

INTERCOM

Newsmagazine for Memorex Employees Worldwide
Volume No. 12/June-July 1975



Quality:

An

Important

Memorex

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Memorex to Market CCI Communications Processor; Agreement in Principle Also Calls for Company to Purchase 30,000 CCI Shares of Common Stock

Computer Communications, Inc., and Memorex have reached an agreement in principle for CCI to supply telecommunications equipment on an OEM basis to Memorex which will market and service it under the Company's name.

Terms of the three-year agreement were announced by **Robert C. Wilson**, Memorex Chairman and President, and Raymond E. High CCI President. The final agreement must be approved by Memorex's Board of Directors and its senior lenders by July 25.

In addition to the OEM arrangement, the agreement calls for Memorex to acquire 300,000 shares of CCI common stock at a price of \$1.50 per share, making Memorex the largest shareholder of CCI common stock with an ownership of approximately 11 per cent.

The agreement provides for Memorex to purchase during the first year a minimum of approximately \$2.5 million of CC-80 equipment, CCI's highly advanced programmable communications processor, related existing software and future enhancements to the product.

The proposed agreement also contemplates joint product and software development between the two companies with Memorex's worldwide service organization supplementing CCI's maintenance organization with its existing and future customer base.

CCI is a Torrance, California, based communications equipment and programming firm which was founded in 1966. It manufactures a wide range of computer communications equipment, including visual display terminals.

Robert Malcolm Named VP For Industrial Relations

Robert L. Malcolm has been appointed Vice President, Industrial Relations, announced Memorex President **Robert C. Wilson**.

Malcolm, who has more than 14 years experience in industrial relations, will have primary responsibility for the effective application and development of human resources for Memorex operations worldwide. He reports directly to Wilson.

Malcolm most recently served as Staff Vice President-Personnel for the Western Region Operations and Divisions of Rockwell International, a position he held since June, 1974. Prior to that, he was Vice President of Industrial Relations for Collins Radio, joining the company in June of 1972.

Following the merger of Collins Radio into the Electronics Operations of

Rockwell, he was reassigned to the Staff Vice President responsibility.

Malcolm was Manager of Employee and Community Relations for the Construction Machinery Division of Allis-Chalmers prior to joining Collins Radio. He also was Manager of Employee

Relations for the International Division and, prior to that assignment, held the position of Director for Corporate Benefits and Compensation, all for Allis-Chalmers, which he joined in 1965.

Between 1953 and 1965, Malcolm was with the Glidden Company where, during his last four years with the company, he was a member of the corporate industrial relations staff.

He received his Bachelor of Science Degree in Business Administration from Miami University in Oxford, Ohio, in 1953, with a major in Industrial Management.

John G. Pew, who has headed Industrial Relations since September, 1973, will report to Malcolm on assigned Industrial Relations projects and retains his present title of Director of Industrial Relations.



Robert Malcolm

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On The Cover:

Quality is one of Memorex's most important assets. Since its inception, the Company has been closely identified with product value. Stressing quality has led to the Company's rapid growth and has helped keep its products competitive in a complex and changeable market. So, to help maintain Memorex's competitive leadership, the Equipment Products Group is emphasizing quality by consolidating and reorganizing its QA programs into a total quality system. (See story beginning on page 4.)

Allows Faster Shipments to Customers

Distribution Centers to Open in Three States; Facilities to Incorporate Warehouse, Spare Parts and Sales Operations Saving \$500,000 Annually



The new Memorex Distribution Center located near Philadelphia, Pennsylvania.

Three Memorex warehouses, which will allow faster shipment of products to customers, will soon be opening in the U.S. The facilities are expected to save a half-million dollars annually.

Called Distribution Centers, the facilities will incorporate warehouse, spare parts and branch office operations under one roof, according to **Art Fonda**, Director for Materials, Energy and Distribution.

He said the consolidation will improve customer service and inventory control, and reduce the amount of goods damaged in shipment. Products will normally reach customer sites within 48 hours, and in some cases in 24 hours.

The Centers will be located near Philadelphia, Chicago and Atlanta, and they will be in addition to the warehouses in Santa Clara.

A task force, consisting of nine employees representing such departments as Traffic, Inventory Control, Field Administration and Real Estate, has worked on the Distribution Center project for more than six months.

Fonda said that although there are still a few details to be worked out, the first Center should be operating by Sept. 1st. The 30,000 square foot building will be located in the King of Prussia Industrial Park, approximately 30 miles from Philadelphia.

Leasing warehouses isn't new to Memorex, because the Company has used independent warehouses for storing finished goods and spare parts for a number of years. The inventory stored in these facilities will soon be shipped to the Centers, providing better inventory control over independent operations.

"One of the greatest advantages of operating our own warehouses is that they'll be geared to meet the environmental conditions required to keep media products in good condition," explained Fonda. "Unfortunately, thousands of dollars of products have been damaged or destroyed in storage and transportation due to improperly controlled temperatures."

Six Memorex truck drivers will keep the Centers supplied with goods, and they'll

operate the trucks on an almost constant pay-load condition. This is possible because after the drivers deliver products to the Centers, they'll drive to suppliers, pick up raw materials needed in manufacturing, and return to Santa Clara.

All in all, the benefits of the Distribution Centers project will make it one of the most important programs this year to improve the efficiency of operations and improve profitability.



Real Estate Administrator Joe Zingale (upper left corner) points out the proposed layout for the Chicago Distribution Center. Other task force members (clockwise from Zingale) are: **Wendell Balc**, Director for Field Administration; **Art Fonda**, Director for Materials, Energy and Distribution; **John Gilleland**, Manager for Distribution; **Nikki Hershey**, Administrator for Media Field Inventory; **Phil Ruiz**, Manager for Inventory Control; **Steve Dunn**, Manager for Facilities; **Robert Berry**, Manager for Spare Parts Logistics; **George Korienek**, Information Systems Analyst; and **John West**, Manager for Distribution and Traffic Services.

