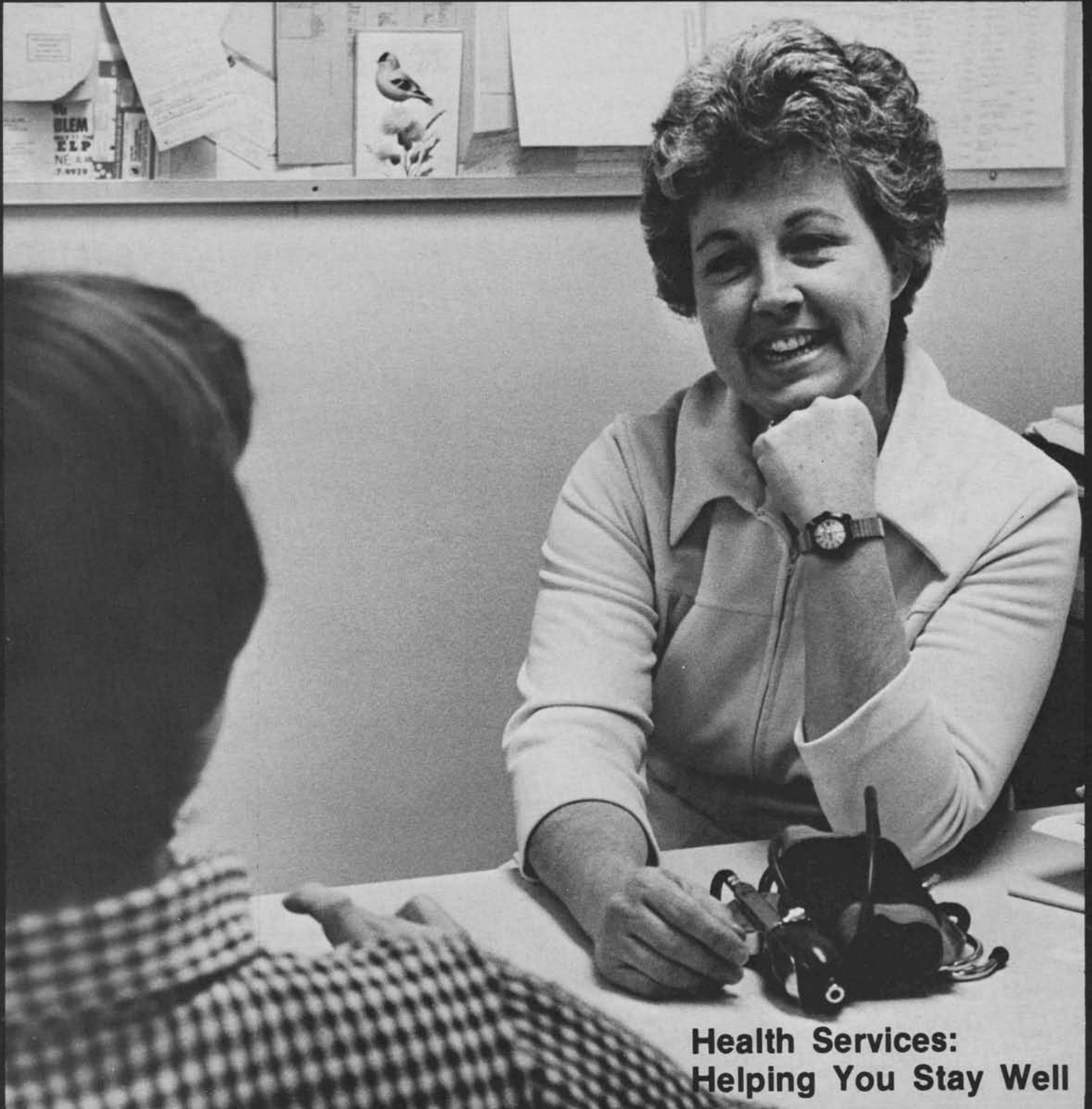


# INTERCOM

A Newsmagazine for Memorex Employees  
Volume No. 13/April, 1976



**Health Services:  
Helping You Stay Well**

## The Sprint of '76

# Sales People Compete for Trip to Olympics

They're off and running in the Sprint of '76—Memorex's Company-wide sales contest. The competitors are sales people who have been assigned revenue quotas. And the prize, for the first 70 finishers, is an expense-paid trip to the 1976 Summer Olympics in Montreal.

Sponsored by the Corporate Marketing Council, the Sprint of '76 includes all five marketing groups: Equipment Products, Computer Media, Consumer and Business Media, EUMEA, Americas & Asia. The first 70 people to hit 100 percent of their January 1 - May 31 quotas will win the trip.

Already there are eight Montreal-bound sprinters: **Jack Davis**, Equipment Products, Atlanta; **Al Hortman**, Equipment, Hartford; **Tom Koch**, Equipment, Chicago; **Douglas Donald**, Equipment, Miami; **William Etheredge**, Equipment,



Pittsburgh; and **Dick Butler**, Americas & Asia, Australia.

Colorful posters announcing the contest have gone out to Memorex sales offices around the world. The posters list the standings of the top 70 sales people each month, including those who've al-

ready hit the 100 percent mark. "With many people now clustered in the 80-90 percent range, it looks like there will be a big rush across the finish line shortly," said **Barry Berghorn**, Chairman of Sprint '76. "No one can afford to slack off now."

Combining business with pleasure, the Canadian event will consist of two days at the Olympics and two days in seminars. Attendance is limited to winners only, with lodging set for the Hotel Concorde in Quebec City.

All who meet their quota, in addition to the first 70, will receive a personally engraved set of Olympic Games commemorative medals.

For the Memorex sales force worldwide, "See you at the Olympics" is the watchword this spring.

## Fortune Calls Wilson 'Master Turnaround Man'

What makes a professional manager—the kind of executive who can work in a dozen different industries, who specializes in taking charge of a failing company and turning it around?

That was the question *Fortune* set out to answer with a profile of Memorex President **Robert C. Wilson** in the magazine's February issue.

Mr. Wilson, said the article, typifies the new breed of professional manager, "the kind that barely existed a generation ago...one who prides himself on his ability to manage anything and will as soon produce claw hammers in Chicago as integrated circuits in Singapore." Characterizing Mr. Wilson

as a "master turnaround man," the seven-page article charted the high points of his career, beginning with General Electric in the 1940s through the past two years at Memorex.

Writer Eleanor Johnson Tracy cited Mr. Wilson's varied experience at GE—his managing of 20 different businesses from transistors to turbines—and his later success at Collins Radio Company, which he transformed "from a disastrous loser to a sparkling asset." She also talked of his disciplined life style; the opening photograph shows him jogging in the Grande Place in Brussels.

It was Mr. Wilson's record as a "su-

perlative professional manager," said Ms. Tracy, that interested Memorex directors and lenders in him in 1973, when the Company was on the verge of bankruptcy. Today, she reported, "the debt has been reduced from \$300 million to about \$185 million, and the corporation is sitting on a pile of cash."

Memorex staff members have used reprints of the *Fortune* piece in recruiting, and also in dealing with vendors and potential clients.

It was the second major magazine article on Memorex to appear in three months. The November 10, 1975, issue of *Business Week* carried a two-page story, "Memorex: The Year of Restoration."

## INTERCOM

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### ON THE COVER:

Listening is part of every nurse's work. But for Adele Muzzio, R.N., it is almost a specialty — since she sees 20-30 Memorex employees a day. To find out what goes on in the Company's busy Health Services Department — what the two Memorex nurses do in their never-routine jobs — turn to page 6.

