening foreign currencies). "Against high interest rates and inflation, we are still trying to manage cash carefully. We have raised our rental and service prices in the U.S. and overseas. We are allocating output to the most profitable domestic and overseas contracts. We are continuing to reduce operating expenses."
- Continuing high manufacturing costs on large disc drives. "We have new management in our large disc drive manufacturing operation. They are being supported by a special task force concentrating on the key process variables. We have had increasing output of our double density drives over the past few months. Modifications of existing products will be introduced in the second and third quarters to permit further cost reductions. More of our U.S. backlog is at higher rental and purchase prices than has been the case in the preceding three quarters."
- OEM development and startup costs. "We are striving to complete the

development, and augmenting our OEM marketing effort. A new vice president of marketing and planning has just come aboard. We are attempting to absorb overhead in our mini disc drive plant by putting other work in while we wait for our customer base to develop."

• Conditions in our consumer products business. (The audio/video business lost money last year and the losses continued in the first quarter of 1981). "We have developed a new audio tape, new packaging, and a different approach to advertising and merchandising. We have consolidated coating lines and reduced overheads."

"In summary," Spangle said, "we think we have identified the major reasons for Memorex's unsatisfactory profit performance. Some have been corrected—some still remain."

The chairman also cited a number of positive factors.

- "Worldwide orders for most products are strong."
- "International sales continue to perform well despite the profit squeeze brought on by the strengthening dollar."
- "Our R & D efforts continue to yield excellent new products."

"In the near term," he concluded, "although we have been through some rough times, we do expect to see improvement for the rest of the year. In the longer term, we see great opportunities for Memorex Corporation in its second twenty years."

Computer Tape featured inside

Inside this issue of INTERCOM is a special four-page COMPUTER TAPE REPORT which spotlights Memorex's Computer Tape Division.

This is the first such special INTERCOM section that will be devoted to those Groups and Divisions which consistently meet or surpass their revenue and profit objectives. Computer Tape has an outstanding record of achieving these goals.

Sordello, Daniel to participate in Magnetic Recording Conference

Memorex Fellows Frank J. Sordello and Eric Daniel will be among the many renowned individuals who will participate in the Oct. 22-23 Magnetic Recording Conference at the University of Santa Clara.

The conference—the first ever on the history of magnetic recording technology—is sponsored jointly by the University, Memorex, and the Charles Babbage Institute for the History of Information Processing.

Participants will engage in joint discussions of the early years, current developments and future societal implications of magnetic recording technology.

Also present at the conference will be J. Presper Eckert, co-designer of the first electronic computer. He and the late John Mauchley co-designed ENIAC as well as UNIVAC I, the first commercial (non-military) computer. Their efforts led to the founding of Sperry Univac, the firm with which Dr. Eckert continues to be associated.

Among other leading participants in the conference will be Professor Dr. H.B.G. Casimir, a renowned scientist from Philips Research at Eindhoven, The Netherlands; Laurence Spitters, founder and first president of Memorex; Dr. Albert Hoagland, manager of exploratory magnetic recording, IBM; Dr. Marvin Camras of the Illinois Institute of Technology, a U.S. pioneer in magnetic recording; and Lord Asa Briggs, chancellor of Worcester College, Oxford, and the Open University, United Kingdom.

The published proceedings of the conference will provide a valuable resource work for historians of magnetic recording technology, according to F. Gordon Smith, vice president, Communications. The cost of the conference, including two lunches and one dinner, will be \$385 per person. Attendance at the conference, the net proceeds of which will be donated to the non-profit Charles Babbage Foundation, will be limited to approximately 450 persons. It will be held on campus of Louis B. Mayer Hall.

"While relatively little has yet been written about the history of magnetic

recording," Smith said, "we are fortunate in that many of the pioneers in the technology and the entrepreneurs involved in the start-up of many of the companies which rely on magnetic recording technology are still with us today. We are pleased that so many of them have seen fit to participate in the upcoming conference. Their doing so, we believe, will ensure that the event makes a meaningful contribution to the historic record."

Transportation Fair scheduled for June 30

Tuesday, June 30, Memorex will be hosting a Transportation Fair from 10 a.m. to 2 p.m. as part of a county-wide campaign to promote commuting alternatives. The emphasis will be on ridesharing and travelling by means other than the automobile.

Tentatively slated for display at the Fair is an electric car, a solar car, a horse and buggy, and a transit bus. A band and a hot air balloon will also be featured.

Carpools will be formed on the spot, with tables set up by zip code.

Watch for weekly flyers announcing further details. A drawing will be held offering roller skates, jogging shoes, a skateboard, a 10-speed bicycle, Memorex T-shirts, and bike flags.

As part of the Santa Clara Manufacturing Group, which addresses such issues as energy, safety, transportation, and security, Memorex wants to do its share in exploring transportation alternatives with its employees. A transportation packet is given to all new employees, and much interest has been generated by the current transportation survey which Memorex is conducting.

As coordinator for the San Tomas Zone of the Santa Clara County Manufacturing Group, (a zone composed of twelve local companies), Memorex's own Julie Shear is in a position to answer any questions you may have. Please call her at 7-2150.



Memorex was one of 2500 exhibitors at the National Computer Conference held May 4-7 at Chicago's McCormick Place. The industry's largest U.S. exhibit attracted 75,000 visitors. Pictured above are Bob Scheper, left, Chicago area sales manager for Media Products, talking to a prospective customer, and Fred Koehler, right, vice president and general manager, Computer Tape Division, Media Products Group.



Media Products' Garren loves challenge of Advertising

For Memorex's Media Products Group, advertising is an integral part of promoting and selling its products. While the advertising business, like the computer industry, is complex and fast-paced, it is also exciting and rewarding.

"It's demanding work, but I love it," says Mardi Garren, Advertising and Sales Promotion manager for the Media Products Group. "I'm never bored because it's never the same two days in a row."

Garren works with four of the Group's divisions (Rigid Media and Components, Flexible Media, Computer Tape, and Precision Plastics), in defining what they want and need to advertise and promote products. She assists the Divisions' sales and marketing efforts by suggesting high-quality advertisements and promotional aids, which are then implemented by Media Product's advertising agency.

"The most enjoyable aspect of the work is the creativity it requires," Garren comments. Dedication and perseverance are essential, since the entire process, from the initial conception of an advertising program through writing and production, to final delivery, can take as long as eight weeks or as little as two or three days for special projects.

A typical day entails meeting with marketing managers and others on various projects, calls and visits to and from the advertising agency, product managers, and magazine and trade press representatives. "You've got to enjoy working with a variety of people to be

effective in advertising," according to Garren.

In her capacity, Garren represents the Media Products Group at special conferences, trade shows and numerous business and industry events. She also supervises meeting planning for the Group, such as tours and sales meetings, and works with Guest Relations on guest visits. "I couldn't work at something if it wasn't diverse and didn't challenge me," she says.

On women in management, Garren feels that women enjoy the same things men do: responsibility, financial security, and the opportunity to be creative and contribute to the company and society. "Men have the same challenges I do at work—managing people, time and money. We're all people trying to do a job."

During the five years she has been with Memorex, Garren has been a production coordinator at what is now called the Corporate Design Center, promotion coordinator and account supervisor for Corporate Advertising, and Corporate Advertising Manager.

Vorbauer wins CE award

Erwin Vorbauer, Memorex customer engineering manager for Germany, has been named winner of the 1980 Customer Engineering League Table for Memorex International.

Developed in late 1979 by Trevor Sullivan, director of customer engineering for Memorex International, the League Table gave all Area CE managers in EUMEA, later to become International, a set of objectives to meet. The objectives dealt with significant aspects of management for Customer Engineering—profit, productivity, spares inventory control, personnel, and above all, customer satisfaction.

For the purposes of the contest, 1980 was divided into two halves. Each month, performance was assessed and points allocated based on the relative position of the countries. Points were weighed towards the most important measures.

Vorbauer and the German office won both the first half and the second half of the contest. Vorbauer turned around a CE operation that lost \$1.6 million in 1979 to make a \$100,000 profit in 1980, a figure he already exceeded by March 1981.

Vorbauer attributes the success of the German CE operation to his team of people: "My team works not only for quality, but is always thinking of costs. It was that spirit that enabled us to win."

Second place was won by Umberto Magro of Italy, while third place was taken by Guy Bemelen of Belgium.

RTC scientists present papers at INTERMAG Conference

Scientists and engineers from Memorex's Recording Technology Center participated in this year's International Magnetics Conference, (INTERMAG), held in Grenoble, France, May 12-15, by presenting six papers supporting our leading position in thin film heads, thin film technology, and magnetic recording channels.