Equipment Products Group Emphasizing Quality by Reorganizing and Consolidating Its QA Programs To Maintain Company's Competitive Leadership

Quality is one of Memorex's most important assets. Since its inception, Memorex has been closely identified with quality; even its name, derived from the words "memory" and "excellence," reflects the value built into all of its products.

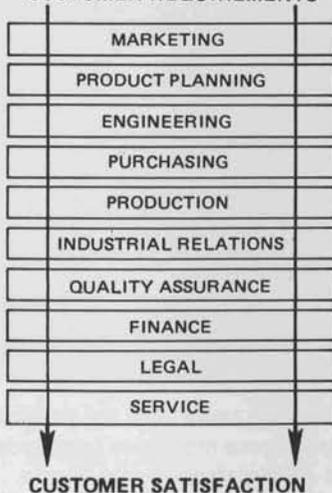
Stressing quality has been good for Memorex. It has led to the Company's rapid growth over a short period of time and has helped keep its products competitive in a very complex and changeable market.

Now, more than ever, as Memorex's market increases in complexity, the need for planning and implementing total quality programs is needed.

Accordingly, the Equipment Products Group (EPG) is consolidating and reorganizing its programs to reinforce quality as a way of life.

According to **Roger Johnson**, Vice President and General Manager for EPG, the reorganization and consolidation will place greater emphasis on quality throughout the Equipment Products Group, from product concept to field service, and help maintain the Company's competitive leadership.

THE TOTAL QUALITY SYSTEM INVOLVES ALL FUNCTIONS



All departments affect the production of quality products—from the sensing of customer requirements, to the servicing of products in the field.

All quality related functions now report directly or indirectly to Quality Assurance Director **Robert Shervem**. However, In-process Inspection remains in Manufacturing, thereby keeping the responsibility for quality of the workmanship where the work is done. Shervem, in turn, reports to Johnson.

Major organizational changes include splitting Test Engineering (formerly within Manufacturing) into two new groups: Product Assurance Engineering and Quality Equipment Engineering. Two other manufacturing functions, the Materials and Processes Lab and the Calibration Lab, are now a part of QA.

Johnson says that although Memorex has a reputation for excellent products, the QA Program is being expanded because, "It's impossible to value too highly the good effect of upgrading quality.

"Our new program will strengthen quality as an attitude, a habit of thought, for everyone," explained Johnson. "Thinking and acting quality will give Memorex a competitive advantage that will be reflected in excellent performance." He said quality gives the Company a competitive advantage because the computer industry has matured and its customers have grown more sophisticated, resulting in an increasing demand for product reliability and value.

"The Equipment Products Group is in a position to capitalize on this trend, as one of our most important assets is the high quality of our products as perceived by our customers. But, like most assets, our quality system requires new investments."

Johnson stated he's enlisting the support and dedication of all EPG people and others from all organizations and departments that play a role in the production of quality products.

"All EPG departments play an important part in the Company's quality performance from the sensing of customer requirements, through Product Planning, Engineering, Purchasing, Manu-

facturing, etc., to our salesmen and engineering people; each group's performance affects customer satisfaction."

Johnson said that General System Company Inc. is assisting EPG to build the best QA system in the industry. The firm, and its president, Dr. Armand Fiegenbaum, have earned worldwide reputations as experts in this area. GSC is assisting some of the most successful companies in the world in developing quality programs.

The engineers of General Systems pioneered the development of the total quality system, which provides a systems approach to QA.

The emphasis on a total systems approach to quality management will enable Memorex to continue to be customer oriented—more responsive to real-world needs, declares Johnson.

"It will also, in the long run, reduce the total cost of quality to the Company and directly improve cash and profitability, and strengthen our ability to compete in the marketplace on a continuing basis."

(Continued on page 14.)

HISTORICAL QUALITY COST VARIATION PATTERN



Worldwide industrial quality costs are increasing at an annual rate of five to seven per cent. Consequently, cost avoidance and improvement programs are becoming increasingly important.

EPG's QA Team Gears Up Total Quality System

Since the Equipment Products Group is gearing up its quality program, let's look at the team responsible for its effectiveness.

Quality System Program, managed by **Robert Erickson**, interfaces with General Systems Company to evaluate, plan and implement improvements to the current quality systems. A cost-of-quality system will be developed by the group, which will provide improved identification and tracking of quality expenses.

Product Assurance Engineering, managed by **Tom Brooks**, assures that all new products meet high quality standards. The group is working closely with Engineering so that by the time a "pilot run" on new products is made, a complete quality plan will be in place.

Quality Equipment Engineering, managed by **Russ VanKampen**, provides test equipment and procedures for in-production and reconditioned products. The group also maintains and calibrates quality information equipment, such as scopes, torque wrenches and meters.

Quality Engineering, managed by **Bill Jahr**, prepares workmanship and inspec-

tion planning procedures for all products. Additionally, the group is involved in quality training programs for EPG personnel.

Process Control Engineering, managed by **Paul Kurth**, controls production processes in manufacturing, finding solutions to quality problems and interpreting quality plans. Additionally, the group checks out and evaluates potential vendor capabilities to meet Memorex's specs and standards.

Incoming Inspection, managed by **Harold Burman**, inspects all mechanical electrical and electronic parts and materials received from vendors to assure they conform to specifications and quality standards.

Materials and Processes Lab, managed by **Robert Fee**, provides metallurgical, chemical and physical support to Quality Assurance, Engineering and Manufacturing. The group is also working with Manufacturing in the development of new production processes.

