

INTERCOM

NEWSLETTER FOR MEMOREX EMPLOYEES

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PROFIT SHARING POINTERS



Ron Casentini

I recently came across a report on Profit Sharing Plans and learned that a great many employees participating in them really don't understand how their Plans operate. It occurs to me that maybe the same situation exists at Memorex, especially among those of you who haven't reviewed the Plan for some time.

Because the effectiveness of our Profit Sharing Plan is largely determined by how well we understand it and how we translate this understanding into results, I am presenting you with the opportunity in this issue of *Intercom* to find out whether you are keyed in on Profit Sharing. Rather than routinely run through the various Plan features which you can do anytime by picking up the Profit Sharing booklet, I thought a short quiz would target on this more directly.

The questions are basic enough, and if you know the Plan, you won't have any trouble. After you take the quiz, score yourself according to the rating chart. If you don't do well, you probably should refresh yourself on the Plan so that your participation in Profit Sharing means more to you and everybody else.

Profit Sharing Quiz

1. The purpose of Profit Sharing is to:
 - a. Provide you with additional financial security for retirement or for emergencies.
 - b. Motivate you into keeping profits in mind and working for higher productivity.
 - c. Both (a) and (b).
2. The Company's annual contribution to Profit Sharing is:
 - a. 10% of total employee wages and salaries.
 - b. 10% of total profits before income taxes.
 - c. 10% of total profits after income taxes.
3. For the first 9 months of 1969, the indicated Profit Sharing Contribution amounted to about:
 - a. \$750,000.
 - b. \$950,000.
 - c. \$1,150,000.
4. More than 90% of the trust is invested in:
 - a. U.S. Government Securities.
 - b. Common stocks.
 - c. 5% Savings Deposit Accounts.
5. Your share in the annual Profit Sharing contribution is determined by assigning points which equal:
 - a. 120% of your points for the previous year.
 - b. The sum of compensation points (1 point for every \$100 salary) and service points (2 points for each year).
 - c. The product of service points multiplied by compensation points.

6. You have been in the Plan for 3 full years; your vested interest amounts to:
 - a. 60%.
 - b. 66 2/3%.
 - c. 75%.
7. The Trust is administered by:
 - a. The treasurer of the Company.
 - b. The Profit Sharing Administrator.
 - c. An independent agent which does not participate in the Plan (a bank).
8. Forfeitures of non-vested contributions are:
 - a. Redistributed among remaining Plan members.
 - b. Returned to Memorex Corporation.
 - c. Retained by the Trustee for his expenses.
9. To be eligible to participate in the Plan, you must have completed:
 - a. 3 months continuous service.
 - b. 6 months continuous service.
 - c. 45 days continuous service.
10. Your efforts to increase Profit Sharing in 1969 have been:
 - a. minor.
 - b. moderate.
 - c. considerable.

Correct Answers: 1 (c), 2 (b), 3 (c), 4 (b), 5 (b), 6 (a), 7 (c), 8 (a), 9 (a), 10—Only you know this answer.

SCORE CHART

Correct Answers	Rating
10	Excellent
9	Good
8	Satisfactory
7	Passing
6 or Below	Take a few minutes soon to brush up on Profit Sharing

Savings, Investment Details Coming Soon

In the past several weeks while applications for the Plan were being accepted, the plan's Executive Committee was busy working out the final details of the Plan administration. As was explained to you during the introductory sessions, a supplemental description of the Plan's features including change provisions, withdrawals, etc., will be forthcoming.

Top Flying Honors Won by Supplies Division Foreman

Look through an October 27 issue of Sports Illustrated (page 103) and you may see a familiar face—that of Harry Brandt, grave shift foreman in Computer Production.

Harry won nationwide honors for superb flying ability in the National Intercollegiate Air Meet in Norman, Oklahoma, sponsored by the National Intercollegiate Flying Association (NIFA).

He was representing San Jose State College, which has won team honors in the NIFA meet three out of the four years it has competed. The air meet is one of the largest in the country, and it is hotly contested by flying teams from colleges and universities throughout the nation.

Harry is a senior Aeronautical Engineering major at SJS, and plans to graduate in June, 1970. He has also recently been promoted to foreman through the Memorex Foreman Training Program.