INTERMAG is the conference at which representatives in the scientific and engineering communities congregate to present their technological advancements. Corporations represented by their employees in this way receive credibility and prestige throughout the industry, worldwide.

According to Frank J. Sordello, manager of Memorex's renowned Recording Technology Center, the seven scientists attending the INTERMAG Conference represent the epitome of technical ability and achievement that has placed Memorex at the forefront of thin film technology.

The attendees were: Dr. William Baker, staff scientist, Recording Head Technology; Dr. Thomas Campbell, manager of TFH Analysis; Robert Fisher, manager of Recording Surface Technology; Dr. Robert Kost, staff scientist, Electrical Engineering Technology; Larry Herte, manager, Sputtering Technology, Recording Surface Technology; Mark Kosziol, Mechanical Engineering, Recording Head Technology; and Al Lang, Jr., engineering specialist, Sputtering Technology.

Authors and co-authors of the papers presented at the Magnetics Conference

who were not present in person are: Dr. John Newman, acting manager of Recording Materials; John Osborne, manager of Thin Film Transducer Programs; Don Huber, manager, Electrical Engineering Technology; and Phil Brubaker, senior engineer, Electrical Engineering.

Runners rev up for Corporate Cup

The Corporate Cup Association gives runners in industry an opportunity to compete at regional and national levels. Memorex will be participating in the Bay Area regional relays at the Stanford University track on June 27 and 28. The five and ten kilometer road races will be starting and finishing there.

Memorex will be fielding a team in all events and divisions. Several positions out of the 48 needed are still open, particularly for women over 40. Brian Gardner, Memorex Team Captain, emphasizes that participants must be willing to train every day.

"It's an extremely competitive event," he says. Gardner, a former sprinter, looks upon distance running as a challenge. "It's rough, but fun," he says.

The Memorex team is rated at middle college level. Gardner says its goal is to build a strong nucleus team that will follow through to the next year. "We need people who really enjoy competition," he says.



Three Memorex field employees acted as guest instructors recently at the 1981 Memorex SSG/Communications Sales school held in Santa Clara.

Pictured from left are: Bob Minshall, branch manager, Dallas, Gary Kolesiak, Central Area Systems Engineering manager, and Ed Dolan, senior sales rep from Richmond, Virginia.

Field personnel double as sales school instructors

Ed Dolan, Gary Kolesiak and Bob Minshall are three Memorex field employees who have one thing in common: they were all guest instructors for the May, 1981 Memorex SSG/Communications Sales school held in Santa Clara.

Dolan a senior sales rep from Richmond, Virginia, has been with Memorex for three years and has two Quota Clubs. He is currently leading all equipment reps in performance for 1981. Kolesiak is the Central Area Systems Engineering manager, and has been with the company for nearly four years. Minshall has been with Memorex for three and a half years and has three Quota Clubs. While at class, he was promoted to the position of branch manager, Dallas.

Each of the guest instructors were nominated by their respective area managers, based on their outstanding contribution to the Corporation. Leaving the field for this period was not on the top of their list. However, all three met the challenges and opportunities that were

presented to them. All three agreed that teaching was a very worthwhile experience for them, and they hoped that all the students enjoyed it as much as they did. According to Bob Varo, manager of Educational Services, "Their contribution was absolutely outstanding and they are a credit to the entire field sales force."

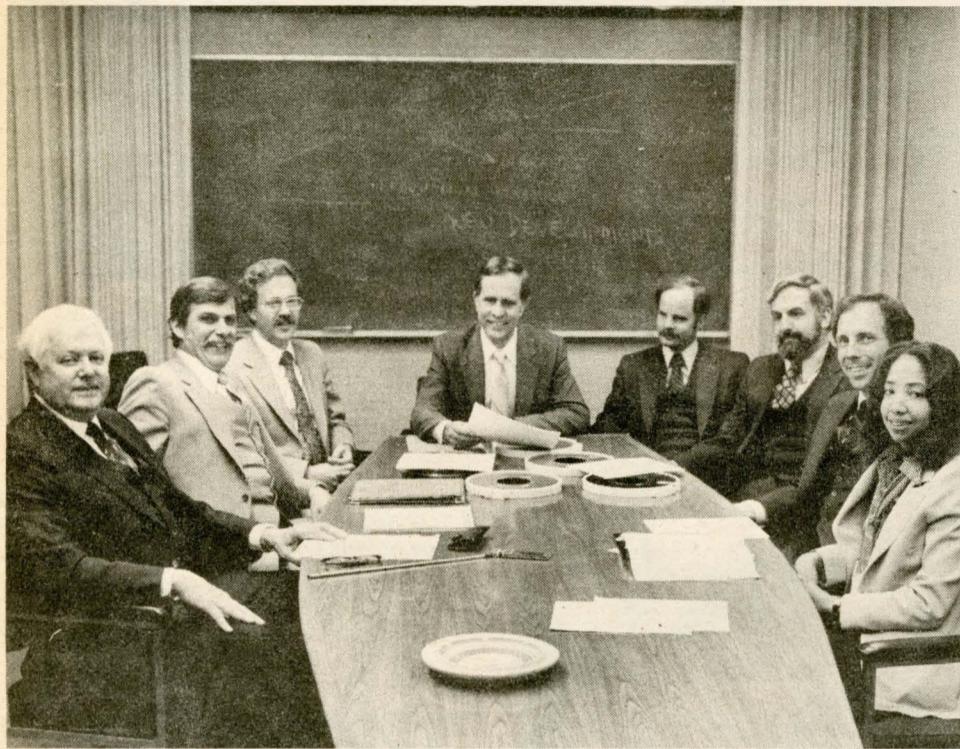
Each sales class is comprised of two learning areas: product understanding and sales techniques. The use of three teachers from the field is a concentrated effort to furnish the trainees with a thorough understanding of what they will encounter when they venture forth to sell.

When asked what the main thought is which they would most like to pass along to the students, all three agreed that "there is no formula for success. It takes hard work and smart work."

The results of their labors in this first sales class involving field sales personnel are being anxiously awaited.

COMPUTER TAPE REPORT

MEMOREX



The Computer Tape Division Business Team (L to R): Gerry Miller, Vince Mastropietro, Nick Ward, Fred Koehler, Jay Swent, Joe Nussbaum, Jim Christie, and Lynn Watkins.

Team approach keeps Computer Tape on top

The Computer Tape Division's recent record-setting pace in surpassing revenue and profit objectives is due largely to its management business team. It functions in the true spirit of a "team;" working closely together to achieve common goals, and meeting regularly to exchange new ideas, and solve problems.

Leading the team is Fred Koehler, vice president and general manager for the Division. Other members are: Nick Ward, Manufacturing manager; Jim Christie, Quality Assurance manager; Joe Nussbaum, Engineering manager; Gerry Miller, Marketing manager; Jay Swent, Finance manager; Lynn Watkins, Industrial Relations manager; and Vince Mastropietro, Plant Engineering manager.

Manufacturing is the largest department of the Division and is responsible for making the four types of computer tape marketed by the Division and currently also prepares coated media used by Flexible Disc Media Division. The starting point is the Mix Room where raw materials are blended for tape formulations. The most important ingredient is a metallic oxide particle, which is what retains the magnetic signal placed on the tape by our customer's tape drive. The tape is next coated with the oxide mixture in the coating area. The application must be precisely controlled to within plus or minus 15 millionths of an inch. Computer tape is then surface treated to improve the smoothness of the coating and compact it after it has been applied to the film.

The slitting of computer tape into half-inch widths occurs next. From there, the Test department loads the tape onto reels and tests each tape. Every reel is tested for flaws and the test equipment is checked twice daily to assure that the highest quality level is reached. For customer satisfaction and Memorex's reputation, this stage is critical. The tape is then labeled, identifying the product and quality level and sent to the Packaging department where the tapes are boxed for shipping.

Other departments within manufacturing are the Retest department, which removes any product defects to be sure only the highest quality product is

shipped; the Reclaim department, which recovers components that are attached to tape not meeting Memorex minimum specifications; the Silkscreen department, which supports all of Memorex in addition to the Tape Division and creates and produces corporate signs and graphics as well as promotional items on occasion; the Materials department purchases goods and services, including receipt and warehousing, in a timely and cost effective manner; and, the Manufacturing Engineering department which ensures that manufacturing equipment and operations are able to maintain product quality standards and is currently heavily involved in the new improvement and expansion program.