All the groups report to **Robert Shervem**, Director for the Quality Assurance Organization. Reporting indirectly are

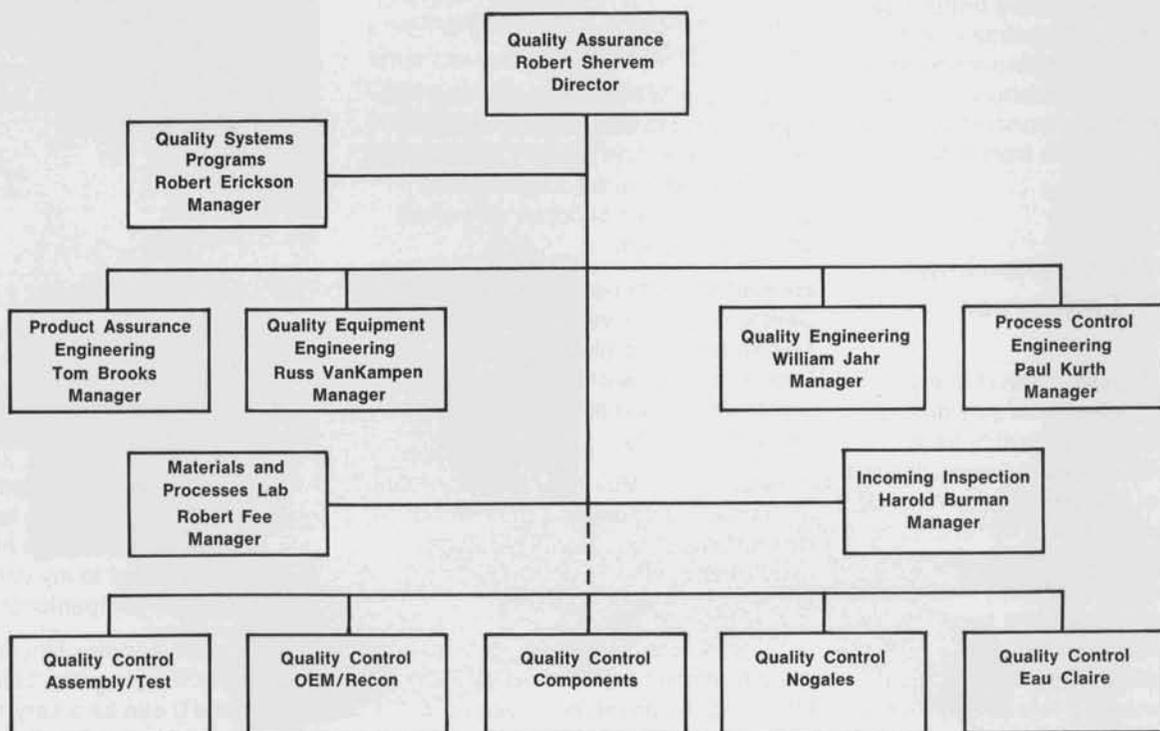
five quality control inspection functions: Assembly/Test, OEM/Recon, and Components (Santa Clara), and QC operations in Eau Claire, Wisconsin and Nogales, Mexico.

Quality Training for 250 Underway

Emphasizing quality performance on the job is the purpose of a manufacturing training program for more than 250 employees of the Equipment Products Group. The sessions are held eight hours a day for five days.

The sessions, now in progress through July 18, involve employees from all areas of the Manufacturing Organization: Electronic Subassembly, Mechanical and Final Assembly, Test, and Fabrication.

According to **Bill Jahr**, who oversees the program, the people are being trained by instructors from their own departments. "Thus, students are learning about pride in quality workmanship on a more personal basis."



President Ford's Assistant for Consumer Affairs Praises Vice President Robert Jaunich for Establishing and Directing the International Tape Association

Robert Jaunich, Vice President and General Manager, Consumer and Business Media Group, recently was recognized by Virginia Knauer, Special Assistant to the President for Consumer Affairs, for his outstanding assistance and guidance in the establishing and developing of the International Tape Association (ITA).



Robert Jaunich

ITA is a consumer-oriented trade association which seeks to maintain and improve manufacturing and marketing standards for the audio and video tape industry. Jaunich is a founding father of ITA and his recognition from Mrs.

Revisions Hike Take-Home Pay for U.S. Employees

Memorex employees in the U.S. are receiving extra take-home pay due to new federal income tax withholding rates. The new rates have been adjusted to reflect lower tax liabilities as a result of the Tax Reduction Act of 1975.

Mike Paradis, Manager for Personnel Accounting, says employees may wish to review their withholding position, and if necessary, file a revised W-4 with the Industrial Relations Department at either the Memorex Drive or San Tomas complex.

Knauer comes on the occasion of ITA's fifth anniversary.

In a letter from the presidential assistant, Jaunich was praised for his "individual responsiveness to consumer needs and (ITA) Board policy which . . . has been responsible for major achievements on behalf of the consumer. More members of this young industry supported the principle of consumer advocacy than was the case in any other association. While such leadership is no doubt a result of the Board's team

effort, your individual and major contribution is more than noteworthy."

In its brief history, ITA has been instrumental in several consumer protection and education programs, including opening a constructive consumer/industry dialogue, creating regular and objective reviews by industry of consumer problems, upgrading labeling standards for audio and video tape equipment, and providing leadership in establishing international product standards.

Supervisor Bishop and Buddy Max Create Father-Son Relationship

A boy without a father can sometimes lead a very lonely life; but the same is also true of a father without a son.

That's one of the reasons **Ron Bishop**, Final Assembly Supervisor, joined a local buddy program. His buddy's name is Max.

Bishop said he joined the buddy program after hearing a buddy advertisement on the radio.

"The timing of hearing the ad was just right, after returning from a visit with my children in San Diego," said Bishop. He explained that he doesn't get a chance to see his children very often due to a divorce.

He said the father-son relationship he's developed with 7-year-old Max has helped him solve his problem of loneliness for his children, and the arrangement also helps fulfill Max's need for a buddy.

"Being around Max has really made me appreciate children and their way of doing things," he said. "I get very excited about the opportunity to put some joy in young Max's life.

"I think I have helped Max open up to people. When I first met him, he was a loner and it was difficult keeping a conversation going. Now he looks

forward to getting together on weekends. We talk about most anything—school, camping, sports, etc. We usually go to the beach, games, auto races, or just take a walk in the park."



