

James L. Patterson: The drive to succeed

In an industry where product claims often exceed reality, Quantum Corp. has with team work delivered on its promises

To the first-time observer, it would appear that Quantum Corp.'s president, James L. Patterson, is more of an engineer than a top executive. Quiet and unassuming, the man gives the impression that he wears his navy blue business suit only to appease a stuffy board of directors. Put a lab coat on his back and a calculator in his hand, and the real man behind the image would surely emerge.

"What really floored me when I first met Patterson was that he didn't have a clue about his company's earnings," notes Thomas T. Rooney, an analyst with New York City-based Donaldson, Lufkin & Jenrette Securities. "It blew me away that this engineer was charged with running a business in one of the most demanding and competitive segments of the electronics industry."

Yet, like others who have dealt with Patterson in the past, Rooney admits that the picture is deceiving. Although it is true that Patterson's heart is in the lab, his head is definitely where it belongs — in the corporate office. The proof, says Rooney, is in the statistics. At a time when other disk drive manufacturers are succumbing to shake-outs, downturns and Japanese competition, Patterson's six-year-old firm is

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distinguishing itself not just as a survivor in the business but as a stellar performer.

Over the past two years, Quantum has led the pack in the market for mid-capacity 5.25-inch hard disk drives, ahead of Control Data Corp., Micropolis Corp. and Priam Corp. Of the more than 473,000 such drives

shipped last year in the United States alone, as many as 20% bore the Quantum label, estimates James N. Porter, president of Disk/Trend Inc., a market research firm in Los Altos Hills, Calif.

That market position is reflected in Quantum's balance sheet. The company increased revenues 19.2% in calendar 1985 from \$106.2 million to \$126.6 million, and it increased earnings 18.8%, from \$18.1 million to \$21.5 million. With no long-term debts standing in its way, Quantum has been free over the past year to fund the development of a new line of 5.25-inch original equipment manufacturer (OEM) products, as well as a new personal computer-compatible 3.5-inch device.

Solid direction

Robert E. Schroeder, president of San Francisco-based International

James L. Patterson

Quantum Corp.

COMPUTER PERIPHERALS

Power and Technology, and a member of the Quantum board, attributes Quantum's record to Patterson's solid, low-key direction. "His belief, and one that filters through the company, is that it's a waste of time, energy and money to build an image on hype rather than on results," explains Schroeder. "The theory is that when the results come the recognition follows."

Now a legend along Wall Street, in the venture capital community and even in the press, Patterson still tries to maintain his subdued demeanor. Refusing to claim credit for Quantum's current status, he says that the praise should go instead to the company as a whole. "Quantum is run with the idea that everyone here is part of a team," he contends. "I don't think that the ultimate success or failure of



James L. Patterson

the company rests on the shoulders of any one individual."

Defending his contention, Patterson points out that Quantum operated without a glitch last summer when he took a four-month vacation at the height of the disk drive slump. Filling in for Patterson during his absence was Joseph T. Rodgers Jr., Quantum's chief financial officer.

"It's true that Quantum is really a team effort," admits Rodgers. "But you've got to look at who puts and keeps that team together. Jim's plan right from the inception was to build a strong organization from the top down. We never have to worry about any gaps in our management team because he's ensured that there's good people right down through the ranks."

Adds Frank J. Caufield, a partner in the San Francisco-based venture capital firm of Kleiner, Perkins, Caufield

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& Byers: "There are no histrionics, cults of personality or bombastic styles at that company; just down-to-earth executives who base their decisions on facts rather than ego. That's what Patterson brings to the company: a down-to-earth style that's difficult to beat."

FRANK CATALANO