Harry led his team to victory in the NIFA meet by placing first in the navigation contest and second in precision power on landings. In addition, he received the Top Male Pilot award and was presented with a special flier's watch by the Aircraft Owners and Pilots Association.

He's been interested in flying since his high school days, but it was not until two years ago that he obtained his private pilot's license. A native Californian, born in Berkeley and graduated from Mt. Eden High School in Hayward, he is already one of the top collegiate pilots in the country.

Flying for San Jose State last year, he competed in the same air meet and placed third in navigation and fifth in precision power off landings. Earlier this year he entered the Pacific Coast Intercollegiate Air Meet, which is only for west coast colleges, and won the Outstanding Pilot Award. He was first in power on and power off precision landings, and first in cross-country navigation.

Harry uses a Cessna 150 which belongs to the SJS Flying Twenties Club. The club also owns a Cessna 172 and two other 150's.

Harry and his fellow club members earn money to attend the air meets by



HARRY BRANDT, full-time foreman, student and talented pilot, talks with Specialist Operator Jackie Todd on grave shift.

holding an annual air lift from the SJS Aeronautics Department at the San Jose Airport. During the airlift flying tours of the Santa Clara valley are offered to the public, and the cost to each person is only 2¢ per pound. The next 2¢ per pound airlift is coming up in April and is usually announced in local newspapers.

Another of the club's annual events is Operation Pow-Wow, a charitable airlift of food and clothing to impoverished Payute Indians at Fort McDermitt, on the Oregon-Nevada border, about 80 miles southwest of Boise, Idaho.

Last year the Flying Twenties flew in nearly 6,000 pounds of non-perishable foods and clothing, just before Christmas.

Weather permitting, this year's Operation Pow-Wow will take place on Christmas Eve. If you would like to contribute clothes or non-perishable foods to the Indians at Fort McDermitt you can contact Harry in Santa Clara at extension 311, or call extension 632.

—Roger Wilson Cook

Successful United Fund Campaigners Saluted

Santa Clara County United Fund campaign leaders jubilantly announced last month that the 1969 fund drive totaled \$3,684,101—up 12% over last year.

Memorex employees contributed \$20,094 of that amount says Don Smith, this year's company campaign chairman. This was an increase from \$13,473 in 1968. Don expressed his thanks "for a job well done" to division

chairman Will Jones, Gerry Miller and Chuck Zwingman; and also to the many people who served as campaign assistants.

Bart R. Van Eck, secretary and treasurer of FMC Corp., and president of the United Fund, explains that "The extra funds collected this year will be used to meet special needs and special problems of the 82 member agencies—needs and problems which we recognized but weren't able to fill last year."

Promotion Is Page One News In Ludlow, Mass.

A Memorex sales engineer's promotion to district manager made the front page of a recent issue of THE REGISTER, a weekly newspaper in Ludlow, Massachusetts.

Bill Dwyer's promotion meant a move from Ludlow to the Worcester area of Massachusetts, so he would be closer to his office in Boston. It also meant he had to give up his post as

chairman of the Ludlow Finance Committee. Reporting on his promotion, THE REGISTER offered "thanks" to Bill because "During his year in this position he put in countless hours of his own time attending meetings, studying budget requests, preparing for the Town Meeting and public hearings, etc." THE REGISTER "wishes Bill well in his new position."

Two on the Market, Two on the Way

Equipment Group Manufacturing Draws Together Four Product Lines

Taking 2,000 separate pieces and building a disc drive, or taking 1,000 different pieces and building a Microfilm Printer, is not an easy job, as a few hundred people in Equipment Group Manufacturing will attest. Especially not when they're working under the hardships imposed by temporary facilities in eight different locations.

Actually, disc drive production is just one part of the growing organization headed by Larry Wilson, vice president of Manufacturing in the Memorex Equipment Group. Equipment Manufacturing also includes Microfilm Printer production, and manufacturing development work on

products yet to be announced by Information Printing Systems Corporation and Storage Products.

More specifically, Manufacturing is now turning out 630 Disc Drives; 620 Disc Drives which look like 630's, but are made to be used with a different computer system; 660 Disc Drives which use the higher capacity Mark VI disc packs; commercial test equipment for the disc drives; the 1603 Microfilm Printer; and support equipment for the printer.

