

# INTERCOM

A Newsmagazine for Memorex Employees  
Volume 12/January, 1975



## Memorex Makes Financial Gains

SANTA CLARA, Calif. — Although results for the third quarter at Memorex, Inc. were "not satisfactory," significant gains were made in the firm's overall financial condition, Robert C. Wilson, Memorex's president, said.

A \$900,000 credit stemming from debt restructuring reduced Memorex's third-quarter loss to \$143,000 or 3 cents a share compared with \$3.9 million or 89 cents a share in the year-ago period.

Revenues rose 30% to \$56.2 million from \$43.2 million in the same 1973 period. Most of the increase was from sales, which rose to \$31.1 million from \$19.2 million, rather than rental and service revenues.

Wilson pointed out internal and service revenues rose to \$16.7 million from \$12.5 million in the same period.

## Memorex Broadens Services

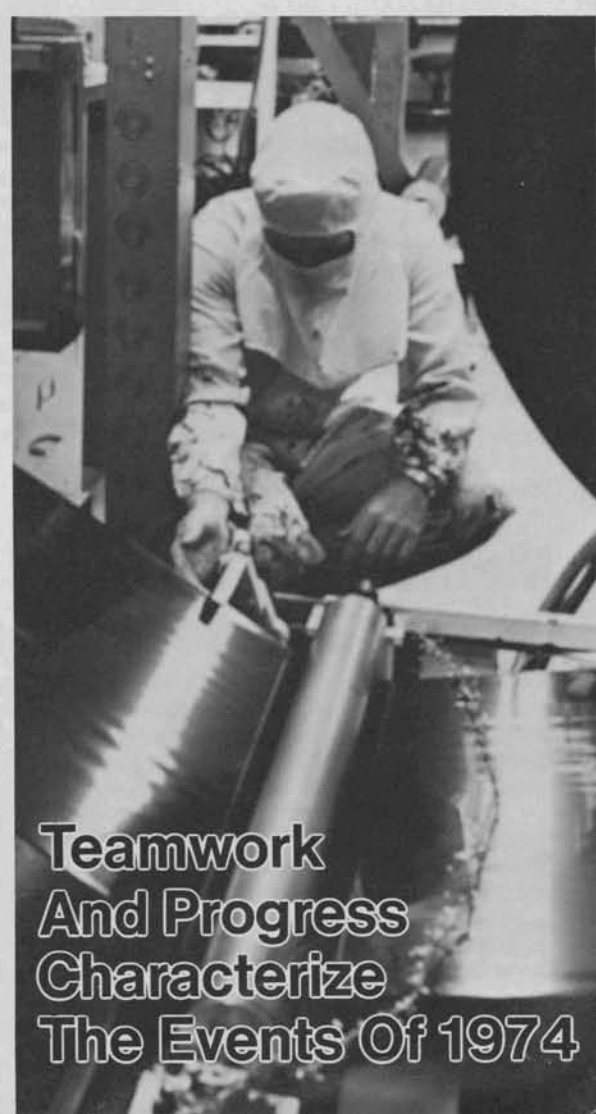
## Memorex Revenues Up 19.5% Over Last Year

SANTA CLARA — Memorex Corp. announced that revenues for the six months ended June 30, 1974 were \$101,884,000, up from \$85,282,000 in the first half of 1973, an increase of 19.5%.

Wilson emphasized that Memorex intends to stay in the communications-terminal business, but indicated that the company will continue to scrutinize the light of current

## Memorex, BST Sign Agreement

Memorex, Santa Clara, and Business Systems Technology, Oregon, announced an agreement which calls for BST to lease and purchase a large number of Memorex 3670 disc drive models two years.



Teamwork  
And Progress  
Characterize  
The Events Of 1974



## Computer Storage Line Expanded

# Company Begins Marketing Semiconductor Add-On Memory Devices For System 360/370 Processors

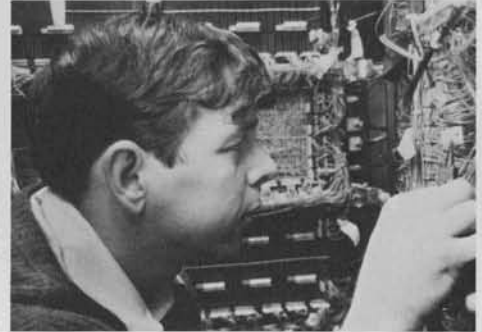
In a major addition to its computer peripheral equipment line, Memorex has begun marketing a family of IBM plug-compatible semiconductor main memory systems on a purchase or lease basis.