Bishop said he and Max don't have to go anywhere special, "It's fun just to talk and get to know each other better. Max looks forward to my coming over and I enjoy his companionship.

"I hope more buddies like myself get involved in the program," stated Bishop. "I've found it can be a very rewarding and enjoyable experience."

Reduces Shipping and Material Costs

Two Employees Design MAG Card Dispenser Pack Which Provides Both Convenience to Customers and \$130,000 Annual Cost Savings for the Company

At Memorex, a money saving idea is like a piece of apple pie to an American—it's very palatable. The latest serving is a small thin box—providing a delicious savings of \$130,000 annually, and it's being served by the Word Processing Division.

The box is the new Dispenser Pack, containing 50 writable surface magnetic cards for use in automatic typewriters. The box was designed by **Bob Brown**, Account Manager, OEM/Private Labels, Word Processing Division, and **Bill Phillips**, Product Engineer. Brown was Magnetic Media Product Manager at the time he and Phillips worked on the design.

The new pack is an alternative to the desk file box developed for Memorex Magnetic Cards in 1970. The standard 25-card box with 25 file folders will continue to be offered for those who wish to use it as a convenient storage system.

There are a number of cash and profit benefits resulting from the package design. The new box saves space in assembled and unassembled conditions compared to the non-folding 25-pack box, and, because more cards are shipped per box, there is a significant savings in shipping and material costs.

Brown and Phillips explained they came up with the idea of packaging 50 cards



Dispenser Pack designers Bob Brown (l) and Bill Phillips of Word Processing.

instead of 25 cards (the industry standard) earlier this year.

"The clincher to go ahead with our idea was the reception the box received by Memorex Word Processing salesmen at the February National Sales Meeting," said Brown. He explained that for two years IBM has been marketing a magnetic card typewriter which utilizes 50 cards at one time, however, it has continued to package 25 cards per box. Consequently, the Memorex 50-card package is the first alternative available which matches the machine's capacity.

"The pack was truly developed with the user in mind," remarked Brown. "The cards can easily be removed all at once or one at a time. They have a writable surface for identification and they can be incorporated into the customer's own filing system."

Brown and Phillips say that being able to generate a \$130,000 savings for Memorex as a working team has been a satisfying experience, and after all, isn't that what ACP is all about?



'Eliminating Waste Can Reduce Costs'

VP James Dobbie Meets with Computer Media Group To Discuss Performance of Division and Company

"Our objectives of marketing products aggressively, increasing production, lowering costs and improving quality are playing an important role in our success in 1975," said **James Dobbie**, Vice President and General Manager for the Computer Media Group, in an address to all Division employees recently.

Dobbie discussed the overall performance of the Company and the Division, and reviewed Memorex's product lines. Dobbie met with employees in Santa Clara and at Comdata, a Memorex division located in Santa Ana, California, as part of his continuing communication program to keep employees abreast of Company developments.

Dobbie said more attention must be directed toward reducing costs and improving quality. "We can be more competitive cost-wise by reducing waste, for example," he explained. "We're making significant improvements in this area but we still have a long way to go."

On quality, Dobbie said "We must not let our good reputation for quality excellence be tarnished. We must be absolutely certain that every reel of tape, disc pack and plastic component is produced with the highest quality standards possible.

"Good quality is a key to any company's success. Today, more than ever before, customers are looking for products with high quality and low cost. So, we've got to be on our toes to meet the quality expectations of all our customers."

Dobbie remarked that in order for the Group to win, they had to be better than the competition. "We're seeing signs of the winning spirit throughout the organization, but we've got to try harder. We can do that by setting both personal and Company objectives for the present and future.

"Our overall Company objectives are thinking as a team, showing enthusiasm on the job, being responsive to the needs of co-workers and customers, and demonstrating a determination to succeed," declared Dobbie.

Among the achievements, Dobbie said the Group is working together with a greater sense of pride, production is

increasing, there is a greater concern for quality, and new marketing and selling opportunities are being identified.



"We've got the same amount of time as our competitors, it's how we use our time that makes the difference between winning and losing," said **James Dobbie**.

The Company's equipment and media products are handsomely displayed in a 30-foot booth at the 1975 National Computer Conference, Anaheim, California. Billed as the "biggest computer show on earth," the May conference attracted more than 32,000 people.



New Ideas Council Formed to Produce and Funnel Creative Ideas for Computer Media Organization

Creating and funneling new creative ideas is the purpose of a newly formed Computer Media Group Ideas Council. The group will collect and organize ideas that will come from employees of all parts of the Group.

Computer Media Group Vice President **James Dobbie** set up the new Council because he believes that "creative thinking is often interrupted due to the attention which must be given to daily work activities." He said the 12-member Council is one of the best vehicles to stimulate and invest in creative ideas.

Howard Earhart, General Manager, Comdata Division, is directing the council's activities. "Our intention," says Earhart, "is to collect and organize ideas that will come from all parts of the Group, select the best ones, and work to implement them. We'll be reviewing ideas ranging from the very specific—how I might do my job better—to the very general—how the Company might do its job better."

Earhart explained that the Council intends to develop a formal method to collect ideas from employees, but until that time, he'd like suggestions submitted directly to the ideas team:

Candy Brown, Employee Relations Administrator; **Barry Carpenter**, Manager of Computer Media Sales Administration; **Jim Graham**, Advertising Specialist; Computer Tape Division—**Ann Bassford**, Supervisor Test and Inspection, Q.C.; **Dick Hale**, Production Manager; **Marius Kendall**, Manager, Analytical Services; **Tim Morrison**, Manager Product Marketing; **Phil Ruiz**, Manager, Inventory Control; Disc Pack Division—**Warren Kisling**, Director of Manufacturing; **Steve Stone**, Data Mark Product Manager; Comdata Division—**Howard Earhart**, General Manager; and **Bob Egly**, Marketing Manager. The Council's membership may change periodically.