The Quality Control department has six sections: the Quality Control section audits both the processes and products throughout the plant to ensure conformance with established standards; the Computer Test Lab measures recording performance on a number of tape drives, analyzes returned tapes, and evaluates competitive products; Quality Engineering manages quality programs; the Raw Materials Laboratory conducts chemical analyses to be sure incoming chemicals meet specifications; the Process Service Lab conducts tests to insure that all mixes are right; and, Incoming Inspecting ensures that all non-chemical materials comply with specifications.

The Engineering department has three functions: Product Development which produces new improved formulations and products for various applications; Recording Performance Technology designs and implements the electronic systems necessary to support performance requirements for new product applications and test equipment specifications; Process Development designs and builds mechanical devices to automate plant facilities and help maximize equipment usage as well as developing new processes in support of new technology application.

The Marketing department develops and directs marketing plans and programs worldwide and has two sections: Product Management handles

Computer Tape celebrates twenty years of excellence

The Computer Tape Division was the cornerstone of Memorex's foundation. Twenty years ago, Memorex was founded to produce precision magnetic tapes. Less than two years after incorporation, the company moved out of leased buildings and constructed its first plant and office building on what is now called Memorex Drive. That year, Memorex introduced its first precision magnetic tape for computer use. Since then, Memorex has become the world's leading manufacturer of computer tape.

Over the years, the Tape Division has improved its products, expanded product lines, increased capacity, and launched itself as the leader of the industry in nearly all respects. This is due to the high quality, professionalism and dedication of the Division employees.

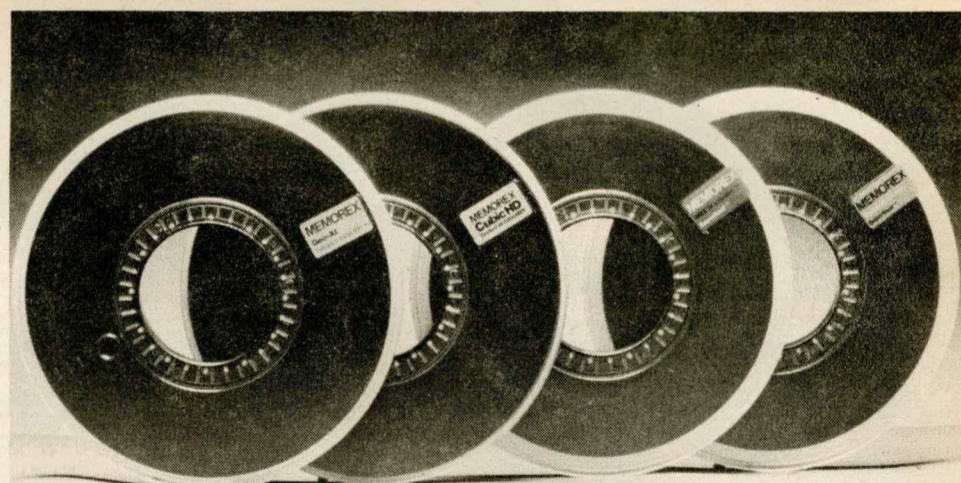
Further, the Division, under the present leadership of H. Frederick Koehler, vice president and general manager, has consistently met or exceeded budget forecasts in all major areas of its business for the last several years. In 1980, for example, revenue for the Division was 15 percent over budget and nearly 40 percent higher than 1979 revenues. Before tax profit for the year was 70 percent higher than 1979. This record-breaking trend continued in the first quarter of 1981.

The development of high-quality premium tape, however, did not come quickly or easily. From Memorex's incorporation in early 1961 to the middle of 1962, all activity was directed at getting the company off the ground and therefore no immediate revenue was produced. The founders recruited technical, marketing and administrative staffs, began extensive research and development efforts, started construction of plant laboratories, and offices, and fabricated production equipment. The chemical formulations for the Company's initial products and the manufacturing processes which resulted from its research and development, utilized invention and improvisation otherwise unknown in the industry.

Then in late 1962 and early 1963, operations made Memorex economically viable. The very first products, computer and instrumentation tapes, were successfully introduced, a modest position secured in markets, and a level of profit was reached which allowed the Company to procure additional capital for expansion.

In 1964 and 1965, those first products were replaced with improved formulations and other tape products were added. Marketing capabilities were enlarged and expanded throughout the

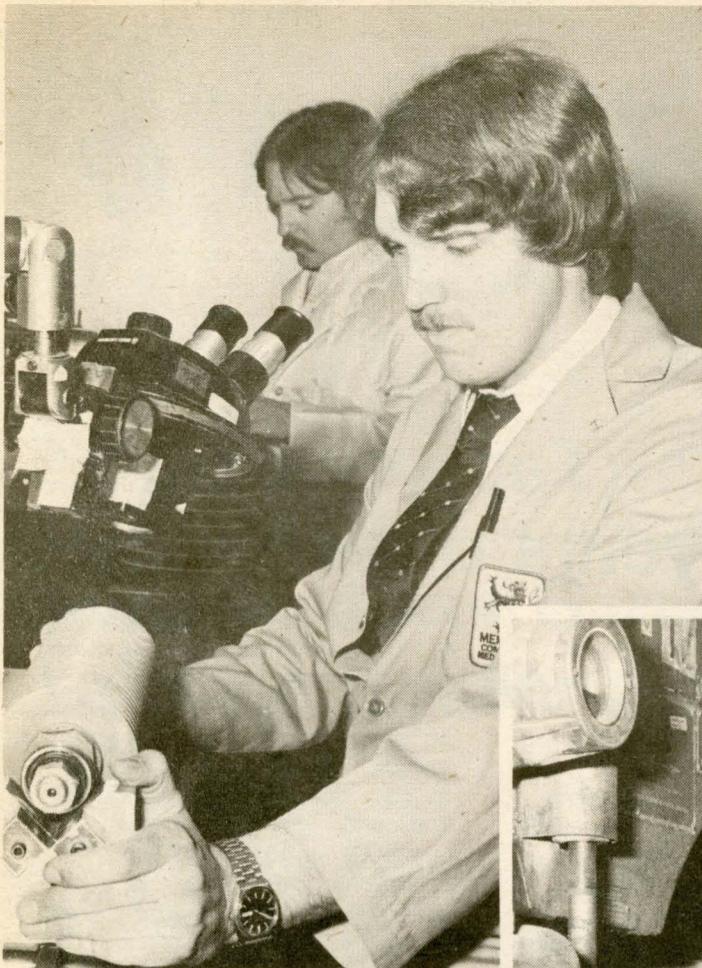
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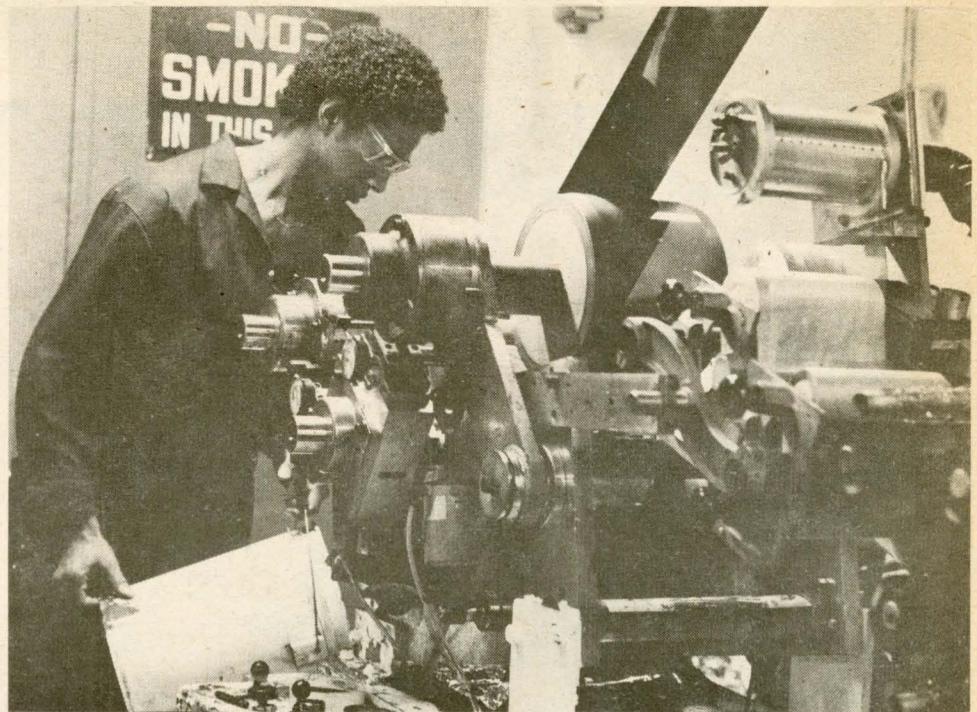
Memorex Computer Tape products: GeoXL, Cubic HD, MRX IV, Quantum.