# Employee's Daughter Wins Recording Group Scholarship



Nancy Jones at Lynbrook High.



Nancy with her parents, Gloria and Morris Shaver.

For Electrician **Morris Shaver**, working at Memorex has had a substantial side benefit. Last month, his stepdaughter, Nancy Jones, won a four-year scholarship to the college of her choice from the National Association of Recording Manufacturers.

A trade organization in the music recording field, N.A.R.M. awards 10 scholarships each year to the children of employees of member companies. Memorex is a member of N.A.R.M. through the Audio Division, and the competition is open to employees throughout the Company. Shaver, who works for the Maintenance and Fabrication Department in Computer Media, saw the scholarship announcement at work last fall and immediately urged Nancy to apply.

Nancy, a senior at Lynbrook High School in San Jose, plans to use her \$4,000 scholarship (\$1,000 a year) at Stanford University, where she wants to major in journalism. Last month, she and the other nine winners from across the country were flown to Hollywood, Florida, for the formal awards presentation at the annual N.A.R.M. convention. "This is the first time the son or daughter of a Memorex employee has won the award, and we're very proud of Nancy," said **Robert Jaunich**, Vice President and General Manager of the Consumer and Business Media Group.

Scholarship selection was made on the basis of the students' College Board scores, a written essay, and a financial statement supplied by their parents. Nancy applied for the N.A.R.M. scholarship last November. On March 19 she got a long-distance call telling her that she had won. Three days later she was on a plane to Florida.

Nancy holds a straight-A record for her entire school career. But that is only one of her accomplishments. Talented in art (a number of her drawings were shown in the last Memorex crafts fair) and writing, Nancy has been on the high school yearbook staff for three years.

She's also been on every women's sports team Lynbrook fields: volleyball, basketball, softball, field hockey, tennis. "Name a sport, and I probably do it," says Nancy. She trains hard. She lifts barbells, shoots baskets on Saturdays, and in summer runs three and a half miles every morning. This summer she will be going to a basketball camp at Pepperdine University in Malibu, and when she attends school this fall, she hopes she'll make the women's basketball team.

Nancy's room at home reflects her many interests. The walls are papered with pictures and posters of dozens and dozens of people she admires, mostly politicians and sport figures. Nancy has

been active in politics and two years ago worked in an election campaign for state senator. (Her candidate won.)

She likes to read the novels of Camus, and she also likes to watch basketball star Rick Barry of the Golden State Warriors on TV. How is she going to bring all her interests together? "Well, I think what I'd really love to do is be a sportswriter."

We'll be watching for your byline, Nancy Jones.

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## CBM Sweeps Awards In Housekeeping Contest

Consumer & Business Media swept the field in the first full-scale housekeeping contest ever held at Santa Clara headquarters. When awards were handed out in January, the Consumer & Business Media Group had won in four of the nine categories—best process production, best Memorex Drive production, best warehouse, and best office area—and had tied the Model Shop in Equipment Products for best shop.

Judges picked PCB Assembly as the best San Tomas production area and the Quality Assurance Incoming Inspec-

*(Continued on page 16)*





Ella Fitzgerald records her famous Memorex commercial.

## A Shattering Performance

# Ella Captures Friends, Rivals for Memorex

"Is it high 'C' or is it high 'D'?"

This question was posed to a slightly amused Memorex switchboard operator by a long-distance caller who wanted to know what note Ella Fitzgerald had reached when she shattered the glass. It is typical of the customer interest inspired by what **Jake Rohrer**, Manager of Audio Division Marketing, calls "one of the most dramatic, memorable and effective advertising campaigns in industry."

But the fanfare over "Is it live or is it Memorex?" does not stop with the home recording enthusiasts who purchase the Company's cassette, eight-track, and reel-to-reel tapes for excellent sound

reproduction. It also extends to Memorex's competitors, one of which recently used a spoof of the Company's distinctive commercials for a full-page advertisement in a national computer magazine.

According to Rohrer, "It was inevitable that Ella and the shattering glass would become synonymous with all Memorex products. Ella represents quality, as does Memorex, and quality extends through every product line." (As shown in the advertisement below, BASF Corporation, a competitor in computer media and audio tape, seems to think so too.)

In a recent interview with Ella, the *Minneapolis Star* reported that "...Ella

Fitzgerald is receiving new acclaim. Young people approach her in stores and on the street, look her up and down and say, 'You're the Memorex lady, aren't you?'" And Ella recognizes that she is the ambassador of Memorex. During the interview she quipped, "Everybody calls me the Memorex lady. They all want to know if it's me or Memorex that breaks the glasses...but I'm not supposed to tell."

The Company and the "first lady of jazz" are enjoying the fourth year of a relationship that, in the words of Jake Rohrer, "far exceeds our original expectations. Ella Fitzgerald is truly a living legend and we are inordinately proud to have her represent Memorex."

Ella confesses that at rehearsals and during "takes" for her latest Memorex effort, she really broke 42 glasses. In case you're wondering about trying it yourself, here are a few pointers. First, purchase a crystal wine goblet at your local department store (about \$2.50). Next, set up a microphone, amplifier, and speakers. Then, measure the resonating frequency of the glass, and hum this pitch to yourself. Now all you have to do is sing the pitch exactly, and the glass will begin to vibrate. Hold this pitch until the vibration becomes so intense that it breaks the glass. Simple, right?

By the way, Ella shattered those 42 different goblets with 42 different notes.



## BASF invented magnetic tape 40 years before Memorex broke their first glass.

Back in 1912, when Hoover was still president and radio was the big noise in home entertainment, BASF invented magnetic tape and the technology that made today's high-density data processing media possible. The state of the art has evolved considerably since then, and we're no longer alone in the magnetic media field. That's why, while we know we were first, we'd rather you know that we're the best. And we've put more effort into being the best than anyone else in the business. That's why we design and manufacture our own testing apparatus, and why we use up 75,000 rolls of computer tape every year in our development department. Because at BASF, "good enough" just isn't good enough. We've been around for a long time... long enough to know that it's what we've done for you lately that counts. Ask our customers... most people who choose BASF make it their only choice. BASF Systems, Bedford, Massachusetts 01730.



**BASF** The Original.

# They're 'Bumping' to the Tune of \$1 a Day

If you haven't bumped into BUMP, you probably weren't at Memorex in Santa Clara last month. Certainly not in the Media areas on Memorex Drive, where it seemed there was a BUMP reminder around every corner, not to mention on just about every lapel.

If anyone didn't get the message, it wasn't because BUMP wasn't obvious. First came the teasers—posters asking "What goes bump in the night?" and "Is it the Bump?" (referring to the latest dance craze). Later on, there were banners and buttons and pencils and rulers and coffee mugs and weekly newsletters all proclaiming "Let's Bump" or "I Bump."

At Memorex last month, to BUMP was to Bring Up Media Profits. For the 2,000 members of the Computer Media and the Consumer and Business Media Groups, "Let's Bump" was a fast-moving, high-incentive cost-savings campaign. The purpose was to get as many employees as possible to submit ideas that would save Media at least \$1 a day or \$250 a year. The top prizes were, of course, bumper pool tables.

Not only was the campaign fun, it appeared to be on its way to a rousing success. At the end of the second week of the three-week program, more than 450 ideas had been approved. (The campaign ended March 26.)



*Candy Brown, administrator of "Let's Bump," admires a week's suggestions.*

After being evaluated by at least two members of the Ideas Committee, every suggestion received a written reply from **Candy Brown**, administrator of the "Let's Bump" program. Employees earned a red-and-black "I Bump" button for every approved idea and an "I Bump" coffee mug for their first winning suggestion. For every 50 suggestions approved, there was a drawing for a bumper pool table.