It has just been recently that all equipment manufacturing operations have been drawn together. As little as seven months ago disc drive manufacturing was in full swing as part of

Peripheral Systems. No other Memorex equipment products had been announced, although the 1603 Printer was in the design stage.

Helping Larry Wilson with the massive job of organizing the four Equipment Group manufacturing operations into one cohesive unit is his administrative assistant, Wayne Lettieri. Wayne is also serving as acting manager of Equipment's Industrial Engineering Department. In addition, three directors report to Larry, and a fourth will be named to head Plant Services.

Larry is serving as acting director of Plant Services, which includes Industrial Engineering, Cost Estimating,

DIRECTOR BECOMES VICE PRESIDENT

One of Peripheral System's first employees has been promoted to vice president of Manufacturing in the Equipment Group. He's Larry Wilson, who joined Peripheral Systems Corporation early in 1967, working on the development and manufacturing of disc drive heads.

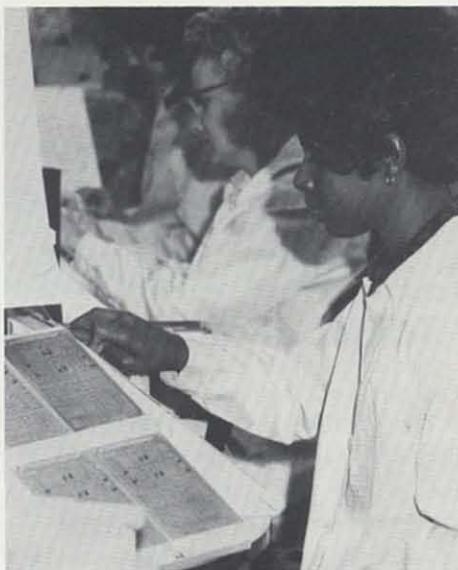
Later Larry became manager of Manufacturing Engineering for the

entire disc drive unit. In 1968 he joined the small group which originated Image Products Corporation. When all the Memorex subsidiaries involved in the development or production of computer equipment products were brought together as the Equipment Group, in May of this year, Larry was appointed director of Manufacturing for the entire Equipment Group.





DISCUSSING Disc Drive manufacturing are Lee Mortenson, department manager of Disc Drive Manufacturing Engineering, and Gene Galipeau, production analyst.



Process Development and New Product Release. Joe Southorn heads Process Manufacturing, and is responsible for Film Product Assembly and Test, Manufacturing Engineering, the Fabrication Shop, and the Second Shift.

Bud Tingley is director of Assembly Manufacturing, which includes Head Manufacturing, Disc Drive Assembly and Test, Controller Assembly and Test, Electrical Sub-Assembly, and Test Engineering. Neil Jacobs is director of Materials, and his areas of responsibility include Purchasing, Production Control, Production Scheduling, and Quality Control.

Distributed throughout the operations named above are more than 700

people. In May of this year there were only 250 in Equipment Manufacturing. Looking at the rapid growth in Manufacturing and the entire Equipment Group, the officers of Memorex Corporation decided to double the size of the new facilities now under construction by the San Tomas and Central Expressways. In April, Equipment Manufacturing is scheduled to move into the first 200,000 square feet of office and manufacturing space. And while the first 200,000 square feet of buildings are being completed, construction will be underway on an additional 200,000 square feet, plus the Corporate Offices.

IT TAKES HOURS of tedious precision work to put together 2,000 bits and pieces, and come up with a Disc Drive that will work perfectly hour after hour. In the photo above, the ladies are assembling printed circuit boards. The completed boards are being inspected by (from right) Doris Azevedo, Renate Adams and Department Manager Evelyn Romanshek in the photo below.

Below and to the left, ladies on swing shift use microscopes to do their work in the miniature assembly area of the 660 Head Department.



A LOOK AT MARKETING IN LATIN AMERICA: WHERE DO WE STAND?

One of the largest potential markets for Memorex products is Latin America, where the computer industry is growing like Jack's mythical beanstalk.

Our competitors have been developing markets in these areas since before the boom, and in fact have been largely responsible for the computer industry's development in Latin America. However Memorex, only recently an active factor in that area, has already won a remarkable share of business for the short time we've been there. Among our major accounts are the three largest Latin American television networks, all of which use our color video tapes.

