

microwire

MOD MAKES NEW MOVE

A new 80,000 square-foot facility is a welcome site for 350 MOD employees. Located at 3500 Deer Creek Drive in Palo Alto, this two-story building has consolidated six locations — three units from Mountain View, two from R&D, and one from Systems Technology.

The six units that are now settled at the new facility are: the transducer group, under **Ted Deuel**; R.F. devices and circuits; R.F. products formerly made and marketed by the semiconductor division; optoelectronics and display, under **Bob Zettler**; microwave subsystems, headed up by **Phil Baslin**; and wafer fabrication and materials, under **George Schnear**.



Dr. John Atalla, vice president and general manager, said, "1970 was our development year, and 1971 will be our marketing year." The MOD division is planning OEM sales to markets such as makers of meters and cable TV equipment. But it also is developing proprietary end products, such as a radio paging system, which will not only alert the customer to a phone call, but also will display the calling number.

Other products planned include a downed aircraft beacon, and doppler radar for automobiles. According to Dr. Atalla, "It will have to be built cheaply for that market — say \$25. But if somebody gives me an order tomorrow for 100,000, I can deliver at that price."

ON THE LINE



With **Wilf Corrigan**, Vice President and General Manager — Domestic Operations.

Are we on the road to recovery following the economic recession which seriously affected the electronics and semiconductor industries?

Yes! I think it's important everybody understands that 1970 was a most unusual year. The economic recession in 1970 was so severe that for the first time in the last ten years, the sales of the total electronics industry went down.

In the semiconductor industry, as we service the electronics industry, any changes are magnified back to semiconductor manufacturing. When the electronics industry goes down, the negative effect on the semiconductor industry is more drastic. Conversely, when the electronics industry increases, the demand for semiconductors goes up more rapidly.

We did not anticipate the magnitude of the impact that the recession would have on the semiconductor industry. Every quarter throughout 1970 recorded progressively lower sales and bookings — our backlog continued to decrease. That trend was reversed in January, and with some degree of confidence, we now can say that as a total division, we have seen and

continue to see an upturn of business activity. Again, it's not a rapid growth, but more of a steady upturn in business. This gives us plenty of ground for optimism over the next six months.

What can we do as employees to improve the company's position?

The key thing that we need to do is improve our position in the marketplace. There are two basic elements to consider — pricing and service. Let's discuss pricing first. The principal strategy in our industry in 1970 was cutting prices. Our approach is not to be a price leader, but to be the company that provides the customer with the best service and quality.

This brings me to the area where every employee can help increase on sales through better service. As a company, we have a very moderate image of "service to the customer". In general, we need to be much more responsive to the customer to improve our service. It's just like if you go into a store and receive poor service, you probably won't go back — well, it's the same in business. It's not just the responsibility of marketing people or customer service people — it's the attitude of the entire organization which when added up spells customer orientation. That was the key behind the Customer Shoes Program and our present NOW Program to encourage employees to realize that what they do or fail to do, impacts the customer.

What are the results of the first quarter?

First quarter for 1971 was much better than fourth quarter for 1970. Our sales were up and our profit performance improved significantly also. All indications point to the fact that the second quarter will be even better and we should continue to see a positive trend throughout the year. This doesn't mean we will be rapidly expanding and hiring a lot of people. We're certainly on an even keel and business looks reasonable, in some areas, and very good in others. We will however, continue to monitor our expenses very carefully to keep them in line with our sales.