"The main point of the program was to show that everyone has good ideas, that

every employee has the chance to help move Memorex ahead," said **James Dobbie**, Vice President of the Computer Media Group. "It gave credit and recognition and a real feeling of participation."

Asked what the response had been to "Let's Bump," Dobbie said, "Everybody was really turned on. This was the first time we've had such a contest. It was short. Everything moved fast, and that's the key to the enthusiasm. We've got lots of good ideas, and as we implement them, they should amount to thousands of dollars in savings."

The ideas have included new ways of saving electricity, recycling materials, scheduling more efficiently, streamlining procedures, and improving quality control.

"Let's Bump" was five months in the planning by the Media Ideas Council. **Terry Hostek**, Advertising and Sales Promotion Specialist, coordinated the promotional aspects of the campaign.

Later this year, Intercom will report on some of the cost-saving changes that have taken place in Computer Media and Consumer and Business Media as a result of "Let's Bump."

## Company Absorbs Benefit Cost Hike

Rates for Memorex's long-term disability insurance increased February 1, but the cost has not been passed along to employees. The rate went from 41¢ to 48¢ per \$100 of coverage, which means that Memorex now pays almost 70 percent of the cost of the entire program. (Previously, the Company paid 60 percent of the cost.)

An optional employee benefit, long-term disability insurance provides income protection for anyone who becomes totally disabled while employed at Memorex; it is not limited to job-related injuries or illnesses.

Benefits begin the 91st day after an employee becomes totally disabled and continue for as long as the person remains disabled, or until age 65. Information concerning this program is available at all Industrial Relations and branch offices.



**ONE THOUSAND MARK**—When the Recon Department finished its 1000th 660 disc drive for the OEM Division early this year, it was a cause for celebration. There was cake and punch in the cafeteria and later a group portrait out by the production line. The 660 reconditioning program for OEM began in mid-1975.

# Health Services Department:

## Memorex Nurses Stand Ready with Aspirin, Empathy

Perhaps you met her for the first time when you came down with the flu at work this winter. You felt lousy and really didn't care about anything except getting a couple of aspirin and the diagnosis that yes, you should go home.

But after you'd met her, it seemed you kept hearing her name. In remarks such as: "Well, I stopped by to see Rose about my back," or "I just haven't had any energy. I think I'll go have a talk with Adele."

The woman under discussion is either **Adele Muzzio, R.N.**, or **Rose Grady, R.N.** They are the two Memorex nurses in Santa Clara. To every employee who's ever met them, they are simply Adele and Rose.

In January and February, they dispensed lots of aspirin and empathy. Though, of course, aspirin is only the beginning of their work.

As the core of the Health Services Department at Memorex, they provide emergency care, serve on safety committees, train first aiders, refer employees to outside medical help, arrange health education seminars, do piles of paperwork, and each see 350-400 employees a month. Their job description in the Memorex Occupational Health Program lists 15 separate responsibilities. There are times when their phones never seem to stop ringing. There are days when the nurses never seem to stop at all.

The focus of all this activity is Adele's office in the manufacturing area of Building 10 and Rose's office at the Tape Plant on Memorex Drive. One recent day there were 10 people in the waiting room outside Adele's office. Their complaints included poison oak, a twisted ankle, high blood pressure, headaches, allergic reactions, a cut finger, flu symptoms. And there was probably also someone there who wanted to show Adele the latest baby pictures or to tell her about a promotion. Or just to use the scales.

"Our number one reason for being



*Rose Grady, R.N., fielding one of her many phone calls of the day.*

here is to provide emergency care," said Adele. "We have to be ready to handle everything from heart attacks to on-the-job injuries to minor illnesses." Which is perfectly routine for Adele and Rose, both former emergency room nurses.

The other reason they are there is preventive medicine, and that includes everything from recommending a design change in a piece of equipment (to prevent possible back strain) to counseling employees who want help with personal problems. It means arranging physical exams for employees who work in certain production areas and taking the blood pressure of anyone who walks in the office and requests it (several cases of acute hypertension have been detected this way).

Much preventive medicine is simply education. To Adele, that means "any information you can give people that will increase their health and well being— increase their happiness."

Health education takes many forms, the more concrete and applied the better. Take the guy who stops by with a headache.

"Hey, Adele, I need a pound of aspirin."

"Are things that bad?"

"Well, I've been feeling a lot of pressure."

"Is there anything *you* can do about it?"

Sometimes even the lowly band aid is a way of teaching. As she's applying a new butterfly bandage, Adele says, "You know, it takes away all the natural defenses when your hand gets this dry." Adele encourages questions when she's explaining something. "I make people ask, I never assume. The point is to encourage self-awareness."

There is formal education as well. Last week, Adele and Rose coordinated a health care seminar for Memorex women. The meetings were held during lunch hours in the cafeteria.





*Adele issues a pair of safety glasses.*

*Rose gives careful attention to a cut finger.*



"We feel we have an unusually good health program," said **Gene Gilman**, Manager of Safety and Health Services. "In addition to our two fulltime nurses, we have four on-call nurses and trained first aiders on every shift. We're active in the professional safety and medical organizations, and that keeps us current with the most recent advances in the occupational health field. Also, Adele and Rose have been doing a lot of employee counseling. They're both very good at that."

The opportunity for counseling is probably what Adele and Rose enjoy most about their job. More and more employees are discovering that these two friendly women—who seem to know everyone's name—are good people to talk to, whether the problem is temporary stress on the job or a wrenching

emotional crisis. Both Rose and Adele have had training in counseling, and twice a month they meet with a local mental health professional to discuss their work.

"In talking to people, we can sometimes give them a larger picture," says Rose. "Just by verbalizing their problems, people can see them in a different perspective. They often do their own problem solving. We're listeners as much as anything else."

"We're trying to get the people who have serious problems out to proper care. We are concerned about them. We're not just here worrying about how they're performing their jobs. Employees who are upset may sometimes need a medical leave, and when they do, we try to arrange it."

Both Rose and Adele emphasize that the principle of medical confidentiality is just as sacred at Memorex as it is in any doctor's office. Managers cannot read employee files. All a manager knows—if there's a need to know anything—is that an employee is having a problem, not what it is.

Suggesting where people can get further help is one of the nurses' most important functions. The posters on their bulletin boards offer some tips. Adele and Rose have many more. The places to call if you're interested in group therapy; when Weight Watchers meets; the counseling available for alcoholics and their families; where to go for a pregnancy test.

"We don't judge anyone," says Adele. "Our job is to listen, to be helpful." In short, their job is to be of service. As in the department's name.

## Five-Year Anniversaries

Since the beginning of 1976, the following employees have marked their fifth anniversary with the Company. They work at Memorex locations throughout the world.

