

zine for Memorex Employees

No. 3 / March, 1970

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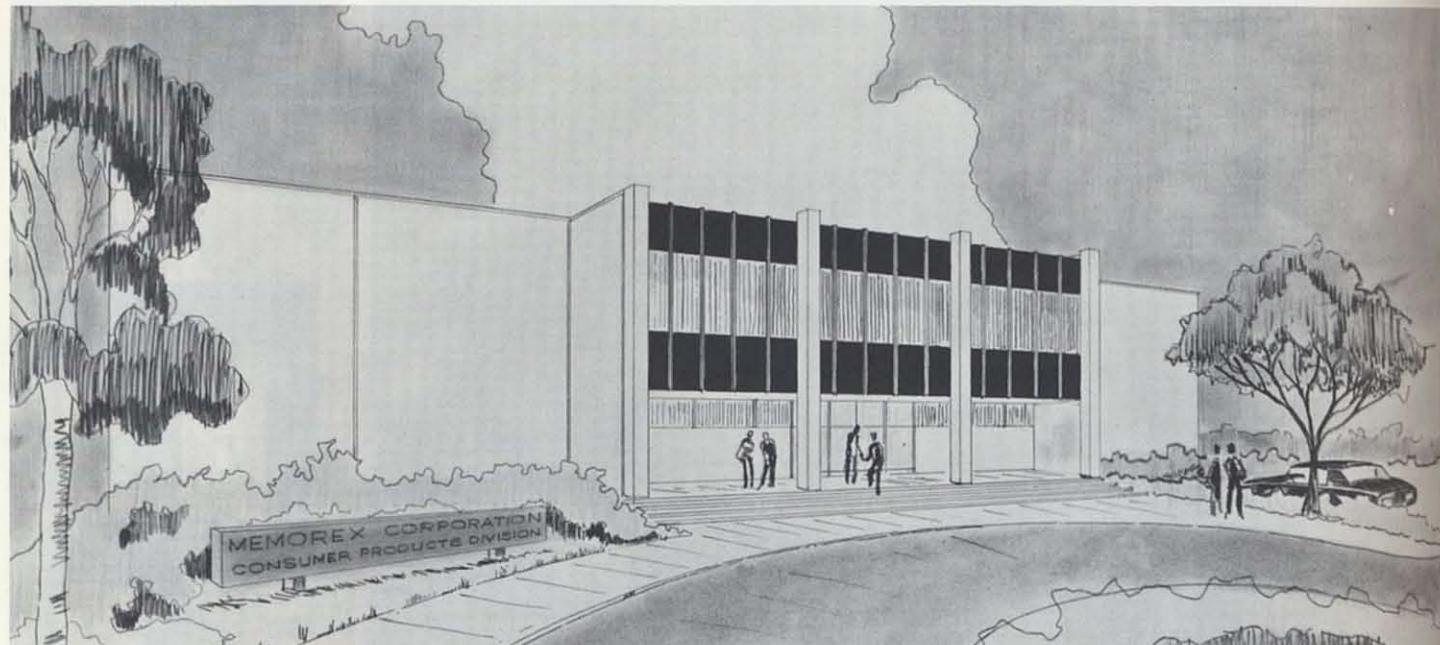
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Memorex

# Consumer Products Division To Locate Beside Santa Clara Disc Pack

This drawing of the Consumer Products Building, done by Project Engineer Peter Lynch, shows how it will look when completed.



The company's first consumer products, cassettes for sound recording equipment, will be manufactured in a building which is now under construction in Santa Clara.

The 24,000 square foot structure will be the home of the Consumer Products Division. Its location is just behind and to the north of the Disc Pack building on Shulman Ave. The City of Santa Clara will extend Shulman (which now deadends in front of Disc Pack) in a northwest direction to Richard St.

The new building will face the same direction as Disc Pack and will be similar in appearance. Its design was approved at the end of last year, and a contract for the first

phase of construction was awarded soon after to Vanderson Construction Company of San Jose.

Phase one includes completion of the building shell. Design for this phase was done in-house under the supervision of Trevor Nelson and Peter Lynch. Project manager for the entire program is Jan Jansen, who has recently returned from our Liege, Belgium, plant where he also served as project manager.