A few of the ideas discussed at the Council's first meeting included new ways to market the Company's media products, the possible creation of an employee quality and cost awareness program and a recommendation that all

Memorex advertising material be posted throughout the plant.

"We need many more ideas from employees," says Earhart. "With their help,

the Council will be able to generate outstanding programs that will set Memorex apart from, and ahead of competition."



The Ideas Council during a 3-hour monthly meeting of minds.

Montgomery Addresses Finance Group in Santa Clara and Overseas

"The Finance Organization should be guided by four principles: professionalism, conservatism, candor and unity," said **Henry Montgomery**, Vice President, Finance, during an address given to the Memorex Finance Group in Santa Clara and Finance people overseas.

Montgomery covered the financial condition of Memorex, and explained the expectations and standards for the Organization.

Montgomery stressed the need for professionalism in all of the Group's activities, "which is characterized by technical competence, independence and integrity.

"Technical competence is being good at your job; you know what you're doing and do it well and efficiently. Independence means that you have the courage of your convictions and if something is being done that is improper, or if you see waste and ineffi-

ciency, you'll speak up in order to have it corrected. And integrity means that we represent the Company, with its employees, suppliers, customers and shareholders, with honesty and ethics."



Vice President Henry Montgomery.

'It's Not OK' Attitudes Popular with Consumer Products Students of Trouble Shooting Course; Graduates Effect Annual Savings of \$144,000

How often have you put off fixing household problems like leaky faucets and squeaky doors? Most people tend to put off these problems because they take the attitude, "It's ok, I'll get to it when I get time."

Sometimes, "it's ok" attitudes find their way into businesses, especially in manufacturing where equipment problems may periodically produce poor quality products.

In contrast, "it's not ok" is the attitude at Memorex where quality is a tradition. This attitude is especially true at Memorex's Consumer Products Plant where 50 employees have recently completed a two-week course on analytical trouble-shooting.

The course was taught by **Gary Williams**, Production Supervisor. He said the course gives people in production operations greater insight into problem solving. Williams received special training from Kepner Tregoe Inc., a consulting firm, in order to become a qualified instructor.

According to Williams, the course is a pilot program at Memorex which may be offered to other organizations in the Company. He said it's proving to be a beneficial program because it has

improved production efficiencies and material yields.

"The course emphasizes team oriented problem solving," explained Williams. "The exercises are case studies using in-plant problems so the students can apply the trouble-shooting techniques learned in class to problems on the job." He said each class is made up of 12 people from various areas of the plant,



Here's one of the trouble-shooting classes taught by Gary Williams (first row left). To the right of Williams are Jim Plymale, George Wuolle, and Ace Mosher. Second row, (l to r) are: Terry Leveque, Rick Maples, Bob Brown, Jeanne Peters, and Ruth Boesch. Third row: Bob Faltynski, Ron Wenzel, Becky Montez, Stan Compton, and Caryl Cope.

such as Quality Control, Maintenance, Production Administration, and Manufacturing Engineering.

Ron Grindstaff, Manager for Consumer Manufacturing, said everyone in the plant recognizes and appreciates the excellent work being done by graduates of the trouble-shooting course.

"Many employees are showing great enthusiasm in solving their own individual problems encountered on the job," said Grindstaff. "We've received recommendations in ways to speed up the production line, improve work station layouts, and also a suggestion to attach a peg to cassette loading machines to save tape."

As a spin-off of the trouble-shooting program, a card system is now in operation which provides plant employees an effective way to indicate problems with their equipment during each shift. When the information is compiled, it provides a complete record of machine malfunctions. The record provides a more accurate history of machine problems and assists engineers in developing effective preventive maintenance programs.

Neal Rayborn, Director for Consumer Operations, said he was very pleased with the current results of the program.

"We're experiencing major reductions in scrap loss due to fewer machine problems, a reduction in temporary repairs, that often cause additional headaches, and we've improved product quality," said Rayborn.

He added that so far, the plant is saving more than \$12,000 a month as a result of employees solving both small and large problems, accomplished in a spirit of teamwork.

A trouble-shooting team recently tackled a machine problem causing tape to be off-centered on reel hubs, resulting in a 13 per cent reject rate. Now the machine's reject rate is nil, resulting in a monthly savings of \$4,500. Checking out the machine are (l to r) Jim Plymale, George Wuolle and Bob Reynolds.



New Challenges for the Secretarial Role

Finance Organization Establishes Its Own Word Processing Center to Provide Greater Efficiency

Automation and systemization are major factors in improving productivity in many areas of business, such as manufacturing, accounting, etc. But, there's one area of business which has remained essentially the same for the past 25 years—the business office.

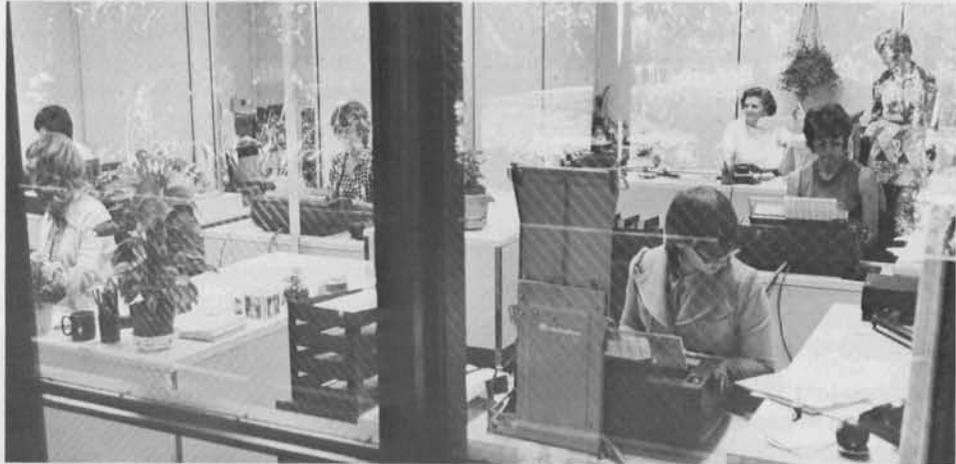


Judy Blades

The Memorex Finance Organization is changing the situation by starting its own Word Processing Center.