Pedro Acevedo  
Charles Anderson  
Jorge Auge  
Edwin Auty  
K. Baadsgaard  
Ruth Boesch  
William Brewer  
Robert Burns

Richard Butler  
Robert Cant  
K. Carpenter  
Connie Chilla  
Elbert Chukes, Jr.  
Bob Claeyes  
Caryl Cope  
James Crowther

Betty Crunk  
Yassar DaCosta  
Larry Dahl  
Harvey Dalmadge  
Andrew DeRose  
Robert Devincenzi  
Robert DiMenna  
John English  
David Fisher  
Louis Gangone  
Cheryl Gargano  
Marvin Gleiser  
R. Guthormsen  
S. Hartgraves  
Janet Hestekin  
Joseph Holan  
Rogelio Holder  
James Holody  
Jerry Horn

Joseph Jackson  
Valerene Johnson  
William Jones  
H. Kohlstrunk  
Thomas Kottman  
Ralph Kraning  
Richard Kruger  
Thomas Lindsey  
Thomas Maloney  
Michael Mann  
Michael Martin  
Christine Martino  
James McGovern  
E. Mc Williams  
Alfonso Medina  
Oscar Mendoza  
Eugene Meyer  
Thomas Mitchko  
Emilio Morones

Warren Mullen  
Robert Nordberg  
John O'Connell  
B. Omohundro  
Phillip Ostrom  
Jerry Patchman  
Raul Pinedo  
Betty Quinn  
D. Quintas  
R. John Ryan  
Edna Salcido  
Carlos Sarmiento  
Joe Schneider  
Albert Schuler  
J. Sedgwick, Jr.  
Albert Seger  
Paul Sheffield  
B. Solmonson  
Douglas Speed

Thomas Speir  
Sanford Spero  
Gerald Spiers  
William Stark  
Bill Stephenson  
Donald Stump  
Mary Thalacker  
Melvin Thompson  
George Travers  
James Turkowski  
S. Vradenburg  
Latricia Westphal  
Wm. Whitaker, Jr.  
Wendall Williams  
Richard Wolk  
Rosanna Zarzar

# Silverado Challenges Managers: Let's Win In World Competition

Memorex managers from the corners of the world gathered in California toward the end of February for their second annual management meeting.

For four days, 150 Memorex people from a variety of national backgrounds and work environments met at Silverado in the Napa Valley to prepare themselves for the increasingly tough competition ahead.

The managers heard presentations by President **Robert C. Wilson** and members of the Corporate Operating Committee. The presentations reviewed the accomplishments of 1975 and described the problems and opportunities of 1976.

The effect of these sessions at Silverado, and at others held throughout the previous week in Santa Clara, was to improve communications among managers, many of whom are separated by thousands of miles. Information was exchanged face to face, working relationships strengthened, and a feeling of common purpose established.



*Gold Medalist—In the final moments at Silverado, President Wilson was surprised with a gold medallion in recognition of "competitive excellence in all business categories."*

With all Memorex Country Managers in attendance, 19 nations and 29 major cities were represented. In keeping with the international spirit of the gathering, there was an Olympic theme—"competitive excellence."

That theme was the recurring message of President Wilson's keynote address. "1976 is a very special year," he began. "First, it marks the 200th anniversary of American independence. Thus, I like to think of it as the year of the independent—the year of Memorex. It is also the year of the Olympics—the year of competitive excellence. It seems most appropriate, therefore, to make this the year that the leading independent—Memorex—demonstrates its competitive excellence on a worldwide basis."

Looking back, Mr. Wilson said, "1975 was exciting, challenging, and rewarding. It was a year when Memorex encountered and overcame a host of difficulties." He cited such major problems as the worldwide recession, aggressive competition, the fire in Eau Claire, the strike in Liege, the plane crash at Comdata, cash crunches in Italy and Argentina, and the civil war in Beirut.

"Memorex people overcame all of these difficulties and did so in magnificent style," he said. "During 1975, Memorex achieved all-time record revenue, cash, profit. In addition, we accomplished a solidly positive net worth. Our performance reflected credit on all of us." Mr. Wilson went on to say, "There are only a few occasions in life when one has the privilege of participating in such glorious accomplishments in the face of such major adversities."

Recapping 1975, Mr. Wilson cited a number of outstanding achievements, including:

- Record profits of \$18 million
- Breaking through the quarter billion dollar mark in revenue
- Major orders from Digital Equipment Corporation (disc drives), Exxon (computer tape), Korvette (audio tape), Xerox (magnetic cards), General Services Administration (computer tape)



*Against a backdrop of Memorex country flags, each member of the Corporate Operating Committee talked about the accomplishments*

- Competitive additions to the Memorex product line
- Substantially improved attitudes toward Memorex—both inside and outside the company.

"The last key result area—and the most impressive accomplishment of the year," he said, "was in asset management. That means cash—and we wound up the year with over \$40 million in cash—a whopping \$28 million increase over the prior year."

Then Mr. Wilson turned to some of the negatives of 1975. "Although 1975 was an excellent year for Memorex, there were a number of disappointments," the president said. His list included waste costs and the loss of orders because of non-competitive product availability.

Concluding his keynote address, Mr. Wilson said, "We learned both from our victories and our defeats. We made 1975 a year that will long be remembered within Memorex—and within businesses everywhere."

In the next three days at Silverado, each vice president talked about the major achievements of his organization in the past year and the strategies for the future. Of particular interest to the international audience were the presentations made by **William McCalmont**, Vice President and General Manager of

*of his organization in the past year and the challenges ahead. Here, Vice President Robert Erickson reports on the Legal Department.*

EUMEA, and **Marcelo Gumucio**, Vice President and General Manager, Americas & Asia. They both touched on the geopolitical situations in Memorex countries around the world and the problems facing a multi-national corporation today.

Silverado's Olympic theme was underscored with the appearance of Bill Toomey, 1968 gold medalist in the Decathlon, as guest speaker—and with an "Olympic" awards ceremony. On the last night, 26 managers who had made outstanding contributions to Memorex in 1975 were recognized. Each of them received an inscribed baton



*The Company's most widely scattered management team—the Country Managers of Americas & Asia—convened in Santa Clara the week before Silverado. After one of their many meetings, they were photographed with the A&A headquarters staff and Memorex President Robert Wilson.*

## Montgomery Cites Positive Net Worth As 'Major Victory'

In President Wilson's closing remarks at Silverado, he said, "This Memorex team is well on its way to earning the reputation for being the finest in its industry. All Memorex employees should have been with us. Since that was not possible, each of us must carry the spirit of Silverado back home and make sure that all of our associates are given the opportunity to be on the Memorex team."

Upon returning to their scattered locations, a number of managers gave reports on the Silverado conference. One of the largest such meetings was that called by **Henry Montgomery**, Vice President, Finance, who repeated his Silverado presentation for all 375 members of his staff in Santa Clara.

Speaking to the finance organization in three different sessions, Montgomery recalled the major victories of 1975: record profits of \$18 million, a cash balance of \$40 million, and positive net worth of \$3.1 million.

"To me, as a financial man, the achievement of a positive net worth was a major victory," he said. "It took extra effort to get us to the \$3.1 million mark in 1975 and you deserve great credit for this victory. When you look at the \$87 million of negative net worth at the end of 1973, which means quite simply that our liabilities were \$87 million more than our assets, you must each of you take great pride in that \$90 million of improvement in only two years."

In looking to the future, Montgomery cited a number of challenges, including continued debt reduction and the restoration of positive common shareholders equity (as opposed to total net worth), which will require a \$60 million improvement.

Concluding the 45-minute presentation to his staff, Montgomery said, "I believe that the future events are going to be the more difficult ones. They will require greater skill, greater professionalism, greater strength and conditioning and improved winning attitudes. This Memorex team is in training to win those future events."



## Recover \$125,000 in First Year

# Electronic Sleuths Track Down Bugs in PCBs

It is 3:00 in the morning in Santa Clara, and in the southwest corner of Building 10, the graveyard crew is hard at work. For **Steve Cavigliano**, however, it's time to take a break—time to find his partner, **Art DeBord**. The PCB he's been working on looks OK, but it won't check out. Maybe DeBord, who's up front in the final machine test area, can suggest what to try next.