Phase two will include installation of mechanical-electrical systems, office partitions, additional parking, and an extensive landscaping project. The latter, still in the drafting stage, will involve the land surrounding Disc Pack, Consumer Products, the street extension, and neighboring parking areas. The major portion of the phase two design work is being done by Rogers Engineering; Royston, Hanamoto, Beck and Abey Landscape Architects; and Mission Engineering. The contract for phase two should be awarded soon, and work is scheduled to begin about the first of April. Plant start-up is scheduled to begin before the year ends.

## INTERCOM

A monthly publication for  
employees of Memorex Corporation  
1180 Shulman Ave., Santa Clara,  
California 95052

Editor: Gary Williams

### ABOUT THE COVER

Vernon "Bob" Pedro and Orlando Garza discuss their recent promotions, and how their participation in the company training program helped them become foremen. The story's on pages 6 and 7.

# A Look at Our Liege Plant Reveals its Rapid Progress

Our Liege, Belgium, manufacturing plant has come a long way in the past 22 months; from an empty 15-acre site in April, 1968, to a burgeoning and profitable factory today.

The plant was officially dedicated in June of last year, and responsibility for its operation transferred from Launch Team Manager Roland Jang (now general manager of Consumer Products) to the plant manager, Dick Vasey.

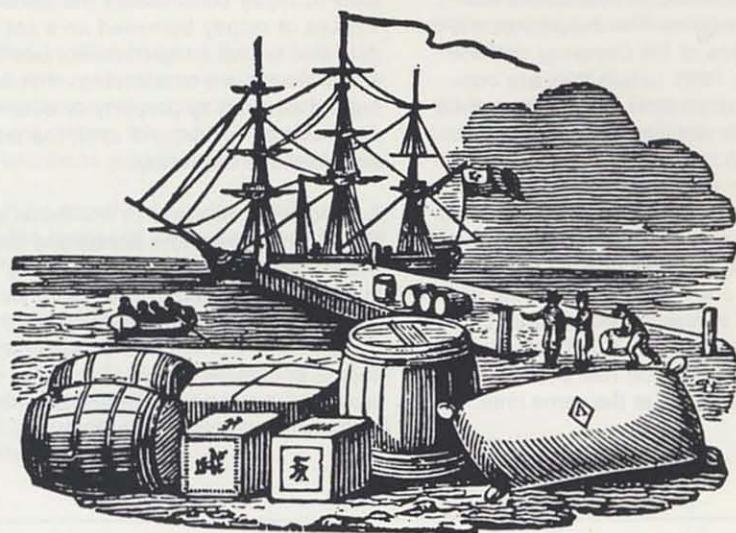
At first, the plant was finishing webs of coated computer tape which were shipped from Santa Clara. In August and October of 1969, broadcast video tape and Mark I disc packs were added to the production process. Closed-circuit video tape and Mark II packs will be added in the next few months.

The tape production process in Belgium consists of slitting, testing and packaging. In similar fashion, coated discs (substrates) and other disc pack hardware is sent from Santa Clara to Liege for assembly, testing and packaging. Currently, some disc pack and tape components are supplied by European manufacturers, and programs are underway to purchase more components from European companies.

The Liege plant clean room has the most up-to-date equipment available, and the products finished there must meet the same high quality standards required in Santa Clara. Even so, Doug Owen, of the International Marketing Group, says "In 1970 we expect to spend about \$400,000 for expansion and improvements on the dry end. A study is also underway to determine the feasibility of installing a wet end (mix and coating processes)."

In addition, as Memorex's equipment business grows in Europe, further expansion is anticipated to accommodate production of peripheral products.

Production costs are comparable to those in the U. S.; however, Doug notes that the Liege plant has many advantages. Before the plant was built, Memorex had to pay duties on all of the products we exported to European markets. These duties made it very difficult for Memorex to compete with companies who had manufacturing facilities in Europe, and thus, did not have to pay the high duties.



As Doug explains, "We still pay duties on webs and materials going into the plant, although duties are not as high as on finished products. We ultimately recover those import duties from the Belgian government when we export the finished products to countries outside the European Common Market." But, since Belgium is a member of the Common Market, there are fewer restrictions on the goods imported and exported between member countries."

We located in Belgium with the encouragement of the Belgium government. In fact, we received considerable assistance from the government and from Liege Province. Doug feels it's important to remember that Memorex is truly an international business, and that the company's objective is to establish itself as a permanent participant in the business communities of countries where we locate. In little more than five years International operations have expanded to include over 500 employees, 19 sales subsidiaries, five technical service centers, and the Liege plant.