Called the Memorex 6000 Series, the new add-on semiconductor memory systems extend the usable capacity of the internal main memory of select models of System 360/370 Central Processing Units (CPU's), in some cases beyond the CPU's original maximum memory capacity.

"The Memorex 6000 Series memories offer significant cost advantages ranging from 30 to 65 per cent of the purchase price of equivalent IBM supplied memories," says **George Dashiell**, VP for Equipment Marketing.

"This new family of memory products, along with our disc storage equipment line, expands Memorex's capability to serve the growing needs of our data processing customer base," said Dashiell.

"The 6000 Series is a natural extension of Memorex's product line as a large portion of our equipment and computer media customers are actual or prospective users of add-on memories. And since the new memories are installed and maintained by Memorex's worldwide service organization, we can offer customers the same high quality service support that we provide users of our other peripheral products," Dashiell added.



Making modifications on a computer for direct attachment to the Memorex 6145 Memory System is **Chuck Cochran**. Cochran is a member of the Company's team of Memory Products Specialists.

## Dobbie Elected Vice President For Computer Media

The election of James Dobbie to Vice President and General Manager of Memorex's Computer Media Group has been announced by **Robert C. Wilson**, Chairman and President.

Dobbie, 44, formerly was Executive Vice President of Varian Data Machines, responsible for all line and staff functions.

In his new position he will be responsible for all operations associated with Memorex's computer tape, disc pack, and plastic components product lines.

He joined Varian in 1971 as Vice President - Engineering; following a year with Raytheon Data Systems as Director of Engineering.

Earlier, Dobbie spent nine years with General Electric, leaving the company in 1970 as Manager - Systems Engineering in the Information Systems Division.

A native of Scotland, he came to the U.S. in 1957 and became an Engineer in Westinghouse Electric Corporation's Industrial Process Controls Division.

Upon his graduation in 1952 from Glasgow University in Scotland with a degree in Electrical Engineering, Dobbie began his professional career with the Metropolitan Vickers Corporation in England as an engineer specializing in process control.

Dobbie earned a Master's in Electrical Engineering at Arizona State University in 1967, completing his degree requirements while working full time. He holds 12 patents, with 23 others pending, all in the area of industrial process control.



**James Dobbie**

## Memorex Managers And Supervisors Worldwide To Participate In Management Training Program

Memorex managers and supervisors worldwide will soon participate in a unique professional management training program developed by Louis A. Allen Associates, a well-known management consulting firm.

Beginning in February, selected managers who have been trained by Allen Associates, will give the program to their fellow managers and supervisors. The program is scheduled to be presented throughout the year.

The Allen Program is based on concepts and practices used successfully in leading

organizations throughout the world, with emphasis placed on the major management activities of planning, organizing, leading and controlling.

Designed to instill the best professional management practices, the management training program will directly benefit the Company and its employees, according to Industrial Relations Director **John Pew**. "The training program will be very beneficial not only to our new managers, but to our more experienced managers as well," said Pew.

"The Program will assist our managers and supervisors to utilize their abilities and past training in a unified, consistent way," explained Pew. "With improved management practices, we can work more effectively through better planning, organizing and control. These management practices will focus our efforts more directly toward an overall successful business result."

The Allen program covers 19 specific management activities, four work sessions relating to actual problems and discussions on "What is a Professional Manager?" and "Management for the Future."

# New Leadership, Improved Teamwork, And Solid Progress Characterize The Events Of 1974; Cash Conservation Is This Year's Major Objective

In retrospect, 1974 was a year of new leadership, improved teamwork and solid progress for Memorex and its more than 5,000 employees worldwide. It was also a year of re-assessing the Company's direction, identifying its problems and establishing key objectives.

A few of the significant events of the year included the election of a new president, new credit agreements with senior lenders and an organization restructuring. In addition, new products were introduced, a pension plan was added to the employee benefit program, and a series of meetings and reports were given by the president to improve communication.