For the past year, Steve Cavigliano and Art DeBord of PCB Test have been involved in a project that has saved Memorex thousands of dollars a month. The two men de-bug printed circuit boards (PCBs) that pass the board-level testing procedure but somehow fail in the dry run on disc drives or controllers. It is not a repair or reconditioning job, but a de-bugging of brand new equipment.

Until January of 1975, there was no formal program for handling these boards. The faulty PCBs were simply carted off to a storage cage where they stacked up. In the first year DeBord and Cavigliano had the assignment, they put some 1,200 boards worth more than \$125,000 in circulation.

Printed circuit boards might be considered the heart of Memorex hardware. They are used in every computer peripheral Memorex makes. They come

## Engineering Group Gives Award to Wilson

President **Robert C. Wilson** has been named a recipient of the 1976 Progress Award from the Society of Manufacturing Engineers. He is one of seven leading international industrialists and educators being honored for outstanding professional achievement by the SME.

The citation states: "To Robert C. Wilson ... industrialist and manufacturing engineer personified. In moving from brilliant student of engineering to manufacturing executive par excellence, he has significantly improved the fortunes of several of our largest corporations while imparting to each a touch of the superlative." The award will be presented at SME's annual banquet in Cleveland, Ohio, April 26.



Looking for "bugs," Art DeBord and Steve Cavigliano test a rejected PCB.

in all shapes and sizes and range in cost from \$40 to \$500 apiece. There are more than 500 different types, 95 of which DeBord and Cavigliano tackle.

For Electronics Technicians Cavigliano and DeBord, de-bugging "normal" PCBs is just all in a night's work. But the boards they're working with in this program are another story. Dubbed "two-time losers," these boards have been rejected twice in final testing. Finding out what caused that failure is often difficult.

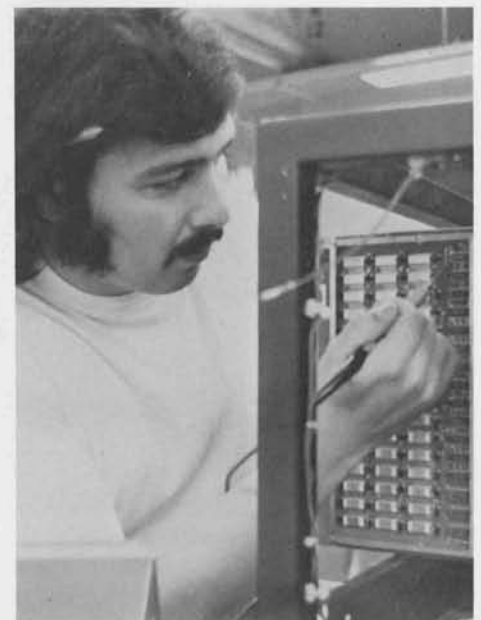
"Sometimes it seems like there's *nothing* physically wrong with a board—but it still won't work," said DeBord. "One problem is that a new board can cause many of the other boards in a machine to malfunction. You often have to test a number of PCBs to find the one that's originating the problem."

In their de-bugging project, Cavigliano and DeBord have had to become thoroughly familiar with 10 different models of disc drives, controllers, terminals. "We spend a lot of time testing boards in parts of the actual system," said Cavigliano. "We know almost as much about the machines as we do about our PCBs."

That knowledge has paid off not only in dollars saved, but in improved quality. "We're bettering the quality of our product through this program," said **John Weathers**, supervisor of the graveyard shift in PCB Test. "By de-bugging, we're finding problems which, if nobody looked at, would linger on and continue to haunt us."

Cavigliano and DeBord keep a log on all the PCBs they work on; the history of a particular board is there at a glance, and they can tell immediately if they're tackling a new or repeated malfunction.

The time spent on the de-bugging project in 1975 amounted to one and a half full-time jobs. Looking back on the first fifteen months of the program, **Gene Ousterling**, Manager of PCB Operations, said he thinks it has fulfilled several basic Memorex goals. "The problems we've uncovered and the records we've kept have been used to enhance board-level tests and eliminate design problems," he said. "We're retrieving dollars from boards that would otherwise be scrapped. And having those boards available helps us meet our schedule."



## Company Stock Available Through Payroll Deductions

Memorex employees in the U.S. can now purchase the Company's common stock through payroll deductions.

Under the Monthly Stock Investment Plan that went into effect March 1, employees can set aside up to 10 percent of their base period salary or wages toward the purchase of Memorex common stock. The minimum investment is \$5 per biweekly pay period (or \$5.50 for those on a semi-monthly cycle).

E.F. Hutton & Company has been designated stockbroker, and Memorex pays commissions and service fees on all stock purchased through the plan.

Brochures from E.F. Hutton explaining the plan were distributed in February. Extra copies of the brochure, which included authorization and purchase order forms, are available at any local Industrial Relations or branch office.

The program is open to all permanent U.S. employees who have reached legal age in their respective states. As of March 31, more than 300 employees had enrolled.



*Merry Bakker at work.*

## All in the Family

When **Merry Bakker** came to work at Memorex 10 years ago, she didn't know it, but she was starting a family tradition. Since then, two of her daughters, **Jackie** and **Robin**, have become employees, and she's also acquired a son-in-law at Memorex, **Ted Briscoe**. Merry is in Videotape Finishing in Consumer & Business Media; Robin loads audio cassette tapes for CBM; Jackie loads computer tape for Computer Media; and Ted is a Coating Operator in the Coating Department of CBM. Between them, they have nearly 20 years with the Company. Do they talk shop at home? "Well, with four of us working here, it's sort of hard not to," says Merry.

*A Memorex family: Ted Briscoe, Robin Briscoe, Merry Bakker, Jackie Bakker.*



## I-R Survey Samples Employee Attitudes

What are three things you like about Memorex or your job? What are three things you don't like?

Since January, 225 U.S. Memorex employees have been asked those two questions—and others—as part of a long-term study of employee attitudes. Each month, members of the Industrial Relations staff have been asking a cross-section of employees how they feel about their jobs, their careers, and the Company.

The responses are confidential—there's no record kept of who said what—and revealing. "This is the first time we've had such a survey," said **Greg Goodere**, Industrial Relations Representative, "and we're learning a lot about what bothers people or pleases them about their work."

Every month, 75 employees are polled—25 from each of the three operating groups (Equipment, Computer Media, Consumer & Business Media). The

names are picked at random, though they are evenly divided among the five job classifications—production/technical, administrative, field sales & service, professional, and managerial. Swing and graveyard shifts are included. Once an employee participates, his or her name is removed from the survey pool.

The first part of the survey consists of 10 questions requiring multiple-choice answers. The second part is an open-ended question: what are three things you like about Memorex this month and three things you don't like? Answers to this section of the survey have ranged from concern about product availability and communication to comments about parking and overtime.

"Although people can talk about anything relating to their job, we've found that some topics come up again and again," said Goodere. "We've also found that there's significant variation from one operating group to the next."

Goodere said he hoped that employees would think about what they might say if they are contacted. "We don't want questions from I-R to come as a total surprise. We hope that people will be both candid and thoughtful in their answers."

In addition to the survey, Industrial Relations is using some "hard" statistics to help assess employee attitudes. These figures include such generally accepted indicators of attitude as percentage of turnover and absenteeism, the amount of lost time resulting from industrial accidents, the number of internal promotions, and several other factors. These figures are charted every month in an employee "attitude index."