Latin America is serviced by Memorex InterAmerica Corporation, a Western Hemisphere Trading Corporation (WHTC) managed by our International Division.

Briefly, a WHTC is a special type of corporation which can only be organized by companies that meet certain stringent qualifications established by the Federal Government. The advantage of forming one, Memorex InterAmerica in our case, is that the government allows it sizeable tax advantages.

As it's organized, Memorex InterAmerica (MIC) is similar to a distributor who has an agreement with our company to sell our products in a certain part of the world. MIC buys products from Memorex Corporation and then sells them to our sales organizations in Latin America.

On paper, MIC is a separate corporation from Memorex; however, it is managed by Barry Bobbitt, who is manager of Export Sales, reporting to John Kramer, vice president of the International Group. Barry was formerly at our European sales office in Maidenhead, England. His office is now in the International Marketing area in Santa Clara.

Reporting to Barry are the five regional sales managers presently serv-

We've stepped into the beginning of a computer revolution in Latin America. International's job is to continue our winning record in worldwide sales.

ing Latin America: A. Leon Carazo, who handles Mexico and Central America; Nestor Luis Negron, handling Venezuela, Columbia and the Caribbean; Mauricio Jose Dantas, managing salesmen in Brazil; Carlos Jose Farre, whose sales people handle Argentina, Paraguay, and Uruguay; and Alfredo Salazar Koster, covering Peru, Chile, Bolivia and Ecuador.

The senior regional sales office is Mexico City, having opened in February of 1968. The video tapes used for nation-wide coverage of the Summer Olympic Games in Mexico City were supplied through our office there. In fact, Telesistema Mexico, which was the coordinating network for the games, is one of our biggest customers in Mexico.

Regional offices were opened in Caracas and Lima in September of this year, and Sao Paulo and Buenos Aires just opened last month.

Barry says that Mexico is one of the most important and fastest growing markets in Latin America, yet sales in South America have surpassed

Mexico in volume in less than four months. Total projected sales for all of Latin America in 1969 will be about \$1.5 million, and that figure should double by the end of 1970. In 1968 sales were \$849,000.

Brazil is the largest single Latin American market. It's population is about 100 million (or half that of the U.S.), in a country as large as the continental United States.

However, its largest city, Sao Paulo, has about seven million residents—more than twice as many as Los Angeles—and by 1980 it could well be the largest city in the Western Hemisphere. It is already the third largest industrial center in the Western Hemisphere.

Argentina is probably the most sophisticated and European of the Latin American markets. It is highly industrialized and its universities, along with Brazil's, are among the best in the world.

While the computer tape market is beginning to take off in Latin America, Barry says the market for closed-circuit television tapes (helical-scan video tapes) is in the embryo stage. But the Ministries of Education in all Latin American countries have committed themselves to greater use of closed-circuit TV.

We have a profitable start in Latin America, notes Barry, and we're in on the ground floor of a "computer explosion."

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INPUT / OUTPUT

Then will we have another open house?

Tentative plans call for an Open House at the Shulman Avenue location in April or May 1970. We are delaying Open House until spring to be more assured of pleasant weather, since to accommodate the growing number of Memorex families we will need to use our outdoor areas to a great extent.

We also hope to schedule an Open House sometime next year at the new facility at Central and San Tomas Expressways after the main construction is completed at that site.

Why doesn't Memorex have a Credit Union?

Credit Unions are considered as separate legal entities under the provisions of the California law. As such they are not established or controlled by a business firm but are established by, and run by, a group of people with a common association, such as place of employment. If a significantly large group of Memorex employees showed a definite need and interest in founding and operating a credit union for the use of their fellow workers, the company would supply aid and advice.

In place of a credit union, the Memorex Santa Clara operation presently has a program of loans, deposits to savings accounts and checking accounts (accomplished by payroll deductions) with one of the branches of Bank of America. For a considerable period of time, this has proven very successful for many of our employees. If you would like more information on this program, please contact Bob Hodges in the Equipment Group Personnel Office, or Bill Ramsay in the Supplies Division Personnel Office.

Why isn't the job bid board in our new Supplies Division cafeteria?

The reason that the new bid board has not been installed in the new cafeteria is that there was an unavoidable delay in ordering the board. It is now on the way and will be installed in the new cafeteria together with a bid box by December 15.