Historical Highlights... 1961-1981

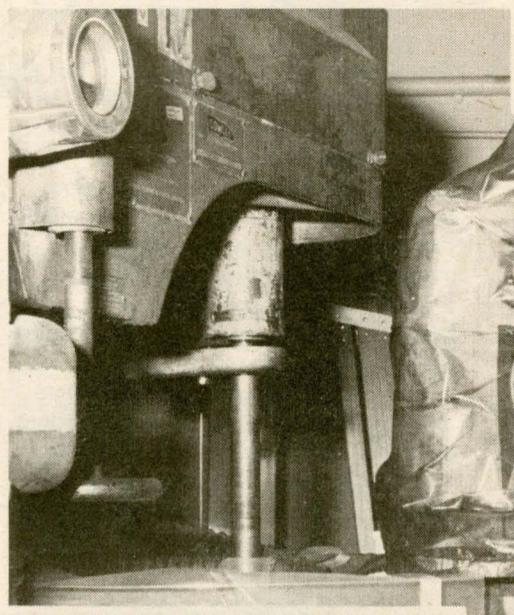
1961	Memorex is incorporated	1974	Cubic tape introduced
1962	Computer Tape is manufactured in July at new tape plant	1976	Quantum tape formulation improved
1963	Improved Formulation of Computer Tape	1977	SuperReel introduced
1965	Public Sale of Memorex Common Stock	1978	Cubic HD introduced
1966	Third Generation of Computer Tape (MRX III) introduced	1979	Geo XL tape for geoseismic applications introduced
1968-1969	Quantum Premium Tape introduced	1980	New tape formulations introduced
1973	MRX IV introduced	1981	Tape Plant improvements and expansion



▲ Bill Schilling and Tony Marks inspect production equipment and supplies for quality.



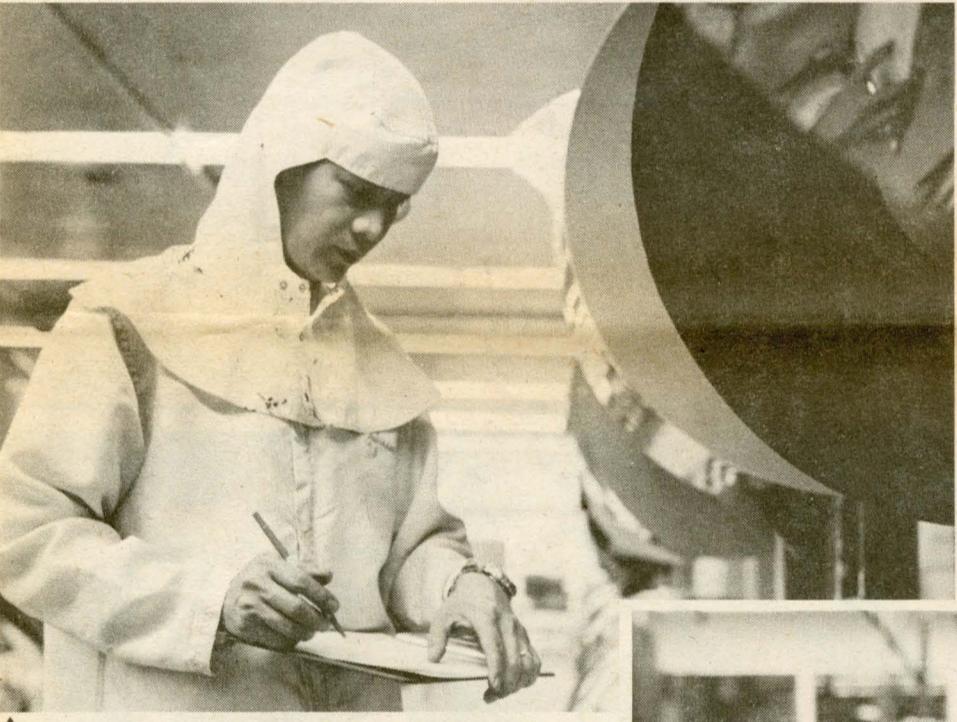
▲ Al Urquhart pours mix for the Pilot Line.



▲ Scott McGregor mixes chemicals prior to tape processing.



▼ Ina Buyak inspects tape for marker placement.



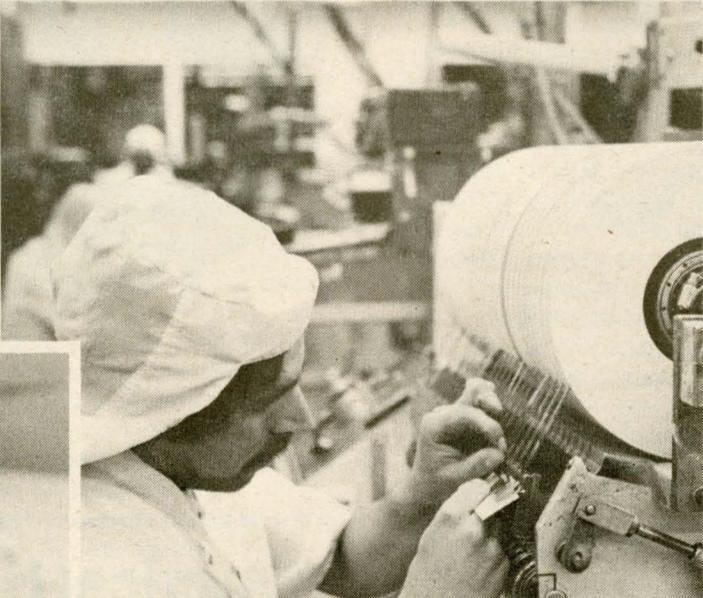
▲ Jeff Anderson inspects a "jumbo" roll of tape.



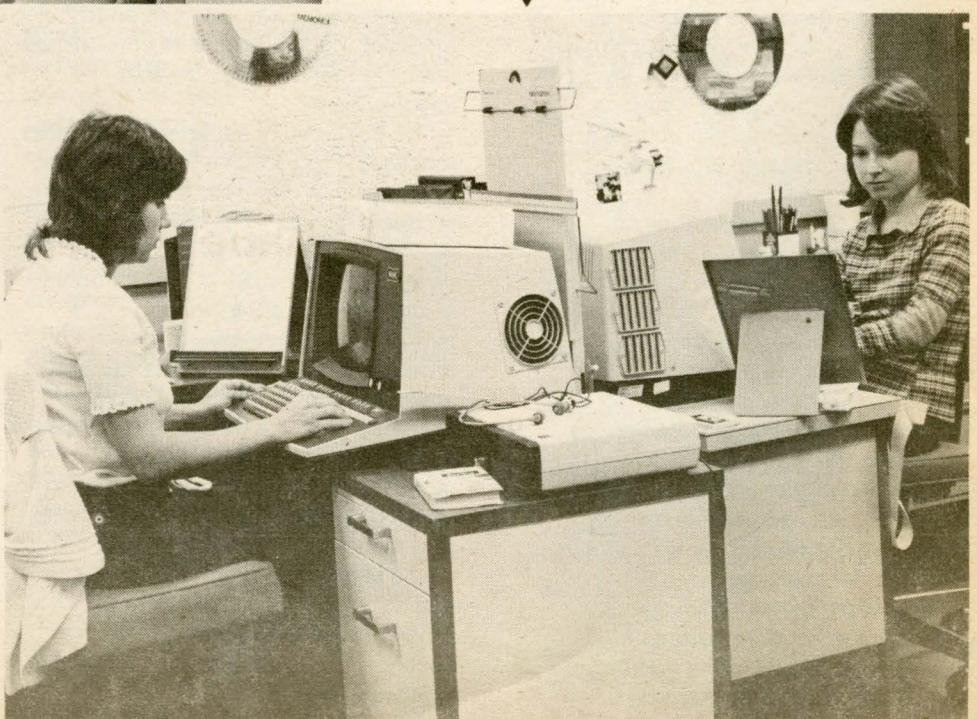
▲ Arnoldo Chavez applies markers after slitting.