The index results, along with those of the survey, are presented at the monthly meeting of the Corporate Operating Committee. It is expected that the survey will be continued as "an ongoing way of listening to Memorex people," said Goodere.



# Memorex, BST Jointly Pursue System/3 Market

Back in 1974 when the OEM Division was just getting started, one of its first customers was a young Southern California computer peripherals firm called Business Systems Technology. BST was in the market for a disc drive to sell for the small System/3 computer. The Memorex 660 drive filled the bill, and BST placed an order.

Since then, an affiliation has developed between Memorex and BST whereby both companies market hardware made by the other. BST sells the Memorex 660 drive under its label in the U.S. In Europe, Japan, Australia, and Latin America, BST core memories and disc controllers are offered under the Memorex name.

In addition, Memorex services BST equipment in the U.S. and sells the BST line in Canada. "There's no doubt about it—this is a unique relationship," said **A. Keith Plant**, General Manager of the OEM Division. "It's unusual for two companies to cooperate in such a variety of ways. But what we together can offer is tremendously attractive to small businesses. This used to be the kind of package available only to customers of large systems."

BST, which was founded in 1972, is an impressive success story. At the end of its third operating year, the small Orange County firm had chalked up gross revenues of \$6 million.

## Think Money, Save a Watt

Do you know how expensive it is to use a portable floor heater? Or how much money can be saved monthly by shutting off the lights and typewriters in your area when you leave the office? These and other questions will be explored and answered during the Company's new energy conservation program.

The Corporate-wide campaign to eliminate waste will feature tips for energy conservation at home and in the office. Employees from both the Memorex Drive and San Tomas complexes will participate in this program. The initial focus will be reducing lighting expenditures; details will be provided as the program gets underway.



*Del Elder, President of Business Systems Technology, with a shipment of 660 disc drives from Memorex. The drives will be sold under the BST logo.*

The founder and president of BST is Del Elder, an engineer who spent 23 years in the computer industry before starting his own company. First as a field rep for IBM, later as director of engineering at Varian, where he concentrated on minicomputers, Elder came to appreciate the needs of the small business computer user who requires a compact, economical processor to perform a variety of tasks.

The most popular system with small businesses is the System/3; today, there are 30,000 System/3s in use worldwide. In 1972, the market seemed ripe for an alternative peripherals package, and BST went to work to provide it.

Reliability is particularly important to the small business computer user, says Elder. "With a big guy, his disc drives can die, and he'll have a few spares. His keypunch goes, he's got a spare. Same with the tape drives. Maybe he can still get by with a little dead memory. Not so with the System/3 user. If something dies, that man is out of business."

Offering a peripherals package that would keep that man in business was the idea behind BST. Today, the Irvine-based firm has 125 employees and is billing more than 1,000 customers.

BST started out with a core memory, then added a disc drive and a printer; there are also BST controllers for each

of the products. Memorex is the sole supplier of the 20-megabyte disc drives; so far BST has purchased or leased more than 450 of them.

The multi-angled alliance between Memorex and BST has significant advantages. New and still relatively small, BST gains the benefits of Memorex's international marketing and service organization. For Memorex, selling BST abroad (under the Memorex logo) means the Company now has a complete System/3 peripherals line to offer overseas.

Both companies are OEM customers of the other—BST for the 660 drive; Memorex for BST memories and disc controllers. Memorex's contract to provide service to BST installations in the U.S. and overseas is a significant addition to the Company's growing Third Party Maintenance program. In Canada, where BST has no sales force, Memorex marketing people sell BST equipment under the BST label and collect a commission for it.

Chief Memorex liaison with BST is **Don Hazelton**, Western Regional Manager, OEM Division, who has his office at Comdata, practically next door to BST's Irvine headquarters. **Ted Price**, Field Service Manager for EUMEA, coordinates European BST activities, and **Tom Edwards**, Manager, Memorex Field Service, oversees the U.S. maintenance program.

# Digital Places Major Orders With Memorex

In the past three months, Memorex has received two orders from Digital Equipment Corporation totaling \$4.4 million. The orders are for the Model 677 disc drive, the newest addition to the OEM equipment line.

The initial order for approximately \$1.9 million-worth of drives was placed at the end of December and the follow-on order for \$2.5 million at the end of February. Deliveries began early this year.

In a talk before the OEM Division, President **Robert C. Wilson** said, "There have been very few events in the history of Memorex as significant as the Digital order. The OEM Division has come a long, long way since its founding in August of 1974. The winning of this order is the best possible way to inform the world that it is establishing a new capital for the OEM business."

The 677 is a convertible, single-spindle drive which can be operated at either 100-megabyte or 200-megabyte capacity.

According to **A. Keith Plant**, General Manager of the OEM Division, the 677 was chosen by Digital because of its performance and Memorex's high-quality maintenance program. Digital is the world's largest minicomputer manufacturer.



**IN GOVERNMENT SERVICE**—Memorex Canada Ltd. was recently awarded a contract to supply disc drives to the Ontario Ministry of Government Services. The Downsview Computing Branch of the Ministry leased 12 double density 3675 disc drives and two single density 3670 drives. Shown signing the contract on behalf of the Ontario government is the Honorable Margaret Scrivener, Minister of Government Services. Also on hand for the ceremonies were (l-r) L. Belanger, Director, Downsview Computing Branch; B.D. Sears, President of Memorex Canada Ltd.; A. Leech, Executive Director, Ministry of Transportation & Communications; and P. Campbell, Memorex Canada Ltd.

## Newest Memorex Product

### 1377 Display Terminal Selling Well

Memorex's newest product, the 1377 display station, is off to a promising start. Since the 1377's introduction at a data communications conference in New Orleans in February, a substantial number of orders have been placed.

The 1377 marks the Company's entry into the video display terminal field. "We are really enthusiastic about getting into this area—it's a market with tremendous growth potential," said 1377 Product Manager **Roger Farrow**. "And, of course, I mean a worldwide market. We've already installed a 1377 demo unit

in Maastricht, Holland, for the Dutch equivalent of the Federal Aviation Administration."

The 1377 was unveiled at Datacomm '76, a conference for data communications users. More than 50 firms participated in the New Orleans event. On the first day of the conference, Memorex held a press briefing for trade editors; in addition to demonstrating the 1377, Memorex people provided a technical update on the Company's data communications line.

## Two 'Old-timers' in Peru Celebrate Anniversaries



Rosanna Zarzar and Pedro Acevedo

In Peru, half of Memorex recently celebrated five-year anniversaries. On the four-member staff of Memorex S.R.L. in Lima, that means Secretary **Rosanna Zarzar** and Office Clerk **Pedro Acevedo**.

Rosanna marked her fifth anniversary on January 12 and Pedro on February 1. They have been with Memorex almost as long as Memorex has been in Peru.

Two years ago, a number of Santa Clara employees met Rosanna when she visited Memorex headquarters during a vacation trip to the U.S. While here, she toured the manufacturing facilities and

spent several days with Americas & Asia staffers.

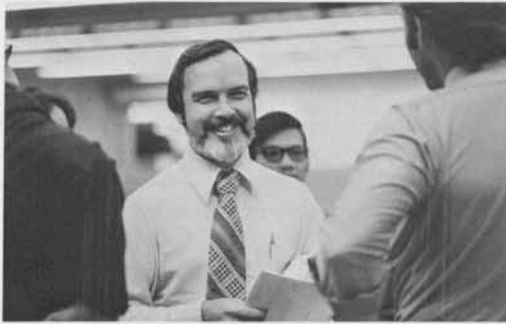
**Pedro Descailleaux**, Peru Country Manager, is warm in his praise of his associates. "Rosanna understands the business perfectly," he said. "She helps me a lot when I have to make a trip and handles all the problems when I'm away. She speaks and writes beautiful English and is very efficient—she's always after me to keep my desk neat. If Rosanna's my right hand, Pedro is my left. He handles collections and banking and is well-documented on all our customers. Those two, plus our accountant, **Carlos Espinosa**, keep everything going."