About 315 people are employed in Liege, and all but three are Europeans. The three from Santa Clara are Dick Vasey, Jim McSpadden, accounting supervisor; and Dr. Peter Wymann, technical director.

The plant site is in the 400-acre Haut-Sarts Industrial Park, in the small community of Herstal. Herstal is in the Province of Liege, and only about five miles from the city of Liege.

Liege Province is right in the middle of the most densely populated zone in Europe. More than 60 million people live within a 180 mile radius of the Province, in cities connected by well developed highways and railways. Our plant is about a six-hour trip by truck to Paris, and less than five hours by train.

Belgium is one of the foremost trading nations in the world. It annually exports 40% of its production, valued at more than 300 billion francs (six billion dollars). Its imports run even higher, and the standard of living in Belgium is one of the highest in Europe.

Of the approximately 10 million residents of Belgium, six of every 100 are in the agricultural community, but industry is booming and an increasing number of people are turning to new companies like Memorex for employment.

# Company Plans \$75 Million Offering of Debentures

Memorex has announced plans for a \$75 million public offering of convertible subordinated debentures. The debentures will be direct obligations of the Company and will mature April 1, 1990, unless they are converted or redeemed prior to that date. Sale of the securities will take place at a future date.

Bond holders will have the right to convert the principal amount of debentures owned into shares of Memorex common stock according to the conversion terms which will be established before the bonds are sold. Presently there are about 3,713,000 shares outstanding. The interest rate payable on the debentures will be set at the same time.

Debentures are direct obligations of a company to repay bondholders the principal amount of money borrowed on a set future date and to pay a fixed interest rate as long as the bonds are outstanding. The bonds are not secured by property or other company assets, but depend upon the credit worthiness of the issuer.

Subordinated debentures are those which follow other debenture bonds and bank loans in the event of claims on a company's assets in case of insolvency. The conversion feature of the bond allows the holder to convert the principal amount of the debenture to shares of common stock at a stated conversion price at his discretion or when the bond is called for redemption.

The proceeds from the sale of the debentures will be applied to repay approximately \$33 million in bank loans and to increase the Company's general funds. During 1970 there are capital expenditure commitments for property, plant and equipment which total about \$25 million. The balance will be available for further expected fixed asset additions, increases in working capital, capitalized product development costs, and financing leases of the Company's products to customers.

Memorex's last public financing included the sale of \$12,000,000 of 5% convertible subordinated debentures in August, 1966.

Ron Casentini—  
Financial Public Relations



INPUT/OUTPUT is an anonymous channel for employee questions, comments, complaints, or suggestions. INPUT/OUTPUT forms and locked boxes in which to put them are located throughout Memorex. Forms are collected by the program administrator, who is the only person ever to see the names of employees who submit

INPUT/OUTPUTs. Answers are mailed to employees' homes, and questions of general interest are selected for publication, unless the author requests otherwise.

**What assurances can you give that no one's job will be jeopardized or affected by writing an Input/Output?**

Only the one person administering the Input/Output program knows the name of an Input/Output writer. **No one else may be given this information.** While most responses are signed by an officer of the Company, the paperwork is handled in such a way that the officer is not aware of who the individual is that has submitted the Input/Output.

The only exception to the foregoing occurs when the employee requests an opportunity to discuss his question with a "qualified person." In such a case, naturally the "qualified person" will know who the Input/Output writer is.

The purpose of the Input/Output program is to provide another means for employee and management communication to clear up questions or misunderstandings, to correct problems, and help management to better know the concerns and thoughts of employees. In keeping with this goal, you can be absolutely certain that unless the writer

requests it, he or she will not be identified and his or her position with the Company will not in any way be jeopardized because of writing an Input/Output.

**What is the Company's policy on retirement age as defined for the Savings and Investment Plan?**

As you are probably aware, Memorex as a young company has not in the past issued a formal policy regarding retirement, although on an informal basis, age sixty-five has been treated as a retirement age.

We are now in the process of reviewing our entire Personnel Policy Manual, and one of the policies that will have to be more clearly defined is that of retirement. Whether we will provide for early retirement or not and how this will affect Profit Sharing and Savings and Investment has not been decided. There are a great many factors to be taken into consideration, so we need to do considerable research before concluding what our retirement program will be. Please bear with us until a more definitive policy is established.