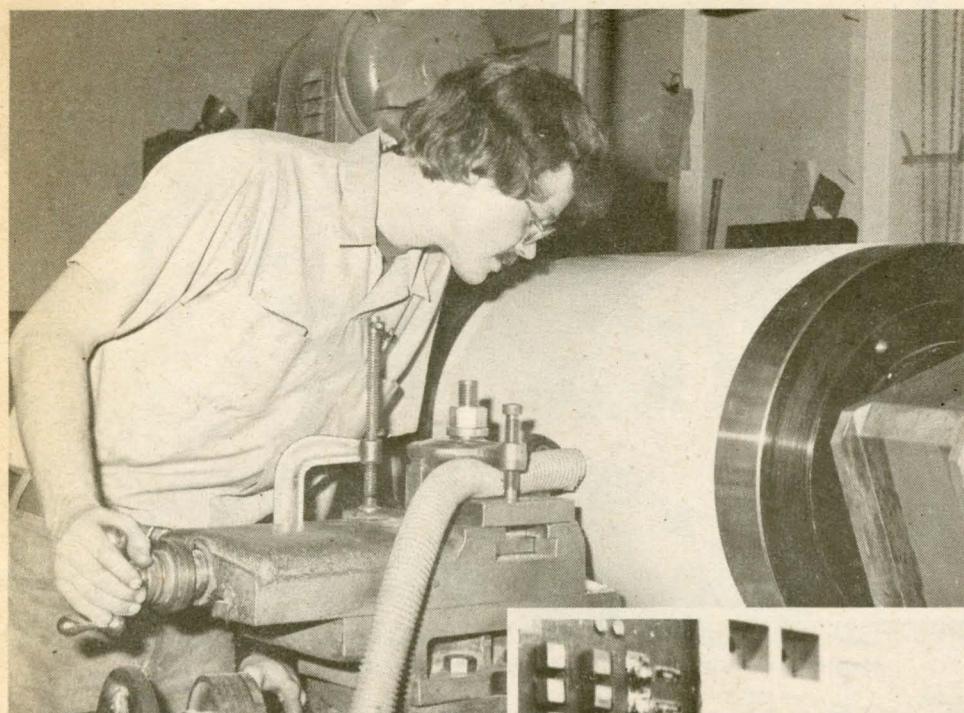


▼ Cindy Riley examines work in the Silkscreen Department.



▼ Joanne Costa and Terry Lambert typing reports in Word Processing Center.

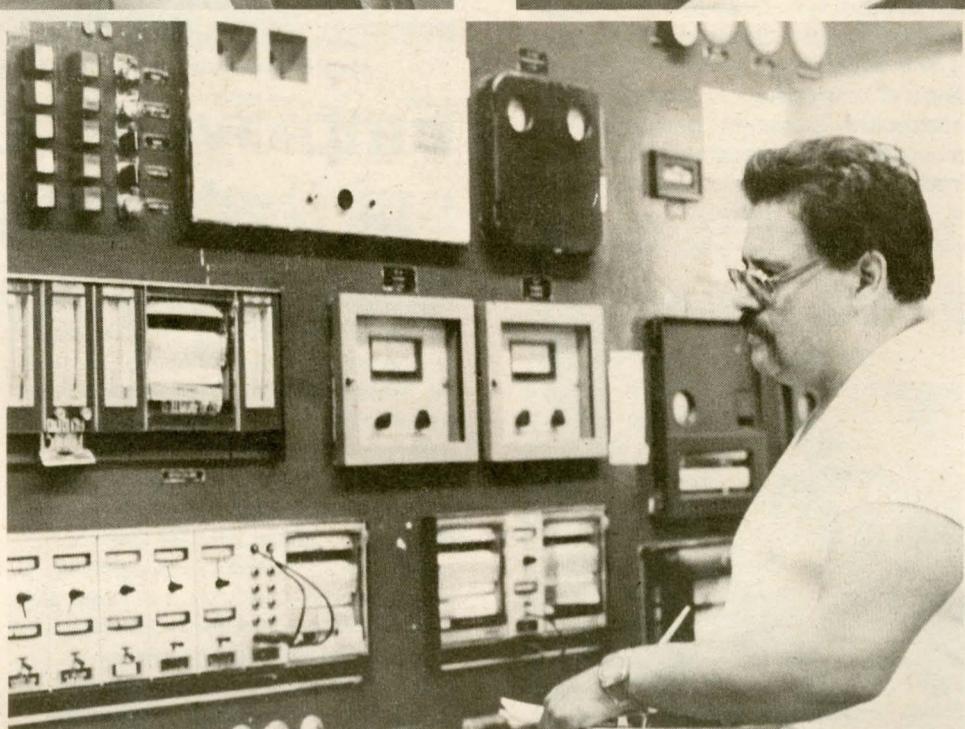




▲ Tom Baranowski resurfaces a compliant roll.



▲ John Freer and Mike Gallardo check readings on a coating control unit.



▲ Roy Valdez takes critical readings on solvent recovery system.



▲ Barbara Walker and Mike Galata test tape in the Computer Test Lab.

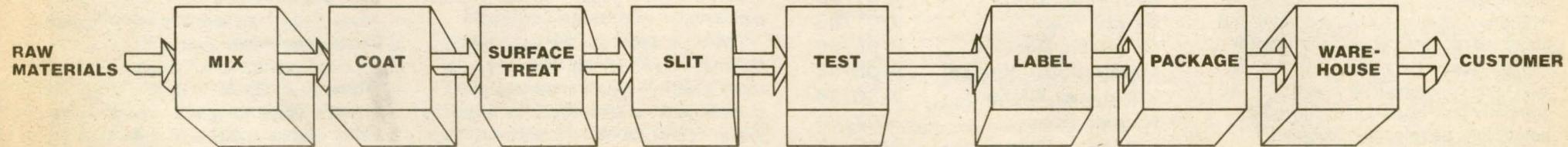


▲ Janice Dorman tests computer tape.



▲ Babu Venkatram and Ken Stowell inspect the new packaging line.

Tape Manufacturing Process



Cooperation essential to business team success

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assigned market and sales channels to be sure the Division meets or exceeds goals; and, Customer Service which is responsible for order processing, contracts administration, product demand scheduling, and field service.

The Finance department makes sure that proper financial controls are established and maintained within the Division, accurately reports the Division's financial performance, performs all accounting functions, and provides the business team with the financial information and analyses required to guide the Division.

Plant Engineering maintains all real estate and buildings located on Memorex Drive, as well as ensuring that all environmental and safety regulations are met and maintained. The department also maintains the tape plant's mechanical, electrical and electronic production.

equipment and operates the solvent recovery unit.

The Industrial Relations Department provides a full range of services to all employees of the Division—which now number some 800. The Department also assists with employee training, development, career counseling, and internal placement, acts as an information source regarding pay and benefits, coordinates Division activities, and facilitates open communication between management and other employees. The department has recently developed a very successful program to hire qualified disabled workers.

With such a large number of employees and a diverse operation, it's obvious that cooperation is essential when trying to meet revenue and profit objectives. The Tape Division's Business Team and staff is doing just that and more.



The Computer Tape Plant.

Quality and precision are product trademarks

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United States and into foreign countries, and manufacturing facilities and laboratories were enlarged and improved.

Paradoxically, none of the scientists and engineers engaged in the original research and development work at Memorex had experience in the magnetic recording tape industry. Their disciplines and backgrounds were entirely in the chemical, pharmaceutical, and recording equipment manufacturing industries. Of necessity their work was original and fundamental. The result was a combination of unique chemical formulations and production processes which provided a predictable and scientific basis for manufacturing.

Memorex's concentration upon only precision tape products at its founding was also a unique policy in the industry. Other, older competitors had developed their technologies during the 1950's in the production of sound recording tapes, which are more easily made. Because Memorex concentrated on producing precision tapes at the start, it did not have the problems confronted by sound tape manufacturers in redirecting their technical efforts to produce precision tapes.

The more difficult goals of Memorex increased its early risks, but attaining those goals brought immediate—and continuing—distinction to the Company.

After two decades, the Computer Tape Division continues to provide product, market, and technology leadership. After marketing only one type of computer tape in 1962, the Division had developed a full line of computer tape products. Cubic HD, with a new proprietary oxide coating and improved process control, offers better signal recovery on today's high density, 6250-bpi, computer tape drives. Geo-XL computer tape is used in the growing geoseismic petroleum exploration market. Quantum computer tape is particularly suited for critical data storage. And Memorex IV (the fourth generation of Memorex's original computer tape) is a premium quality work tape for universal applications.