## 1976 — a Year of Anniversaries

Memorex is starting to have a core of "old-timers." Here are 18 employees who've recently celebrated their 10th anniversary with the Company. (Left) **Richard Rippel** and **Alfred Peters** of Consumer and Business Media reminisce about the early days. (Below left) **Michael Studulski** enjoys the congratulations of a co-worker in Equipment Products. (Below center) For **Bert Hills** (left) of Computer Media, his 10-year anniversary coincided with his retirement. Vice President **James Dobbie** (right) presented gold clocks to Hills and fellow 10-year employees, **Marty Jenkins** and **Fred Siau**. (Below right) **Ron Porter**, who works on the graveyard shift in Computer Media, enjoyed a breakfast celebration.



## New Assignments

(Editor's note: Because of space limitations, we are only able to list "organizational" promotions in Intercom. Industrial Relations defines the organizational promotion as "characterized by an immediate, significant change in an individual's assigned job duties. The new duties must be substantially different and more complex as soon as the employee is promoted." Example: Engineer to Engineering Manager or Receptionist to Accounting Clerk B.)

**Otis Adcock** to Supervisor, Equipment Manufacturing  
**Jeffrey Anderson** to Area Manager, Professional Products  
**Frederick Ansell** to Manager, Process Engineering  
**Anthony Antonik** to Branch Sales Manager  
**Steven Bailey** to Inventory Clerk  
**Mike Balderas** to Chemical Technician C  
**Richard Barry** to Zone Manager, CBM  
**Gerald Bendinelli** to Manager, Materials—CBM  
**Judy Blades** to Manager, Administrative Services—Finance  
**Dwaine Bowman** to Zone Manager, CBM  
**Casey Boyes** to Statistical Clerk  
**Sherrie Brooks** to Litigation Support Analyst  
**Wanda Brown** to Product Tester  
**Barton Byron** to Field Manager, Field Support  
**Lowell Carpenter** to Manager, Media Marketing—A&A  
**Armando Castaneda** to Inprocess Inspector B  
**Lois Casti** to Inprocess Inspector B  
**John Clemens** to Director, Engineering

**Shirley Colter** to Assoc. Credit Representative  
**Phillip Copen** to Senior Sales Representative  
**Theodore Cutler** to General Manager, Audio Division—CBM  
**Michael Cunningham** to Associate Product Test Technician  
**John Davis** to Product Manager, EPG  
**Geraldine Daughtry** to Associate Product Test Technician  
**William Deckman** to Test Lab Technician C  
**Richard De La Cruz** to Engineering Specialist  
**Sandra Dobbs** to Material Planner  
**Donna Dolezal** to Document Coder/Screenener  
**Magdalena Donato** to Inprocess Inspector B  
**David Dornan** to Zone Manager, CBM  
**Terry Dukes** to Supervisor, Tape Operations—CMG  
**Edward Dunn** to Manager, Recon Test—EPG  
**Barry Eaton** to Engineer I  
**William Eaton** to Senior Field Service Representative  
**Tom Edwards** to Manager, Field Service—EPG  
**Thomas Enoch** to Associate Product Test Technician  
**Roy Ericson** to Engineering Technician A  
**William Etheredge, Jr.** to Branch Sales Manager  
**Michael Field** to Manager, Materials—CBM  
**Joe Figueroa** to Supervisor, Reclaim—CMG  
**Richard Foulk** to Production Control Expeditor  
**Calvin Gafford** to Supervisor, Maintenance  
**Richard Garcia** to Senior Warehouse Worker  
**Cheryl Gargano** to Personnel Assistant  
**Alice Gentry** to Secretary A  
**Mark Gettings** to Coating Operator B  
**Parviz Ghajar** to Manager, Electrical Engineering  
**Lee Gomez** to Marketing Product Analyst  
**Diane Gonsalves**, to Accounting Associate  
**Roberta Good** to Commission Specialist B

**Morris Grainger** to Branch Sales Manager  
**Kimberly Gresham** to General Clerk A  
**Sharon Griffin** to Sales Representative I  
**Victoria Griverts** to Customer Service Representative  
**Gregory Grodhaus** to Branch Sales Manager  
**David Guercio** to Sales Administrator  
**David Hanson** to Buyer  
**Joseph Harrison** to Manager, Data Processing Operations  
**Patricia Hesselgrave** to Accounting Associate  
**Irene Hirota** to Inprocess Inspector B  
**Kenneth Hobbie** to Territory Supervisor  
**David Hogan** to Receiving Inspector C  
**Joseph Holan** to Engineer I  
**John Hughes** to Field Manager, Field Support  
**Billy Hunter** to Maintenance Technician I  
**J. Jackson** to Branch Sales Manager  
**Jonathan Jones** to Production Control Expeditor  
**Benjamin Keller** to Senior Buyer  
**James La Toore** to Branch Sales Manager  
**Nancy Lawson** to Finishing Mat Handler  
**Thomas Lee** to Senior Production Test Technician  
**Carol Ledger** to Inprocess Inspector B  
**Andrew Leon** to Manager, Electrical Development—EPG  
**Arlene Levy** to Financial Administrator  
**Anthony Lobianco** to Spare Parts Planner  
**Linda Lopez** to Accounting Specialist B  
**Alison Lupien** to Senior Engineering Technician  
**Ricky Maples** to Test Lab Technician B  
**Stephen Marks** to Production Control Specialist  
**Irene Martinez** to Product Test Technician  
**Mary Martinez** to Inprocess Inspector B  
**Carrie Martinsen** to Order Correspondent B



(Above) Four members of Computer Media — **Roy Hurlig**, **Troy Mullens**, **Marie Wright**, and **Nellie Thielsen** — were honored at an anniversary luncheon in February. (Below) Another four CM employees marked their 10th anniversary in March — (left to right) **Virgil Hardman**, **Beatrice Burgos**, **Cecilla Parker**, and **Masako Lagier**.



**Al Hernandez** of Manufacturing Control in EPG marked his 10-year anniversary February 28.



Comdata Division was 10 years old last October, and at the end of the year, two of Comdata's first employees, **Willis McCauley** and **Duane Olson**, celebrated their 10th anniversary with Memorex. They are shown with Comdata General Manager **Howard Earhart** (center).