**Why can't the Equipment Group buildings have an automated telephone system where the caller may dial directly internally and dial "9" for outside?**

Several changes have recently been made to help the three operator/receptionists who operate the Building 07 PBX board. These include installation of a dial system in Building 08, modification of the PBX board procedures so that the average operator's time per call is reduced and rotating the operator/receptionists more frequently to help them avoid fatigue.

The telephone system has not been automated due to the lack of available equipment, long delivery schedules of new equipment, and unnecessary cost of termination charges on existing equipment. Planning is underway to ultimately switch all telephones over to the Building 08 dial switchboard. However, this is not possible before the end of the first quarter of 1970.

and will create numerous change-over inconveniences.

Sometime in 1970, most of the Equipment Group will move to the new plant site which will eventually have automated telephone equipment. When this move is made, most of the telephone problems should be solved.

**Would it be possible to install a left turn light at the corner of Shulman and Lafayette Street, for turns off Lafayette onto Shulman?**

We discussed the left turn situation with the City Traffic Engineer, who explained that the signal is semi-actuated. This means that the Lafayette Street traffic will always have a green light unless a switch is activated from Shulman Avenue.

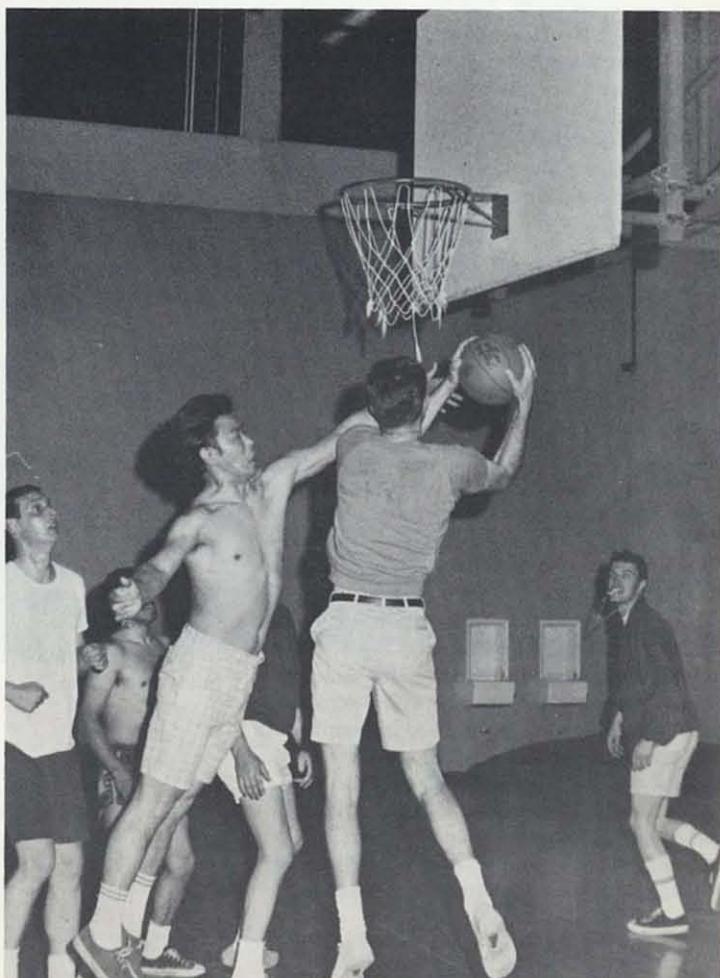
The intention of this type of signal is to give the Lafayette traffic a major percent of the signal time to allow adequate time for left turns.

If future growth of Memorex causes left turns to become an increasing problem, the City will, at our request, investigate the necessity of left turn signals at this corner. The City does not consider the traffic at the Shulman-Lafayette intersection to be great enough for additional signal installations at this time.

## Shoot for Physical Fitness

The action was fast and furious when two intramural teams met for the championship of their MAG-sponsored league. The "skins" edged the "shirts" by 43-40, at the Buchser High School Gym, on Benton Street in Santa Clara. The gym is open on Monday evenings from 7 until 10, and all Sunnyvale and Santa Clara area employees who'd like to play basketball or volleyball are invited to participate.

In the photo on the left, Gordon Rieske watches Tom Murai (left) and Henk Evenhuis battle for a rebound, as referee John Bachick keeps an eye out for fouls. Below, Tammy, four-year-old daughter of Tom Green, appears to be keeping score while her dad's team plays for the championship.



# Education Helps Unlock The Doors; We Asked Two Foremen Who Know

Vernon "Bob" Pedro and his supervisor, Bob Wallin (right).