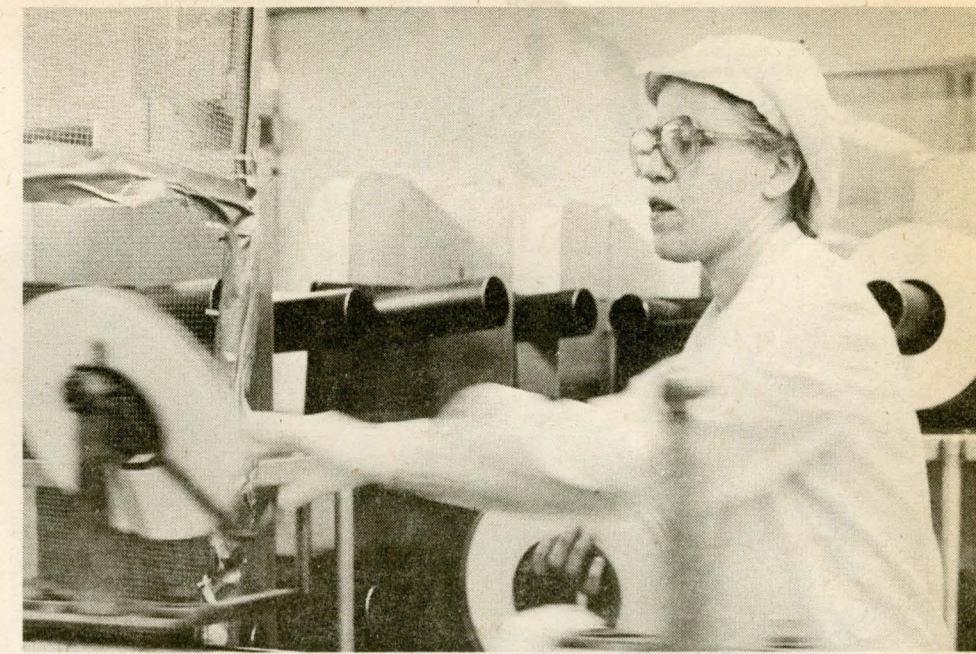
All computer tape products are offered on Memorex's advanced SuperReel tape reel designed to meet the demands of today's high-performance tape drives.

During 1981, Memorex plans to invest substantially in improving and expanding the manufacturing processes for coating, finishing, testing and packaging computer tape.

The prospects for the next twenty years of Computer Tape certainly seem as bright as they were when Memorex was founded.

15 year employees

Delman, Albert	10/16/61
Elder, Wayne	1/29/62
Hamm, Clarence	8/30/62
Burgstrom, Floydene	11/19/62
Morgan, Harold	1/21/63
Burt, Arthur	1/29/63
Masella, Verna	9/05/63
Jordan, Jane	12/04/63
Marshall, Stanley	7/13/64
Balke, Marilyn	8/04/65
Hiegel, William	8/30/65
Siau, Fred	1/23/66
Wright, Marie	2/23/66
Day, Masako	3/03/66
Parker, Cecilia	3/14/66
Doran, Robert	4/11/66
Wydra, Edith	6/14/66
McBride, Marion	6/14/66
O'Brien, Robert	6/20/66
Nussbaum, Joseph	6/23/66
Marino, Gaetano	7/11/66
Lombardo, Harry	8/01/66
Galata, Mike	8/01/66
Dalgleish, Dorothy	8/08/66
Mastropietro, Vincent	8/08/66
Villanueva, Richard	8/30/66
Nagpal, Ram	9/07/66
Calderon, Patsy	9/09/66
Butts, Herbert	9/12/66
Riggs, Jeffrey	9/21/66
Lyons, Ronald	9/21/66
Mullins, Larry	10/03/66
Salerno, Lena	10/10/66

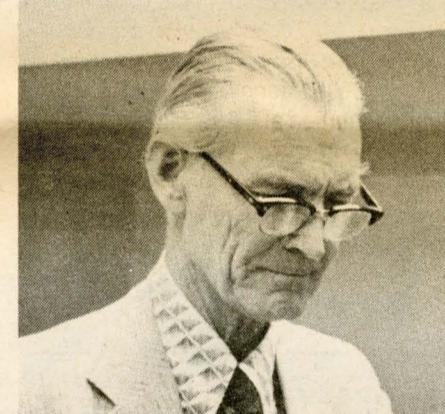


Mary Farnham unloads new reels in production clean room.

Employees exhibit "reel" spirit at Computer Tape

"Memorex is a great place to work," seems to be the employees' motto at the Computer Tape Division. "I like the work and conditions," says Wayne Elder, staff mechanical engineer. "There seems to be a lot more team spirit at Memorex than at other places," claims Rick Serrano, a packager in the Tape Packaging department. "Everyday I have the feeling of learning and accomplishment," comments Verna Masella, supervisor, Maintenance Control Center. "I love hard work and team effort and there's plenty of it here," comments Mary Farnham, a labeling operator.

These four employees of Computer Tape represent some of the reasons why Memorex is and has been the industry leader in computer tape.



Wayne Elder

Wayne Elder was hired in 1962 as the thirty-third employee of Memorex. He is now approaching his 20th year with Memorex and ranks fourth in terms of length of employment. Like some other founders of Memorex, Elder worked for Cutter Labs prior to joining Memorex where he gained experience which he applied to computer tape processing. The first clean room at the tape plant, for example, was modeled after Cutter's pharmaceutical lab.

In 1965, Elder helped design a new slitter which is still in use today. "Even though there were some difficult times during the past 20 years, I'm proud that the equipment in the plant I worked on functioned to produce a high quality product," Elder says. About the nearly 20 years Elder has spent with Memorex in the engineering group for media products he says: "I've gained a wealth of experience and knowledge, and I'm proud of my contributions to the Company."

Like many others living and working in the Silicon Valley, Rick Serrano moved here from Phoenix for new and better opportunities. "Besides, the climate here is really nice," says Serrano. A friend told Serrano about Memorex and he was hired in the Packaging department nearly nine months ago.

"We work as a team and back each other up without asking. We have some really great supervisors and we get complimented and rewarded for doing the job right. Everyday we rotate jobs and we stay constantly busy packing tape for shipment, which means we don't get bored," Serrano comments.

He also finds the three-day, 12 hour shift he's on attractive. "I really enjoy the four days I don't work," says Serrano. The

benefits and pay are great, too." He says he is now considering taking courses to become an electronic draftsman, especially since Memorex will help pay for the school.



Rick Serrano.

After raising a family, Verna Masella decided to go back to work in 1963 and chose Memorex. "At that time, it was a new and rapidly growing company and was in a convenient location," says Masella. Her first job at Computer Tape was in manufacturing - cleaning tape reels, labeling and packaging. "You've got to have a lot of patience running those machines, which may be why so many women are employed in those areas," she comments.



Verna Masella

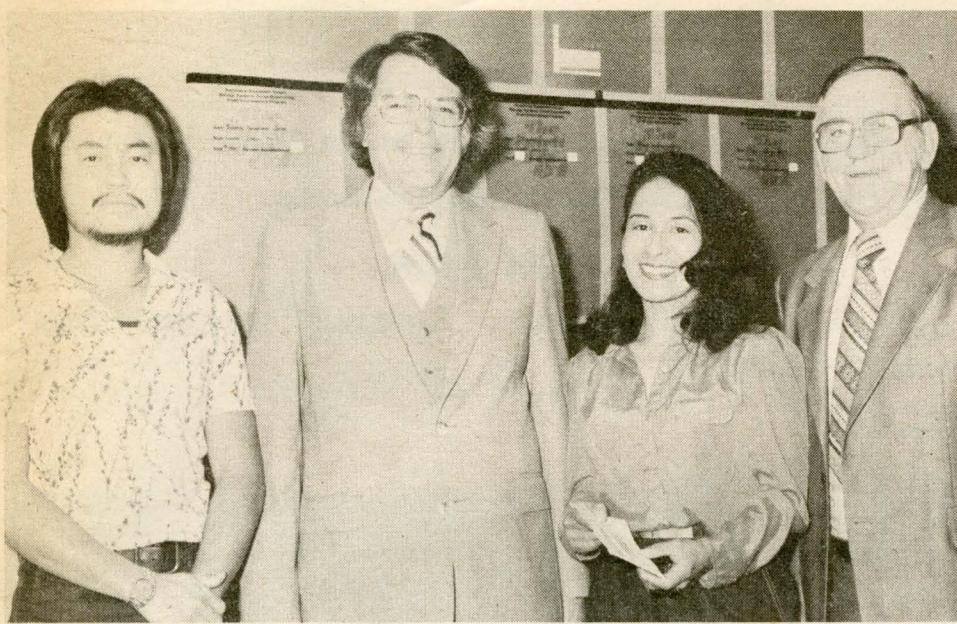
Masella had a number of other jobs at the Tape and Disc Plants before her current position as supervisor, Maintenance Control Center. "We order and receive parts, maintain inventory and act as liaison when there are problems with the production equipment."