According to **Judy Blades**, Administrative Manager for the Center, the goal of the new department is to bring greater efficiency into the Finance Group, and provide new challenges to the traditional secretarial function.

What looks like a publicity photo for a science fiction movie is actually a view from the Company's Omaha Branch Office after a May 6 Tornado. The twister killed three people and injured 300 others, and caused more than \$500 million in property damage; but miraculously, the branch office was untouched. Field Engineer *Ralph Kraning* said that with the exception of a loss of power at one account, none of Memorex's customers sustained any property damage or machine down-time.



Finance Organization's new Data Processing Center in Santa Clara.

She said the most visible evidence of the program will be administrative secretaries without typewriters and correspondence secretaries who do not have to answer telephones, file, or arrange meetings.

"Instead of being assigned to a single person or department, Word Processing secretaries will handle the clerical needs of dozens of people. However, one secretary will be assigned to specific departments to provide more personal contact between the Center's personnel and the groups they serve."

Mrs. Blades explained that all correspondence secretaries will operate magnetic keyboard equipment which will take the place of typewriters. The machines have small computers that store everything that's typed, thus

revisions can be made quickly and conveniently.

In addition to magnetic keyboard equipment, the Word Processing Center has dial-dictation units that allow Finance people to call the Center, dictate into their phone, and have the message recorded. The recording is picked up by the appropriate secretary for typing.

Administrative secretarial functions will not change except for typing duties, says Mrs. Blades. They will continue to arrange meetings, proofread, maintain appointment calendars, etc.

The Center will be analyzed in the next several months to determine if similar centers can benefit other organizations, as well as create greater job enrichment for employees.



America Can Either 'Have or Be Had' Memorex President Wilson Tells Attendees of 60th Annual International Purchasing Association Convention

America can either "have, or be had," Memorex President **Robert C. Wilson** told more than 2,000 purchasing executives at the 60th Annual International Purchasing Conference held in Dallas, Texas, last month where he was the keynote speaker.

Wilson told the conference that with ingenuity, hardwork, supportive government and a little bit of luck, we can "have" in an environment of scarcity and avoid "being had."

The president said that many Americans find it hard to accept the fact that in some respects the U.S. will continue to be a "have not" country for the foreseeable future. He added: "It should be readily apparent to all Americans that the bubble has burst—and that we must balance our resource allocation and the available resources."

Wilson noted that the plans and actions of purchasing executives have a direct influence on America's competitiveness, economic cycles, productivity, and balance of payments.

"The underlying reason for your growing importance is the environment of scarcity generated by ever escalating demands for energy and materials in relation to the availability of low cost sources. The demand will continue to soar for the foreseeable future as the world's population grows, the per capita consumption increases, and individual expectations exceed current consumptions."

Wilson explained that in order to be a "have" rather than be "had" in the current economic environment, the U.S. must do its homework in strategic planning and in making long-term investments.

"Much of the planning and investing must be done by individual companies. Fundamentally, it would be more efficient if the entire job could be accomplished by free enterprise. Unfortunately, the magnitude of the investments, the socio-economic considerations, and the international political implications make government participation essential.

"But, before we throw in the towel, we should remember that America began as a 'have not' nation and with Yankee ingenuity, hard work and a little luck, transformed it into the land of plenty."

He said if America is to face the challenge, strategic planning and long-term investments are needed now.

Wilson called on the purchasing managers to convince elected representatives that government must assume a constructive, leadership role in those critical areas that can only be addressed effectively at the government level.

Wilson cited the critical areas as: the need for long-term investments in low



Memorex President Robert C. Wilson (r) meets with Harry N. Wada, President of the National Association of Purchasing Management, following his keynote address at the Purchasing Conference.

energy sources; trade negotiations with other countries to optimize economic resource availability and to protect domestic alternatives; incentives that encourage private enterprise to best serve national interests; long-term investments in programs that will optimize resource availability; and elimination of government regulations and procedures that are detrimental to long-term resource availability.

"In order for the United States Government to deal effectively with strategic planning, long-term investments and resource allocation, it seems evident that a national plan must be established and maintained," said the chief executive. He added it should be at the cabinet level and bipartisan in nature.

"Although some Americans tend to abhor five-year to ten-year plans, those of us in industry are well aware of the critical importance of planning. This is particularly true in dealing with long-term resource commitments.

"With a government planning department, we can establish priorities, allocate our resources and commit to appropriate long-term investments. Encouraging our selected representatives to support such an activity should be a part of purchasing management's total program to avoid 'being had'."



Can you guess who owns this personalized license plate? If you guessed Memorex President Robert C. Wilson, you're right. The letters signify Memorex—Attitude, Cash and Profit, the Company's three major priorities.

News in Brief

Memorex to Market Certain BST Products Overseas

Memorex and Business Systems Technology, Inc. (BST) have reached preliminary agreement whereby Memorex will market BST core memories and disc controllers for System/3 computers in Europe, Japan, Australia and Latin America.

Memorex will offer, under its own name, a full range of System/3 memory capacities manufactured by BST. Memorex will also market BST's disc controller, allowing attachment of its disc drives to System/3. Both the BST memory and disc controller will be installed and maintained by the Company's International Field Engineering organization.

Wilson Visits Latin America

Memorex President **Robert C. Wilson** has completed a 13-day Latin America visit to Mexico, Venezuela, Peru, Chile, Argentina, and Brazil. The purpose of the visit was to identify marketing opportunities and meet with sales office personnel.