How do you pick two men out of more than 60 who want to be foremen?

Notebook in hand, we set off to find the answer. The first stop was in Consumer Products, where Bob Wallin, project supervisor in the Educational Tape Department, had just promoted Vernon "Bob" Pedro to production foreman. "Vernon was one of about 60 employees who had submitted job bids," says Bob. "I pulled out the most promising prospects, checked personnel files, and finally narrowed the list to the few I interviewed."

"The person who's best at a given job doesn't necessarily make the best foreman, but the person you promote is always one of the better people in his area. It's important that a foreman have the ability to get along with people and motivate them to get a quality product out the door," Bob explains he chose Vernon because he had "the best combination of the qualities we were looking for."

"I also put a lot of weight on whether a person has the drive to apply himself and better himself," notes Bob. When he submitted his job bid, Vernon was a technician in Electronic Maintenance. He has a high school education which he is supplementing by completing courses in the Memorex Training Center, in Santa Clara.

"I think I can attribute a good portion of my promotion to these classes," states Vernon. "I had my own ideas about leadership, and the classes give me professional information that's paying off."

"I'd been trying to get a foreman's job for a couple of years," he relates. "So finally I went to my supervisor, Bill Glass, and asked him for advice. He suggested more schooling and sent me to the Training Center for educational counseling."

Vernon is working for a Leadership and Supervision Certificate, and the Memorex Supervisory Skills Certificate. The first program, offered in conjunction with Metropolitan Adult Education, is open to all employees and residents of the Santa Clara area. The second certificate program is only for Memorex supervisory personnel. Vernon has already completed "Human Relations in Business," "Group Psychology," "Personnel Management," and several other courses.



"If you really want to, you can get a lot out of these classes," he notes. "For the most part, my instructors have been professional men who work in the areas they teach. Our homework is usually to read material that we'll discuss in our next class."

Vernon is enthusiastic about the classes. "They're good for everyone, because they help us understand the problems management has, as well as how to manage. I want to get both certificates, and I want to continue advancing."

In the beginning of this article we mentioned two foreman openings, and that leads us to our talk with Fred Norman, manager of Distribution. Last month Fred promoted Orlando Garza to warehouse foreman on swing shift.

"The main reason for promoting him? You have to go back to Orlando himself," says Fred. "He has confidence in himself and plenty of drive. He's set goals for himself and he knows where he wants to be in four years. He's also pretty well defined the steps he has to take to reach his goals."

WAREHOUSE FOREMEN

Warehouse Foremen Frank Medina (left) and Orlando Garza.

Orlando came to Memorex as a warehouseman, and was later promoted to production control scheduler, the job he held before becoming a foreman. "I was recommended for a job here by Cal Gafford about four years ago," recalls Orlando. "I wanted to see if I could grow with the company."