"I like Memorex and the Computer Tape Division because you get to know the people you work with. It's like one big family here. It's great to know we're making a high quality product. That gives me a real sense of satisfaction at the end of each day," Masella says.

Mary Farnham likes "everything about the job." Farnham, who joined Memorex and Computer Tape in April, 1980, says, "we have a real team effort in our department. All the people get along well and when there's a problem, we talk it over. A lot of this is due to having a darn good supervisor."

Like Rick Serrano, Farnham finds her three-day, 12 hour shift attractive. "I feel that I'm being rewarded two extra days after working really hard for three days," Farnham says. "It gives me more time to spend with my family."

Looking to the future, Farnham says, "I'd like to own some land someday and the pay and benefits at Memorex are helping that goal come true."



You'd smile too, if you had just won \$250. SEO/SSG Engineering held a quarterly drawing as part of their cost savings program, and the winners shown with William Krehbiel, vice president, SEO are, from left: Roland Gabriel, Mr. Krehbiel, Dora DeVilliers, and Norbert Mitchell.

SEO/SSG Engineering get the "Spirit" together

SEO and SSG Engineering worldwide report a cumulative cost saving of \$3.8 million dollars for the first quarter of 1981, with the month of April showing the most substantial figures to date.

The well-organized program, administered by Bill Yee, manager of Manufacturing Planning, LDDD, requires the cooperative effort of both groups in order to get the proposed design changes implemented. The two groups have set a goal of \$49.5 million in savings for the year.



James Boomer

The quarter's big winner was Jim Boomer, product test manager, LDDD, whose suggestion represents \$1.4 million in annualized savings. On his recommendation, test procedures in the final test area were revised and an effective training program was implemented which expanded technicians' diagnostic and troubleshooting abilities. Test times were improved, and direct labor requirements reduced. Boomer tallied up 2923 prize points, worth \$1 per point.

Quarterly drawings are held, with everyone participating who had submitted an approved idea. Three \$250.00 cash prizes were awarded for the first quarter. The winners were: Dora DeVilliers, Quality Assurance Lab test technician, LDDD, Norbert Mitchell, senior buyer, LDDD, and Roland Gabriel, Machine Shop operator, LDDD.

"It's a program in which everybody wins," says Bill Yee.

In addition, the program includes functional awards as well. A total of \$600 is available monthly to each of the fourteen functional groups, and is

awarded to non-management winners. In Manufacturing, which has eight groups, each group can award six \$100 prizes.

The program really took hold in April, according to Jim Baldo, coordinator of the program for Manufacturing Engineering & Research. \$14.7 million in cost saving suggestions was turned in and approved. The idea representing the greatest cost improvement was the design, release, and implementation of a "booster" for the lower HDA PCB which greatly improves HDA yield in the factory. \$3.4 million in annualized savings is anticipated as a consequence of this suggestion.

Individuals involved in the design and release at LDDD Engineering are: Bill Otani, Frank Sison, Ben Alaimo, and Bert Sammarcelli. Responsible for the implementation at LDDD Manufacturing are: Mike Hanly, John Hayes, and Rich Welsh.

The groups honored their April "Spirit of '81" winners at a special luncheon May 19. Certificates were awarded, and photos displayed on the Wall of Honor in the cafeteria.

A "reel" success at Computer Tape

Computer Tape Division is pleased to report that their "Reel Spirit of '81" operations improvement program is showing a healthy 28% ahead of the cost saving goal. Excellent employee participation and support are credited for CTD's success.

Functional teams, consisting of 8-10 individuals, have been developed to assess and implement all suggestions submitted to the program. Those suggestions that are judged to represent more than a \$5,000 annual saving, and are implemented, are awarded 2% of the annual saving.

A number of employees received their "bonus checks" at the recent quarterly luncheon, held April 21. Manfred Falk of the Plant Engineering Group was awarded \$1,511 for his suggestion pertaining to Mix Room modification, while Henry Buck of the Production area received an award of \$1,950 for his coating line modification suggestion.

Bill Sholes, Production Control, earned an award of \$865, while Daphne Kelly, Production group, was responsible for a suggestion which earned her a bonus of \$114.

Since the program's inception at the end of June, CTD has awarded \$5,000 to its employees. Another \$5-6,000 will have been distributed by the end of June.

According to George Karabatsos, program coordinator and staff engineer, production, the cost savings program has become a useful vehicle for employees to express their ideas, and as pride and concern develop throughout the division, Memorex stands to benefit from the implemented suggestions.

Memorex earns "E Star" award for export expansion

Memorex has received the coveted "E Star" Award for Export Expansion for "outstanding and aggressive creative marketing, resulting in a substantial increase in volume of exports on a sustained basis."

The Honorable Lionel H. Olmer, Under Secretary of Commerce for International Trade, presented the award on behalf of President Reagan to Richard W. Martin, president of Memorex's Media Products Group on May 19. The presentation highlighted a "Trading with Taiwan" seminar sponsored by the Department of Commerce and the San Francisco District Export Council as part of the Northern California observance of World Trade Week.

The "E" award for excellence in exporting is made to manufacturers for substantial increases in volume of

exports and export sales over a sustained three-year period, including breakthroughs in particularly competitive markets, introduction of new products into United States export trade, or the opening of a trade area previously closed to American-made products. Memorex received its "E" award in 1972.

Communications holds quarterly review luncheon

Good communication is vital to any organization, and the Memorex Communications Group is working vigorously to keep the lines of communication wide open with employees.

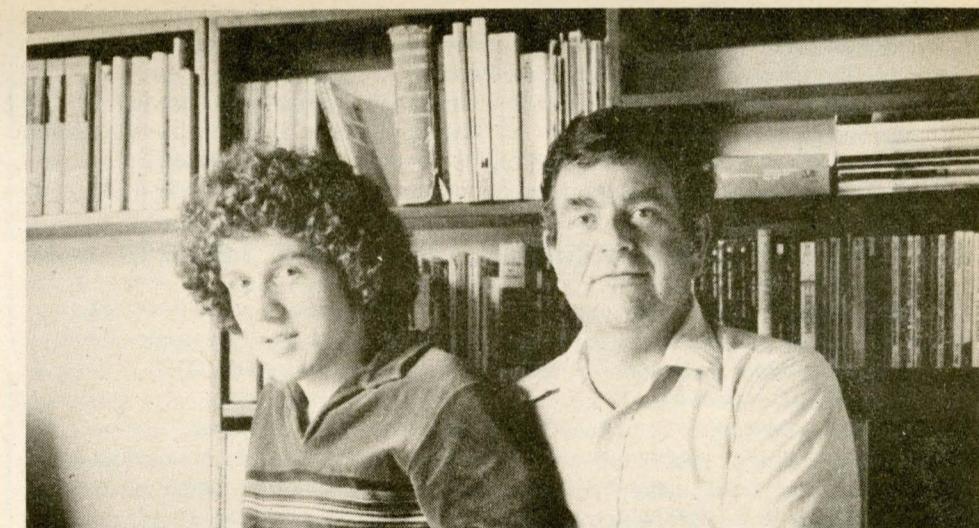
Clearly illustrating this philosophy on April 29, the group continued what has become a tradition at Building 5: a quarterly review luncheon.

As nearly 500 employees lingered over a hearty lunch of barbecued chicken, Paul Klein, president, recapped the first quarter and addressed the key issues facing the group for the rest of the year.

Fielding questions from the audience, Klein emphasized the importance of team spirit, which when exercised, provides an essential fabric from which the group can improve product, increase productivity, and raise profitability.

Everyone knows a team is not a team without an identifying uniform, so in order to promote group awareness, light blue T-shirts were distributed bearing the Communications Group logo, which was designed by Kathy Parara. Earlier in the year, Kathy won \$500 in a logo contest which lured over 180 entries.

The quarterly review luncheon at Building 5 offers employees the opportunity to share their views and mingle with people from other departments, and in some cases from other buildings, on a regular basis.



David Eppstein, shown with his father Anthony Eppstein, is the winner of the 1981 Memorex Merit Scholarship. He will be attending Stanford University this fall as a mathematics major. The elder Eppstein is manager, Test and Evaluation, Recording Technology Organization, SSG.

Merit Scholarship winner Eppstein plans math major

David A. Eppstein, son of Anthony Eppstein, manager, Test and Evaluation, Recording Technology Organization, Storage Systems Group, is the 1981 Memorex Merit Scholarship winner. David will be attending Stanford University this fall.