John Ryan Becomes 660 Sales Manager

John Ryan has joined the Santa Clara Equipment Product Marketing Group after serving two years as Branch Manager in Cleveland, Ohio. Ryan becomes Product Marketing Manager for the 3660 Disc Storage line, as well as small disc storage files. He reports



to **John Hoiness**, Director for Product Marketing. He joined Memorex in January, 1971.

Canadian Broadcasters Tour Company's Video Operations

More than 40 Canadian broadcasting technicians and executives got a first-hand look at the Company's Video Manufacturing operations during a recent two-day visit. The Canadians stopped by after attending the National Association of Broadcasters Convention in Las Vegas.

The broadcasters met with the video technical staff during the tour. Many of the visitors were impressed with the size of Memorex, and the sophisticated assembly and quality control equipment.



Robert Jaunich II, Vice President and General Manager for Consumer and Business Media, hosted a dinner for the broadcasters and discussed the Company's history and its recent progress.



The Memorex City Softball Team has just finished the first half of the season, winning four out of six games. Although the team is currently in second place, the league's batting average is .422, with five members over .500.

Two Field Engineers Win New York Road Rallye

The "team effort" is alive and well within the Syracuse Field Engineering office.

Two members of the group, **Maurice Gregoire**, Field Engineering Manager and **Roger Cunningham**, Senior Field Engineer, have captured first place in the equipped car class division of the Central New York Road Rallye. This is their third first-place win.

Using speed pilot, calculator, stop watch and other associated rallye equipment, Maurice navigated while Roger drove his Honda Civic.

It seems that Roger is becoming an accomplished road rallye driver; but Roger attributes some of his success to his familiarization with every cow path and deer crossing he's encountered during his regular work week driving in the upstate New York area.



The winning team of Maurice Gregoire (l) and Roger Cunningham.

NOMDA to Show Memorex Word Processing Products

Memorex will display its complete line of word processing products at the National Office Machines Dealers Association Show, July 31 through Aug. 2, in Minneapolis. Visitors to the Company's booth will be introduced to a new four-page newsletter, WORDTALK. The newsletter is published for users of Memorex supplies and contains tips for optimizing product performance and information on the latest developments in the word processing industry.

News in Brief(cont.)



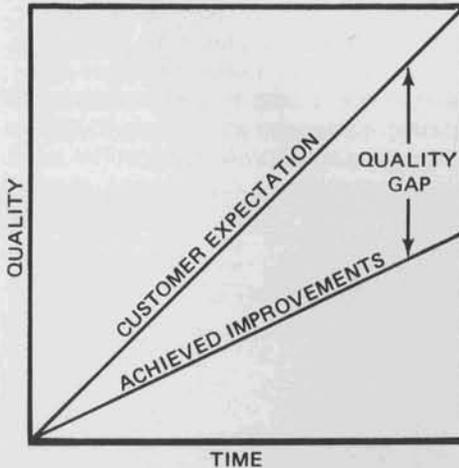
(QUALITY, continued from page IV.)

According to Shervem, industry is becoming more aware than ever before about the importance of good quality control systems. The major reasons for the concern is the rapidly increasing number of pressures that quality programs are now facing, such as more demanding requirements of customers, and increases in product complexity and sophistication, which places pressures on production capabilities.

Because customer expectations have been increasing, Memorex is keeping abreast of these expectations by making quality improvements, said Shervem.

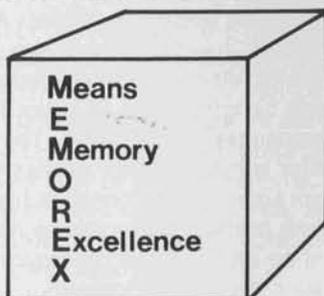
"When the quality of products does not keep pace with the expectations of customers, it's referred to as a 'quality gap.' Thus, all of us in the quality program are working to insure that no gap exists for our products."

PRESENT QUALITY PATTERNS



"Quality gaps" exist when companies don't keep pace with customer expectations.

Shervem said the best way to describe the overall quality objective at Memorex is "do it right the first time," rather than "fix it until it works." He said this prevention-based objective best meets the requirements of today's business.



Word Processing Announces Two New Typewriter Ribbons

The Word Processing Division is introducing two new typewriter ribbons for use in the IBM Correcting Selectric II Typewriter—the Tech III Ribbon and the Correctable Lift-Off Ribbon. The Tech III "multi-strike" ribbon is manufactured in Mylar polyester reusable film, and the Correctable Lift-Off Ribbon is made of a polyethylene film for one-time use. Each ribbon comes with its own correction tape which is color-coded for easy matching and identification.



Ray Vales Appointed Director For Litigation Financial Analysis

Ray Vales has been appointed to the position of Director of Litigation Financial Analysis. Vales is responsible for all financial analysis required to support Memorex's anti-trust suit against IBM.

Vales joined Memorex in 1970 and has held various financial management positions. His most recent assignment was as Controller, EUMEA Operations.

Vales received a Bachelor of Arts and a Masters Degree in Business Administration from the University of Notre Dame and Columbia University, respectively.



Tinker Named Director For EPG Manufacturing

Henry L. Tinker has been appointed Director of Manufacturing, Equipment Products Group, announced **Roger W. Johnson**, Group Vice President and General Manager.

In his new position, Tinker, 43, will be responsible for the manufacture of the Company's computer peripheral equipment, including disc drives, data communication terminals and controllers, and computer-output-microfilm. He will report directly to Johnson.



Tinker most recently was Vice President, Operations, for International Video Corporation, a position he held since 1973. He was in charge of the company's manufacturing, quality assurance, purchasing, industrial engineering, and plant facilities activities.

From 1971 to 1973, he was Vice President and General Manager of the Data Processing Division of National Cash Register, responsible for computer research, engineering, and manufacturing of NCR's Hawthorne and Rancho Bernardo facilities.