The significant Memorex news story of 1974 was the election of **Robert C. Wilson** as President, Chairman of the Board and Chief Executive Officer, following the resignation of Company founder and former President, Laurence L. Spitters. Spitters resigned from Memorex in April, citing personal reasons.

Wilson, who attracted international recognition for his leadership in the dramatic turnaround of Collins Radio Company, became president in May. Wilson met with employees that same month to discuss the Company's future and his philosophy of business management. It was at this meeting that he established the Company's major priorities of attitude, cash and profit for better performance.

The most important action taken to help restore good performance was the credit agreements reached with senior lenders. The agreements reduced our debt, and gave management more room to capitalize on opportunities.

To more effectively manage Memorex's business activities and improve productivity, the Company's organization was restructured. Among the major changes in the organization were the establishment of International Operations as independent entities apart from the Equipment Products Group; the Equip-

ment Field Sales and Service was consolidated under the Equipment Marketing Organization; financial controllers were established for each line operation; and a Consumer and Business Media Group was formed.

Another action taken to improve performance was the start-up of a corporate-wide cash conservation program. Employees responded by introducing cost saving programs within their departments. These programs have had a very beneficial effect on cash flow.



**Above, a section of the Flexible Disc File Manufacturing Operation, whose product is marketed to OEM customers.**

Cost-saving measures taken Company-wide included discontinuing selective unprofitable activities, renting the Corporate Headquarters Building, consolidating European Headquarters, and removing some overhead personnel.

New equipment and media products were introduced, production milestones were achieved, and prices were increased for both products and services.

Two important equipment products, the 3672 Storage Control Unit and the 3673 Controller, were introduced. Both permit attachment of Memorex 3670 Series Disc Drives to some models of IBM 370 computers for the first time.

Another new device, the 3675 Disc Storage Module, is the first independent plug- and media-compatible "double density" disc drive in the industry.

A radically new type of computer tape was announced at a press conference in San Francisco, and was well publicized. The new tape, named Cubic, was designed specifically to virtually eliminate edge damage, the chief reason for tape failure.

Also introduced last year was a new "writable surface" magnetic card for use in IBM's second generation Mag Card Typewriters, and the Company's imaging materials line was expanded with the introduction of a new toner for the Xerox 3100 desk copier.

Production and sales of computer tape and 3670 Disc Drives increased, renewed attention was devoted to the Computer-Output-Microfilm (COM) business, a new division was formed to specialize in Original Equipment Manufacturer (OEM) market, and outright purchase business was emphasized.

Numerous production milestones were also accomplished in 1974. A few of the achievements included the production of the 2,000th disc drive, the one millionth printed circuit board from the Company's manufacturing plant facility in Eau Claire, Wisconsin, and more than one million cassettes and 2,000 disc packs were produced in a single month.

## Outlook for 1975

Although Memorex's operations were penalized last year by continuing inflation and worldwide cash shortages, the many rigorous programs initiated in 1974 will be instrumental in our success this year, according to President Wilson.

"It is important that we continue to address our priorities of attitude, cash, and profit throughout the Corporation during 1975," said Wilson. "In view of the worldwide cash pressures, cash conservation and generation will continue to be our key objective."

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Published by the Corporate  
Public Relations Department  
San Tomas at Central Expressway  
Santa Clara, California 95052  
Telephone 987-2203



## On The Cover:

A montage represents some of the major Memorex events of 1974. Pictured clockwise beginning with the top left photo are: research and development engineers test the new 3672 Disc Storage Control Unit; President Robert C. Wilson meets with employees for the first time; video tape coating is one of many media manufacturing processes improved in '74; equipment manufacturing personnel flank their 2,000th 3670 Disc Drive; some newspaper clipping highlight the Company's progress toward improved operations; and a miniature beam is used to demonstrate Cubic, the computer tape which virtually eliminates edge damage. See story above.

## What Is Productivity All About?

# Productivity Plays Significant Role In Reducing Costs, Making Products Competitive And Promoting Growth; Consumer Products Increases Productivity 35 Per Cent

In a world plagued with increasing inflation, productivity plays an important role in the fight to hold down costs, make products more competitive, and promote cash, profit and growth.

What is productivity? Productivity is all kinds of output, like finished goods and services. It's measured by weighing production or output against the resources used to generate that output. Given the same amount of resources, productivity improves when production increases, and/or quality is improved.