The winner is chosen according to test scores, academic record, leadership and significant extracurricular accomplishments. Full details about the qualifying tests are available at each high school counseling office.

The scholarship provides up to \$2,000 a year for each of four years, the actual amount being determined by family income and the actual cost of attending the college of the winner's choice.

David attends Palo Alto High School, and has a strong interest in computers. He likes to program various things on his Heathkit terminal. He also writes for the

school's literary magazine, and enjoys playing tackle football with friends.

Born in England of New Zealand parents, David has been living in California since age 4. He plans to major in mathematics at Stanford, and will be taking a lot of computer courses.

Memorex employees' sons and daughters who will graduate from high school and enter college in 1983 are eligible to compete for the 1983 scholarships by participating in the testing to be conducted during October 1981 at each student's high school. Testing for the 1982 scholarship took place in October 1980.

For further information about this scholarship program, contact Ernie Tydell, M/S 12-36, ext. 7-2894. This scholarship competition is open to eligible sons and daughters of all Memorex employees in the United States.

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Editor, Irene Shearer

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NEWSMAKERS

Vopat brings adv. expertise to SSG

Ed Vopat has joined Memorex Corporation as manager of Advertising and Promotion for the Storage Systems Group, reporting to Gary Land, Group vice president of Marketing.

Vopat brings to Memorex more than 25 years of marketing, advertising and design management experience in the high technology field.

Prior to joining Memorex, Vopat was manager of Marketing Services for Siliconix Inc. in Santa Clara for three years. Before that, he was Corporate Marketing Promotion manager for Measurex Corporation of Cupertino, California from 1972 to 1978.

His experience in the high technology field also includes 18 years with Varian Associates in Palo Alto, California, including 15 years as manager of Industrial Design and Advertising and three years as Corporate Advertising manager.

Vopat, who holds both B.A. and M.A. degrees in design communications from Stanford University, also spent two years as Senior Design Officer for the Federal Government of Canada, managing a nationwide Design Awareness Program.

Roderick takes post at Computer Tape

John Roderick has assumed the position of manager, Budgets and Measurements activities, including monthly forecasts, AFE evaluation, budgeting, special projects and long-range planning become his responsibility in this capacity.

Roderick reports directly to the Computer Tape Division Finance manager J.W. Swent.

He returned to Memorex in May, 1980 as manager, Accounting Policies and Procedures. Roderick had previously been with Memorex on the Corporate staff from 1970 to 1975. He has held the position of controller with Velobind, Inc. and Central Garden Supply (wholesale distributors). John has a B.S. in business from UCLA and is a California CPA.

Pattillo joins Precision Plastics

Al Pattillo has been named manager of Marketing and Sales for the Precision Plastics Division. He assumes responsibility for internal and external marketing and sales activities, and for the establishment of product and business strategies and tactics. Pattillo reports directly to the vice president and general manager of Precision Plastics, A.P. Mauro.

Prior to joining Memorex, he spent 16 years at A & E Data Technology, where since September 1980, he had been general manager. His previous positions were in technical sales, quality control, engineering and manufacturing engineering departments.

Hipp named new Credit manager

Stephen J. Hipp has been named Group Credit manager, Storage Systems Group, assuming responsibility for all accounts receivable for the Group. He also provides credit and collections services for Communications Group, Business Systems Division, and Third Party.

Cash Application personnel and all Credit and Collection personnel report to Hipp, while he reports directly to the Group Finance manager, Ralph Walch.

Hipp joined Memorex in May 1978 as Regional Credit Administrator, Central Region. In 1979 he became manager of Financial Services, Central Area.

Lieberman named mgr. Computer Tape MIS

David Lieberman has been appointed manager, Computer Tape Division MIS. He is responsible for all divisional data processing and information systems activities, including the systems and procedures function and the CTD Document Control Center.

He reports directly to the finance manager, Computer Tape Division.

He has over 12 years experience in the systems and data processing field. Joining Memorex in July 1979, Lieberman has held positions in Corporate and CPG Systems and Procedures, most recently as manager, Systems and Procedures for the Consumer Products Division.

Prior to joining Memorex, he held various management and analytical positions with Coopers & Lybrand, Bausch and Lomb, Bose Corporation, The Paul Revere Insurance Cos. and General Electric.



James Ferenz, right, manufacturing manager, Large Disc Drive division, recently celebrated his 10th anniversary as a Memorex employee. On hand for the festivities was Thomas Gardner, vice president and general manager, Large Disc Drive division, and a number of friends.

MAY ANNIVERSARIES

FIFTEEN-YEAR

Regina Palmo, Flex Disc Media, Media Products Group

Lawrence Davis, Storage Systems Group

TEN-YEAR

MEDIA PRODUCTS GROUP

COMPUTER TAPE

Kash Dermendziev
Ernest Gentes

STORAGE EQUIPMENT OPERATIONS/OEM

Daryl Tilley III

STORAGE SYSTEMS GROUP

Joseph Mooney
Robert Booker
Christopher Newton
Vaclav Hoffmeister
Guy Priou

MEMOREX INTERNATIONAL

ITALY

Wilma Beretta

Liege

Jean-Marie Ghaye
Guy Dehon
Pierre Leclercq
Marcel Rocourt

UNITED KINGDOM

John Clarke



George Surmeier

MFC announces two appointments

Memorex Finance Company president Hal J. Krauter has announced the appointment of George W. Surmeier as vice president and controller for the MFC, and Ms. Tommy Talbot as director of Brokerage Services.

Surmeier joined Memorex 1975 and was director of finance for Memorex's Computer Media Group prior to joining the MFC. Most recently, Surmeier was controller for the MFC, and prior to joining Memorex, he held financial management positions with Xerox, Ford, and Dart Industries.

In announcing the appointment, Krauter cited Surmeier's valuable contributions to the business and the high standards of professionalism maintained by his organization over the past two years.

Tommy Talbot assumes responsibility for all MFC brokerage and buy/sell activity and for maintaining relationships with both the brokerage marketplace and the MFC field sales organization.

Prior to joining Memorex, Talbot was regional manager for the E.F.M. Group in San Francisco. Before that, she was with ITEL Corporation for five years, where she was manager, Broker Activity.

She is working in Memorex Finance Company's San Francisco office.

Memorex C.U. adds certificates

The Memorex Employees' Federal Credit Union has announced the availability of four new share certificates for Credit Union members. This is the first program of its kind for this member-owned financial institution.

These certificates offer a return that is competitive with other Credit Unions for a minimum time commitment and a moderate amount of money invested.

They are available in either \$1000 or \$5000 amounts, and for either a six-month or one-year term.

The \$1000 certificate for six months offers a 7.25 annual percentage rate and for one year a 7.50 annual percentage rate. The \$5000 certificate offers an 8.50 annual percentage rate on the six month term and 9.00 annual percentage rate for the one year term.

Rates are compounded monthly and paid quarterly to offer some attractive annual yields. For instance, the \$5000, one year certificate offers an effective annual yield of 9.38 percent.

"Spirit of '81" cost reduction winners named

April results for the Spirit of '81 Corporate Staff cost reduction program, came to a total of \$574K for implemented ideas. The winning function was Corporate Development achieving 198% of their \$40K goal.

Tak Yamamoto of Corporate Development and Hildy Fleischer of Finance were the two monthly winners. Yamamoto's idea amounted to an annualized savings of \$77,000 while Fleischer's idea will save the company \$290,000.

For May, Physical Distribution was the overall winner with 90% of their goal implemented. Madeline McMenamin, of Physical Distribution and Don Malone of Corporate Communications were the two monthly winners. Total implemented ideas for May were \$384K.

WANTADS

1971 VW EXCL MECH COND. \$1500. Call AI (408)353-1165.

FOR RENT Santa Clara 1 bdrm, 1 bath Woodsborough Condo on Kiely next to Kaiser Hospital. \$450 mo. (408)255-0300 after 7 p.m.

USED KITCHEN APPLIANCES, Dishwasher, Oven & Cooktop. (408)255-0300 after 7 p.m.

1975 PLYMOUTH VALIANT Custom, 4 dr sedan, automatic, a/c, power steering, new tires. Excellent condition. \$2400 or offer. (408)252-5348.

1974 DODGE VAN, 3/4 ton, superior condition, a/c, am/fm stereo, mag wheels, one owner, custom interior, \$3,000 or best offer. (408)243-5157 eves.

VACATION EXCHANGE - 3 bedroom German house for California house during August vacation period for 2 or 3 weeks. (408)248-6530.

WANTED: A tent trailer small enough to pull behind a Datsun. Built-ins not necessary. To buy or rent. (408)263-2278.