From 1969 to 1970, he was Operations Manager of the Electronics Division of NCR. Prior to that, from 1967 to 1969, he was Manager of the Rancho Bernardo plant. He joined NCR in 1961 as Industrial Engineering Supervisor and held a variety of increasingly important management positions.

Between 1953 and 1961 Tinker worked for General Dynamics Convair and Leach Corporation, San Diego, in supervisory engineering positions.

Tinker received a Bachelor of Science Degree in Business Administration from the University of California, Los Angeles, in 1953.

Employees Celebrate Anniversaries

The following employees are celebrating their fifth anniversary with Memorex and will receive five-year awards in recognition of their contributions to the Company.

Norman Amdur
Rudy Boynton
Wanda Brown
Janis Carpenter
Frank Chester
Rob Collier
Joseph Cortez
Carolyn Crider
Lyle Davis
Dora Devilliers
Bella Diodate
Magdal Donato
Edward Dunn
Richard Ellgen
Delren Enrquez
James Eyer
Joan Fletcher
Eleanor Garcia
Manual Garcia
Jerel Gedecke
Florence George
Jonna Goldberg
Amelia Gonzales
Karl Hageman
Frank Halgas
John Halterman
Gary Hartnett
Norma Haxton
Edward Hayes
Arthur Hazard
Richard Holdren
Lola Holland

Carmel Higginbotham
Donald Higginbotham
Bill Hunter
Ray Hurt
Dennis Jacobson
William Jahr
Gertrude Kelly
Walter Koontz
Sally Lambert
Douglas Larson
Michelle La Russa
Robert Lehman
William Leimer
John Lewandawsky
Humberto Marquez
Josefa Massey
Nina Mc Alister
Joseph Mc Aluney
David McCarthy
Curtis Mc Crary
James Mc Inerney
Dolores Mendez
Kenneth Miller
Louis Miller
Donald Miramontes
Gary Mishihara
Thomas Moriarty
Cyril Motichka
John Murphy
Dolores Nocera
Vera Nunley
Betsy Olsen

William Olani
Mary Pauwels
Carol Perez
Lottie Peterson
Jack Pinch
Jacob Pizza
Patrica Price
Elizabeth Queening
Cynthia Rapoport
Norene Reiswig
Douglas Revis
Dale Robinson
Wayne Robinson
Keith Rosheim
Ted Russell
Edma Scarr
Patsy Schoppe
Ted Schrakamp

Henry Seta
Eugene Sinks
Carmel Soccio
Sheila Station
Ronald Stanley
John Steenfott
Arnhold Strate
Andrea Thorsteinson
Jay Tuckwood
Jay Ulrich
Gisela Valtscheff
Gordon Vold
Jack Wagner
Arthur Withap
George Wong
Theresa Ybarra
Estuo Yoshida
Zenon Zawadzki



Photo 1



Photo 2



Photo 3

Employees Retire

Three employees have marked their retirement with Memorex and were awarded their first retirement checks by division general managers in recognition of their contributions to the Company. (Photo 1) *Robert Brown*, Senior Engineer, receives his check from *Roger Johnson*, Vice President and General Manager for the Equipment Products Group. (Photo 2) *Florence Swartout*, Computer Tape Scheduler and Handler, chats with *Ron Lyons*, Finishing Supervisor (I) and *Dusty Rhodes*, General Manager for the Computer Tape Division. (Photo 3) *Josephina*

Quintero, Test Operator for Disc Pack, accepts her check from *Don Mattson*, General Manager for Disc Pack Operations.

Promotions

Jean Albrecht to Statistical Clerk
Roberto Alvares to Department Technician—Assembly
Marion Amous to Associate Fabrication Programmer
Gary Armstrong to Manager Accounting Services I
Karen Baadsgaard to Associate Buyer
Linda Belba to Document Coder/Screener
Jeanie Campbell to Tracking System Analyst
Harold Carlson to Senior Engineering Manager
Ralph Coan to Manager Field Asset Tracking and Billing
Carman Dell to Order Correspondent B
Robert Devincenzi to Senior Order Administrator
Eugene Douglas to Director International Trade & Government Affairs
Susan Dwight to Technical Librarian

John English to Manager—Technical I
Judy Evans to Secretary A
Susan Falling to Accounting Clerk A
Carol Gee to Secretary A
Judy Gorton to Accounting Clerk A
Sharon Griffin to Order Correspondent B
Jay Hemmig to Engineering Specialist
Ora-Dell Hewitt to Credit Correspondent A
Jan Hidalgo to Accounting Clerk A
Elisabeth Hoffer to Document Coder Screener
Donald Houlihan to Field Supervisor—Field Manager
Diane Jackson to Document Control Clerk
Steve Kurimoto to Senior Designer—Electronic
Diane Lutfy to Secretary A
William Lyod to Senior Designer—Electronic
John McCaskill to Manager—Accounting
James McGovern to Field Manager—Field Engineering
Jodee Messa to Statistical Clerk
Bobby Mullins to Supervisor—Technical Process

John Owens to Department Technician—Assembly
George Perez to Senior Document Control Clerk
Pat Rogers to Regional Administrative Manager—Georgia
John Ryan to Product Manager
Suzanne Shepard to Regional Administrative Manager—Illinois
Rowena Shepherd to Accounting Clerk A
Laura Smith to Associate Publicity Specialist
Joan Soleto to Executive Secretary
Myran Sapiro to Zone Manager, California
Donna Stensy to Accounting Clerk B
Carol Turner to Accounting Specialist B
John Uebel to Production Control Specialist
Judith Vant to Accounting Clerk A
Rodney Wenzel to Supervisor—Inventory Control
Robert Wilson to Senior System Programmer
Carol Wright to Order Administrator

Memorex Santa Clara Picnic a Roaring Success

Employee consensus is that this year's Memorex Santa Clara picnic, held at Marine World/Africa USA on May 17th, was "the best ever." The 11th annual Memorex Activities Group (MAG) sponsored event featured 25 major shows and attractions.