**Kenneth Masco** to Field Manager, Field Support

**John Massara** to Manufacturing Dispatcher  
**Leslie Mc Clane** to Senior Engineer, Q.C.  
**George Mc Cormick** to District Manager—CBM

**Nancy McManus** to Associate Credit Representative

**James Mc Nally** to Associate Buyer  
**Edward Mensinger** to Department Scheduler  
**Keith Mercer** to Buyer Assistant  
**Sharon Merritt** to Scheduler Controller  
**Dewaine Miller** to Area Manager—Professional Products

**Richard Moon** to Technical Instructor  
**Patricia Mosca** to Order Correspondent B  
**C. Pat Mundy** to General Manager, Word Processing Division

**Ramchand Nagpal** to Manager, Materials—CMG

**Roy Nelson** to Supervisor, Engineering, R and D

**Luis Nunes** to Product Tester  
**David O'Connor** to Major Account Specialist—CMG

**Thomas O'Keefe** to Manager, Customer Service—EPG

**Donna Paoletti** to Senior Document Control Clerk

**Patricia Pare** to Video Test Operator B  
**Paul Peters** to Asset Control Specialist  
**Evelyn Peterson** to Accounting Specialist A  
**Lynn Purvis** to Molding Utility Operator  
**Douglas Revis** to Associate Engineer  
**Marsha Richards** to Contract Administrator, Purchasing

**John Rivas** to Test Lab Technician B  
**Nettie Roberts** to Field Commission Coordinator

**Shirley Robinson** to Secretary A

**John Rohrer** to Manager, Audio Marketing—CBM

**Sharon Rondone** to Department Technical Assembly

**Abdul Rydhan** to Engineer I  
**Debra Sanfilippo** to Document Coder/Screener

**Henrietta Serrano** to Finishing Mat Handler  
**Melinda Sheffield** to Accounting Specialist A  
**Bertha Simas** to Inprocess Inspector B  
**Orvell Smoot** to Systems Analyst  
**Ronald Sodano** to Production Control Expeditor

**JoAnna Solorzano** to Manufacturing Engineering Aide II  
**Nancy Sprinkles** to Video Test Operator B  
**Mary Starling** to Data Processing Center Clerk A

**Charles Swanson** to Inprocess Inspector C  
**John Tanner** to Department Supervisor—Technical Products  
**Lorene Tarp** to Packaging Specialist  
**Gary Teshera** to Engineering Specialist  
**Connie Velasco** to Inprocess Inspector B  
**Eleanore Villarreal** to Inprocess Inspector B  
**Barbara Walker** to Test Lab Technician B  
**Monte Watson** to Major Account Specialist—CMG

**James Welch** to Regional Sales Manager  
**Harry Wellman** to Production Scheduler  
**Charlene White** to Associate Accountant  
**Llewellyn White** to Department Manager—Engineering  
**David Whiteley** to Production Control Expeditor

**Sandra Willard** to Sales Trainee  
**Coy Williams** to Production Inspector  
**Colleen Wilson** to Video Test Operator B  
**Muriel Wilson** to Commission Specialist B  
**Lily Wong** to Inprocess Inspector B  
**Clarence Wright** to Production Control Specialist

## Memorex Honored As Outstanding '75 Manufacturer

Memorex has been named Manufacturer of the Year by the Santa Clara Valley chapter of the Society of Manufacturing Engineers.

The award is presented annually to the industrial company in the Santa Clara Valley that "has exhibited the most noteworthy accomplishment in manufacturing engineering and manufacturing management," according to Jim Gower of the SME awards committee. "We felt that Memorex was the obvious winner because of the 1974-75 turnaround."

**George Bragg**, Vice President of Corporate Development, will accept the award on behalf of Memorex at a banquet given by the Society on May 18. As guest speaker for the evening, he will talk about "Memorex '76."

"We'd like to have Memorex employees attend the dinner at Mariani's Restaurant," said Gower. "They can make reservations by calling Jim Hogg of Lockheed at 742-7843."



# Memorex Reports Record Quarterly Earnings

Last week Memorex announced record first quarter earnings. Net income for the first quarter of 1976 was \$9,083,000, or \$1.66 per share. This compares to net income of \$1,583,000, or 36 cents per share, for the first quarter of 1975.

Total revenues for the first quarter of this year were \$79,419,000, an increase of 29 percent above the similar 1975 period of \$61,625,000.

Cash and short term investment balances at March 31, 1976, were \$37.3 million compared to \$15.9 million at March 31, 1975. Cash at year-end 1975

was \$40.2 million. During the current quarter the Company repaid \$11.0 million of senior notes.

Net income for the first quarter of 1976 includes an extraordinary credit of \$3,794,000, or 71 cents per share, resulting from income tax benefits due to tax loss carryforwards. For the first quarter of 1975, tax loss carryforward benefits were \$575,000, or 13 cents per share.

Memorex President **Robert C. Wilson** cited continued sales increases and improved productivity as major reasons

for the Company's improved profitability. Gains on foreign exchange adjustments and reduced interest expense also contributed.

In a letter to employees, President Wilson said, "The first quarter of 1976 reflected the continuing progress within Memorex. The strengthening economy was partially responsible, but most of the credit must go to the initiative of Memorex employees. As a result of our combined efforts, employment has increased and more opportunities for promotion and personal growth have been created."

## News in Brief

### Martin Takes Charge of Computer Tape Division

**Richard W. Martin** has been appointed General Manager of the Computer Tape Division. He will report directly to **James Dobbie**, Vice President and General Manager, Computer Media Group.

Before coming to Memorex, Martin worked for ten years at Fairchild Camera and Instrument Corp., where he most recently served as Vice President, Transistor Products Division. In earlier positions at Fairchild, he was Vice President of the Diode Division, General Manager of the Far East subsidiary based in Hong Kong, and General Manager of Latin America operations.

Martin received his Bachelor of Science degree in Electrical Engineering from Stanford University in 1959.

### Nadeau Named to Top Communications Post

**Remi Nadeau** has been appointed Manager of Corporate Communications. Reporting to him are **Robert V. Spelleri**, Manager of Corporate Public Relations, and **Robert R. Murray**, Manager of Corporate Advertising and Sales Promotion.

Nadeau comes to Memorex from Rockwell International in Pittsburgh, Pa., where he served as Director of Public Relations. With Rockwell for 15 years, he held positions in Los Angeles, Dallas, and Pittsburgh. In 1973 he was Director of Advertising and Public Relations for Collins Radio in Dallas.



**RETIREMENT** — Senior Warehouse Worker **Bill Johnson** retired from Memorex December 31 after six and a half years with the Company. Here he chats with his boss, Art Hazard.

For three years Nadeau served as Special Assistant to the U.S. Attorney General. He is a graduate of Stanford University and the author of seven books on California and Western history.

Nadeau will report to **George Bragg**, Vice President of Corporate Development.

### Word Processing Names New Product Manager

**Albert Pepper** has been named Product Manager for magnetic media in Memorex's Word Processing Division. He will be responsible for the development, merchandising, and promotion of Memorex's magnetic tape cartridges and magnetic cards for automatic typewriters, as well as dictation belts, cassettes, and floppy discs for text editors. Prior to joining Memorex, Pepper was Product Manager at Glenbrook Laboratories.

### Housekeeping Contest

*(Continued from page 3)*

tion Lab in Equipment Products as the best laboratory. The miscellaneous "other" category was won by the Silk-screen area of Computer Media. Grand prize for the most improved area went to the second floor offices in Disc Pack, Computer Media.

**Jesse Cogburn** was singled out for his individual effort in the Machine Shop of Equipment Products. "He kept after everyone in the area to keep things cleaned up," said **Gene Gilman**, Manager of Safety and Health Services, and one of the judges of the contest.

Three unannounced inspections were made over a three-week period by the two regular workers' safety committees. "They did an extremely conscientious job. Much of the credit for the success of the program has to go to them," said Gilman. A Housekeeping Committee appointed by Personnel Services handled the final judging.

Each winning group was honored at a buffet luncheon, and every member of the group was entered in a drawing for prizes valued at \$100 each. Large divisions received as many as five prizes. The winning groups were also given plaques for their areas.

"The purpose of the contest," said **Ernie Tydell**, Manager of Personnel Services, "was to plant the seed for the idea of housekeeping throughout the year. To our customers who visit, clean, attractive work areas show that we care not only about the excellence of our products, but about the quality of our environment as well."