What recourse does the employee have if he feels that his supervisor's review of his performance is unjust or half truth, without suffering the consequences of being dismissed or again degraded by the same supervisor on the next review?

In creating the procedures that relate to performance review, we have kept in mind the possibility of unjust or biased ratings on the part of the rater. As a result, the following elements are in our performance review system.

The performance evaluation form is designed so that the rater must make specific comments regarding the areas where the employee has performed well and where the employee needs improvement. Also, the form requires specific ratings and written comments regarding quality, quantity, reliability, job knowledge, cooperation and adherence to company policy.

The purpose of this rather extensive performance evaluation is to insure that the rater thoroughly reviews all

aspects of the individual's performance and that whenever possible, he amplifies his ratings with specific comments.

Next, each performance evaluation must be reviewed and approved by the rater's supervisor or manager. Here again one of the purposes of this review is to filter out bias or inaccuracies as much as possible. In the normal course of operation, the reviewer should have direct knowledge of the employee's performance so the reviewer should be quite effective in spotting a situation where a rater for some reason is not fairly evaluating the employee's performance.

In addition, the reviewer must approve the personnel action notice which accompanies the performance appraisal. In most cases, the reviewer may not be minutely familiar with the employee's performance, but any obvious discrepancies that could pass through the rater may possibly be stopped here. Furthermore, each review normally carefully considers the portion on the performance appraisal form where the rater records the employee's response to the appraisal interview.

Finally, we recognize that even with the cross-checks built into the performance review system, it is possible that the review would not be a fair appraisal of the employee's performance. Therefore, we have three additional company procedures that should be utilized by the employee. They are as follows:

Use of the "Open Door Policy." Briefly, this policy states that the employee should feel free to contact any member of management with or without proceeding step by step through the levels of management. If the appointment is made for other than the employee's regularly scheduled worktime, he need not inform his supervisor of the meeting. Naturally, if the meeting is scheduled during the employee's work hours, he must inform his immediate supervisor of the meeting, so that his work assignment can be covered, but he need not inform him of the purpose of the meeting. The policy also states that if the supervisor should know of the meeting and use this against the employee in any way, he will be subject to discipline. If for some reason the employee wishes to remain completely anonymous, he can use the Input/Output system to describe the problem. A third alternative is to contact a representative of his personnel department.

In summary, we realize that the individuals writing performance appraisals are human and can make mistakes in properly evaluating the performance of employees. Therefore, in designing the systems that relate to performance of evaluation, we have built in a number of safeguards as described above. It has been our experience that all levels of management here at Memorex put a great deal of experience into making fair and equitable judgments. Therefore, we are confident that a specific employee's questions about his performance will get prompt review and every effort will be made to be fair and that no harm will befall the employee if he questions a review and requests additional discussions of his performance.

MEMOREX INTERCOM
Memorex Corporation
Santa Clara, Calif. 95050

RETURN REQUESTED



A Last Second Reminder for MAG's Dance

If you're a MAG member and you don't yet have your tickets to the December 20 Christmas Dance at the San Francisco Hilton Hotel, time is running short.

Tickets are still available at lunch hours in the main cafeteria on Shulman Ave. A cocktail hour is scheduled from 7 to 8 p.m., and it will be followed by a buffet dinner served from 8 to 10 p.m.

The Walt Tolleson Orchestra and the Chain of Friends rock group will provide a wide variety of music for dancing from 9 p.m. to 1 a.m.

MAG Board member Bill Anderson says dress is semi-formal, and he reminds those attending the dance that admittance is by badge and ticket. Also, you may still have time to reserve a room at the Hilton at a special \$20 rate. Check at the MAG Ticket Office, or with any of the MAG Board members for further information.

Alpine Lodge Hosts December 27 PAC Party

Peripheral Activity Club will hold its annual Holiday Dance on Saturday, December 27, at Alpine Lodge in San Jose.

Last year several hundred PAC members had such a great time dining at the Lodge and dancing to the music of the Johnny Vaughn Orchestra that the orchestra has been invited back for a repeat performance. Dinner will be served buffet style, and dancing will begin at 8 p.m. Further information may be obtained by calling Jackie Hilton at 246-6200, extension 44.

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