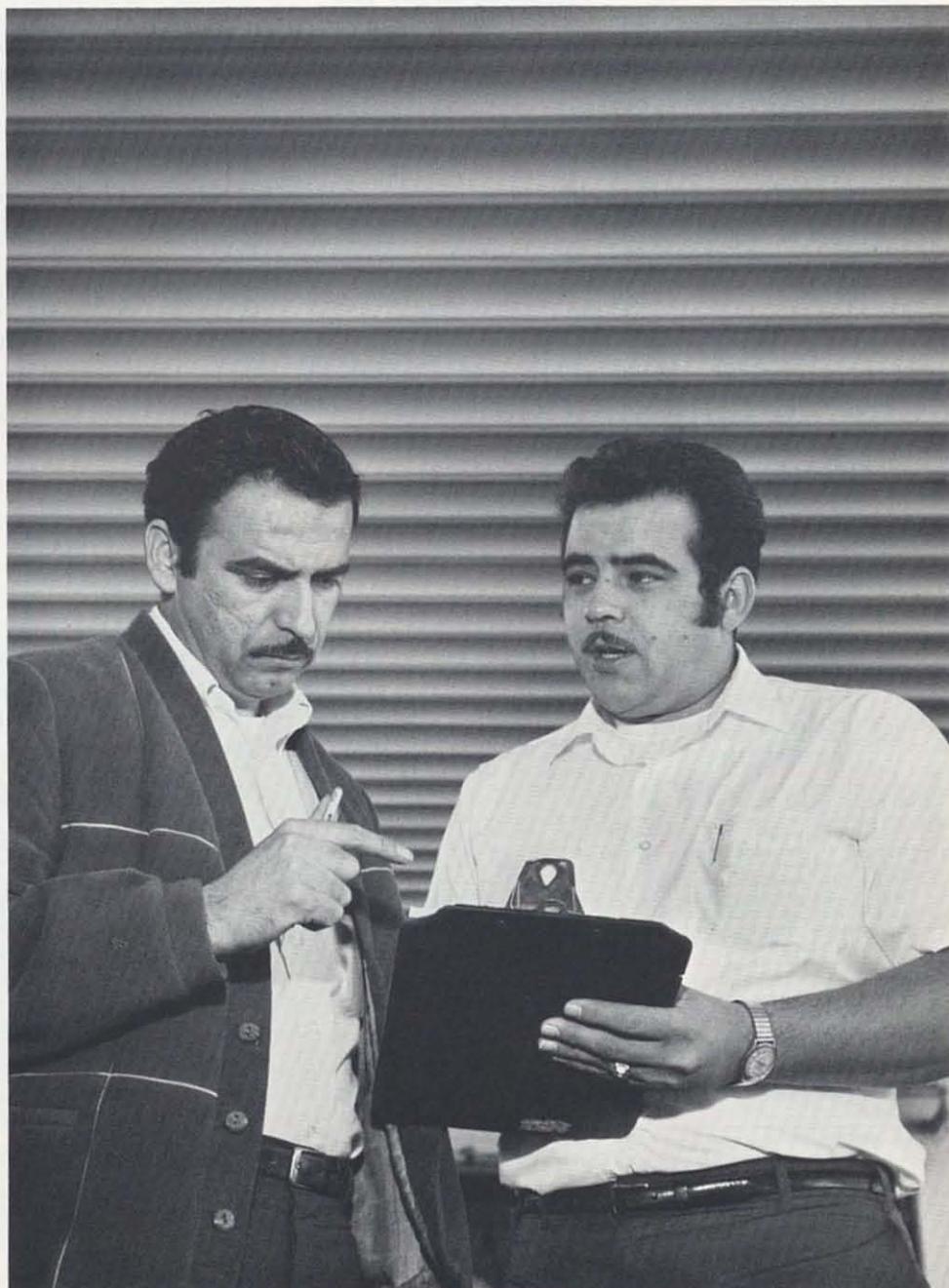
Orlando was born in Monterey, Mexico, 28 years ago, and came to this country with his parents in 1954. "I didn't finish high school, but I was admitted to San Jose City College after I passed the General Education Development Test," he explains. He took night courses at City College for a year and a half, but changed when the Leadership and Supervision Certificate Program first began at Memorex last September. He feels the classes here are comparable in quality to those at City College, plus "there is a lot more class participation here."

"I can honestly say that Fred and Tully Bryant (director of Planning) talked me into taking those courses," explains Orlando. "I had bid on a lot of jobs and lost them. It made me look at myself. I knew my lack of education was stopping me."

"The classes are making Orlando," says Fred. "He even stayed home on his vacation and painted his house, so he wouldn't have to miss them. I'm real excited for him. With his willingness to apply himself, and his aggressiveness, he's really a leader."

Orlando feels the classes have "helped me understand the problems of people, and how to evaluate them." He believes the courses have improved his ability to look at both sides of the story, and because he's a new foreman he's especially sensitive to the need for understanding between management and employees.

Orlando, like Vernon Pedro, endorses the Memorex training program. Says Orlando, "This is my most important project right now."



# Be Somebody To Someone.

## HELP NEEDED

**Square dance caller.** About twenty people in a certain psychiatric ward need something to take their minds off their troubles. If you can lead square dancing—or any kind of folk dancing, you'll see a lot of smiles on faces unused to smiling.

**Fix-It Man.** What good is a television in a senior citizens' center if it doesn't work? Things go wrong, and we need someone to set them right every week or so. If you're handy that way, why not give a hand.

## WOODCRAFTSMAN

Needed to help teach wood shop at recreation center for mentally handicapped children. It's not just that these boys need to learn carpentry. Even more, it's that they need the time and attention of a man they can look up to. All you need is a few spare hours a month. And the patience of Job.

**Man with a Banjo.** Or woman with guitar. Or harmonica or hand organ. To lead song fests in psychiatric day care center.

**Swimming Aides.** To help with preschool swimming classes for retarded tots. We need one adult in the water along with every child.