Unfortunately, many people "turn-off" to productivity, because of their belief that they must physically work harder to improve it. Experts believe this misconception is a major reason why the U.S. has the lowest annual increases in productivity among the world's leading industrial nations.

According to the Department of Commerce, the current average annual gain in output in all U.S. industry and business per man-hour is 1.8 per cent, compared to 14 per cent in Japan, 8 per cent in the Netherlands, and 5 per cent in West Germany. If the decline continues, it will be increasingly difficult for the U.S. to halt the rapid increase in inflation, compete in world markets and improve the standard of living.

More often than not, productivity is increased by simply applying new technology to the job, such as utilizing a specially designed tool, or combining two production steps into one. In other words, any action taken to make the existing job more efficient, rather than the myth that a person must work harder.

Another myth associated with productivity is that it pertains only to production workers. Actually, productivity is just as, or more, important to non-production jobs as it is to production jobs. This is true because non-



**Assembly Operator Linda Aguirre is one of many dedicated Consumer Products Manu-**

**facturing employees who are improving job efficiency.**

production workers are most associated with an organization's control. Thus, without their support, productivity improvements cannot be made in the goods-producing sectors of industries.

Although it's much easier to apply productivity improvements to manufacturing jobs than to administrative positions, everyone can find ways to improve job efficiency.

Productivity can also be improved by reducing waste at every level of a company's operation. Waste of raw materials, for instance, adds to costs and cuts down output. Other examples of waste includes unnecessary re-work, damaging products in manufacturing, too large inventories, or even throwing away paper clips.

Another common waste is time. Time-management consultants report that the average American worker wastes approximately 50 per cent of his time on the job. One way to achieve maximum use of time is to keep a daily or weekly list of priorities which will best achieve long and short-term job objectives.

An example of increased output resulting from a concerted effort to better productivity

is the record of Memorex Consumer Products Manufacturing. Employees here have increased productivity by more than 35 per cent over the past 18 months, mainly through improved job efficiencies.

The plant has developed a direct labor productivity program, which utilizes a daily performance reporting system to compute each shift's output. The results are reviewed by employees the same day to determine where improvement is needed and to set higher goals for that day's work. The program has been well received by employees.

To give an example of how successful the Consumer employees have been in improving productivity, if the current volume of goods were produced at 1973 production levels, it would require an additional expenditure of more than \$400,000 for labor, and approximately \$3 million for capital equipment.

Other groups in the Company are embarking on similar productivity improvement programs. If results are similar to Consumer Products Manufacturing's efforts, Memorex will be making excellent progress in counteracting the negative effects of inflation.

## Promotions

**Kenneth Abbott** to Senior Production Control Analysis

**Robert Aird** to Supervisor Process Engineering  
**James Aldrich** to Zone Manager for Consumer Products

**Mary Bahni** to Supervisor-Finishing Operations

**Leroy Borders** to Engineering Specialist

**Mellie Boyce** to Inprocess Inspector

**Samuel Cannuli** to Offset Press Operator

**David Cortis** to Dept. Tech. Technical Manufacturer

**George Cotroneio** to National Sales Manager for Consumer Products

**Cindy Deem** to Production Control Analyst

**Betty Dent** to Food Services Coordinator

**Lona Goff** to Accounting Specialist B

**Dennis Merrill** to Warehouse Department Supervisor

**Stephen Mittman** to Zone Manager for Consumer Products

**Lucille Motley** to Assistant Media Order Administrator

**Peter Palomo Jr.** to Associate Production Test Technician

**Emmit Puthoff** to Engineer II

**Shirley Prouty** to Secretary C

**Geoffrey Raybould** to Spare Parts Planner

**Milton Rials** to Research and Development Machinist

**Craig Riley** to Zone Manager for Consumer Products

**Kathleen Schmidt** to Secretary A

**Robert Shervem** to General Manager for Recon

**Dennis Sirus** to Production Control Analyst

**Orvel Smoot** to Programmer Analyst

**Kenneth Stowell** to Maintenance Technician I

**Martin Thomas** to Material Handler for Equipment Manufacturing

**James Ulrich** to Department Technician

**Eulia Webb** to Inprocess Inspector B

**Howard Zimmerman** to Media Sales Representative, Connecticut