## IF YOU KNOW ANYTHING ABOUT ANYTHING

chances are someone would be glad to learn. More glad than you can imagine. Tutors are needed desperately, in every section of the Bay Area. By people from five to 55, from Marin City to Chinatown, from West Oakland to East Palo Alto to the Western Addition. You'll know you're helping. But you'll probably never know how much!

**Bridge teacher.** To give lessons to out-patients under psychiatric treatment. Help get their minds back in working and playing order.

**Pediatrics helper.** To tell stories, tend teddy bears, give back rubs and tousle heads in children's ward.

**BIG SISTER.** To be, perhaps, the most significant woman in a motherless girl's life. Very demanding job. Must make a long-term commitment. Maybe it'll end up being for life.

## HALF-WAY HOUSE NEEDS HOST OR HOSTESS.

Most people couldn't take this job. And a lot of others wouldn't. It's greeting men who've just been released from prison and orienting them to their new surroundings as they reorient themselves to the outside world. You'll see some beautiful human dramas if you're man—or woman—enough for the job.

**A contagious smile.** That's what you need to bring a little sunshine every week into a convalescent hospital. If you're the person we need, you'll love the work.

**Business Brains.** Need men in sales, marketing or management fields to counsel minority businesses. The proprietors you'll be working with have the drive, brains and adrenaline it takes. Lend them some of your business savvy and they'll make it on their own.

**Health Nut.** To help out in gym program for retarded children. You'll have an attentive group of youngsters who'll love the activity you provide them.

## Legal Aide.

To assist lawyers providing help to the poor. Type a little, file a little, do research on the cases.

**Basketball coach** who can play baseball. And football too. A bunch of kids and teenagers need some help with their games. Be a hero once a week.

**Jewelry Maker.** Teach your art to someone who will really benefit from it. Day-care center needs someone to help teach all sorts of arts and crafts. With your help, some patient will have a new ring for himself or a very personal present to give someone who means something to him.

**Day-tripper.** Someone to help take young girls on field trips to museums, on camping trips in the mountains, on long hikes in the woods. Applicant for this job must be female. But there's also a real need for men to help with day trips for boys.

## Office Worker

To do behind-the-scenes work on cancer prevention.

**Pepper-upper.** Blood bank needs someone to greet donors, serve them hot coffee and warmly thank them for coming.

**Baby-sitter.** Some mothers can't afford to get out of the house even long enough to take a class

once a week. They could bring the children along and leave them in the playroom if someone could baby-sit. Could you take a couple of hours a week to take care of some kids while their mothers go to class?

## Artist

To do spot jobs. Drawing for brochures, lettering signs, designing posters, whatever comes up. It's for an agency offering various services to families in need. You'll be given a free hand, so you and this agency can really help make a name for each other.

**Sometime saleswoman.** To work in hospital gift shop. You'll meet lots of interesting people, and hand over each day's profits to an organization dedicated to easing children's suffering.

**Good cook.** Share your talents. If you can teach some unwed mothers how to make a pie crust—the kind that flakes diagonally instead of horizontally—that's a real accomplishment. For them and for you.

**Public Speaker.** If you like having an audience, there are groups all over the Bay Area we'd like for you to talk to, to acquaint the public with our organization.

**Pair of hands.** To help patients too sick to write their own letters, and your companionship will give them something to write home about!

**Knitting teacher.** Give a constructive project to some teenaged girls who are wards of the court. Knowing how to knit will mean a lot of pleasant hours over the course of their lifetimes. And a lot of pretty sweaters. But the friendship of a person like you will mean even more.

**Amateur Photographer/Ham.** There's an appreciative audience waiting to see your travel slides. These people have missed a lot of the beautiful things because of a few personal problems. How about opening their eyes?

## Recruiters

Educational television station needs someone to help gather more member support. Call members who have not renewed, let them know their help is both needed and appreciated. You can do this job at home if you like. Your help will be both needed and appreciated.

**Young man.** To be an aide at veteran's hospital. Helping to lift patients, move the wheelchairs and gurneys, deliver meal trays, be a friend.

Memorex Corporation  
Santa Clara, Calif. 95050  
Return requested

Our job is finding the one problem you can do something about. The one person you can help out. You'll get paid in all things money can't buy.

## Volunteer Bureau of Santa Clara County

A Member Agency of the United Fund

# 244-5252

If you live in Palo Alto, call 326-9381. In other areas,  
call your Local Volunteer Bureau.

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