

# INTERCOM

A magazine for Memorex Employees  
Vol. 11/May-June 1974 U.S. Edition



**Attitude, Cash And Profit  
Key Memorex Priorities  
Says President Wilson**

# First Quarter Revenues Increase 16.5 Percent Over Last Year; Loss Is \$5,000, Less Than \$.01 Per Share

Revenues for the three months ended March 31, 1974 were \$48,800,000, a 16.5% increase over revenues of \$41,900,000 in the first quarter of 1973.

The loss for the first quarter came to \$5,000, less than \$.01 per share. Operations produced an operating income of \$5,527,000 before interest expense of \$5,532,000.

The Company reported a 1973 annual loss of \$119,090,000 on revenues of \$176,923,000, including write-offs for the discontinued computer systems program, changes in accounting policy for research and development expenses and lease acquisition costs, asset revaluation and accelerated depreciation, and income tax provisions. Because of these changes in accounting policy, comparison

of current results to prior periods is not appropriate for other than sales and revenues.

Early in 1974, in connection with the employment of **Robert C. Wilson** as President and Chief Executive Officer of Memorex, the Company announced an agreement in principle with its senior lenders which, if effected, would lower debt service through a number of revisions to existing credit agreements. The accounting treatment of this Agreement to reflect the timing and form of the transaction, including the amounts of interest and dividends to be charged against earnings, has not yet been determined, but the company believes that completion of potential revisions to existing credit agreements will not affect first quarter results.

## Three Months Ended March 31, 1974

Rental and Service Revenues	\$24,419,000
Net Sales	24,384,000
Total Revenues	48,803,000
Operating Costs and Expenses	43,276,000
Operating Income	5,527,000
Interest Expense	5,532,000
Net Loss	\$ 5,000
Earnings (Loss) per Common Share	\$ .00
Average Number of Common Shares Outstanding	4,312,133

## Bragg Named Vice President For Corporate Development

**George L. Bragg** has been appointed Vice President for Corporate Development. He will report directly to Memorex President **Robert C. Wilson**.

Bragg previously was director of business development for Collins Radio Co., Dallas, a division of Rockwell International. At Collins he was heavily involved in the company's international expansion programs. In this capacity, during November 1973, he represented Collins in the First Executive Trade Mission to the USSR, cosponsored by the Department of Commerce and the Soviet Ministry of Trade.

Bragg joined Collins in March, 1973, after 12 years with Rockwell, where his last position was executive director of corporate development, responsible for business and economic planning, corporate development, and financial analysis.

He began his career with Rockwell in 1959 at North American Aviation, which later became part of Rockwell, as a financial analyst. He subsequently served in a number of increasingly responsible positions until he resigned to form his own business.

In 1971, he became a founder and president of Dawson and Bragg, Inc., a Los Angeles based investment firm with a primary interest in real estate. Two years later he joined Collins Radio.

Following graduation from Pepperdine University in 1954, Bragg served in the U.S. Army Counter Intelligence Corps in Stuttgart, Germany. He then spent two semesters studying in Germany at the University of Berlin's Graduate School of Economics.

By 1962, while at Rockwell, he completed both the academic requirements for a

Masters Degree in Economics at U.S.C., as well as the Certified Public Accountant Program at U.C.L.A. In 1965, he was awarded a certificate for his work in the Executive Management Program at U.C.L.A.'s Graduate School of Business.



**George L. Bragg**

## INTERCOM

Editor: William D. Bellou

Published by the Memorex  
Corporate Communications Department



**On The Cover:**  
The Company's new President, **Robert C. Wilson**, makes his first address to employees. (See story on opposite page)

# Attitude, Cash And Profit Are Key Priorities Before Company, Says New President Robert C. Wilson

"As I see it, there are three fundamental priorities before this Company, the first is attitude, the second is cash, and the third is profit," said Memorex's new President **Robert C. Wilson** during a series of meetings with Memorex employees. Wilson met with employees to give a prospective on the Company's future and his personal philosophy of business management.

"Attitude is always the most important single thing in any organization," said the president. "If the attitudes are right, you can do almost anything. When I say attitude, I mean positive thinking, end-result thinking, and teamwork thinking by everyone. It also means the attitudes of the people around us, like our customers, creditors, vendors, the press and the public. We will be addressing all of those kinds of attitudes.

"Our second priority is cash," continued Wilson. "The one thing that is restricting the freedom of action in this Company is the lack of cash. I look at it as a jail house in which we're incarcerated, and that jail house is cash. Until we break out of that cash bind we just can't do all of the things we want to do. What is cash? Cash is a new advertising program, a new production run, or the development of a new product. I'm sure there are at least \$10 million worth of things we would like to do but haven't been able to do because of cash restraints."

The chief executive said everybody in the Company controls cash in various amounts. "Re-work is cash, turning off the lights is cash, raising prices is cash, controlling inventories is cash, payables is cash. We're going to be talking cash at every operations meeting and we're going to encourage everyone to think in terms of cash in everything they do.

"Profit, our third priority, is the finest measuring stick ever devised in determining whether a business is winning or losing," Wilson said. "Being profitable is essential to our future. There is no reason why we can't be profitable at the existing level of business, but it's going to take concerted action and individual initiative to make it happen. We have to be intolerant of anything that is non-productive, wasteful, or negative.

"One of those non-productive aspects of everyday business activity is the generation of reports, memos, or letters without purpose," explained Wilson. "There are two tests I always give a report. Is there a need to know and does it help make better de-



**Robert C. Wilson**

cisions? If it doesn't meet those criteria, it shouldn't be generated.

"This is a small Company," commented Wilson, "so we ought to be able to talk to each other by picking up the telephone. We ought to be able to do a lot of things that are going to avoid reports, letters and documentation. They are all expensive and time consuming, and we just can't have that."

The president also said he is intolerant of any procedure in the Company that doesn't make sense, whether it's a policy, a practice, or a product. "I assure you that, to the best of our ability, we will make judgements or decisions on the basis of what makes sense for the business, and we won't be doing things just because they happen to exist."

The new Memorex chief also gave some insights of his personal management style. "I don't want to become a mushroom manager," he said. "That's a guy you keep in the dark and throw fertilizer on. I prefer not to be that type of manager.

"When I was in the selling organization, one of my favorite cartoons showed someone sitting on the 'John' and the caption read, 'This is the only member of management that knows what he's doing.' I am sure there are those who have that feeling, but what I would like to do at Memorex is to create an environment where everyone feels that they're a vital part of the management team.

"Management is not a mysterious, remote, ignorant group of people. Management is just us, and we are going to try to get the best inputs we can and the best data we can to make the best decision we know how. We want to utilize the talents, capabilities, insights and the understanding of everyone in the Company to that end.

"Decision making is very important," Wilson continued, "because nothing is so frustrating to an organization as lack of decision. I like the expression, 'the neck of the bottle is always at the top,' and management can sometimes be quite a bottleneck at all levels. Unless we make proper decisions at the right time, it impedes the total flow of activity in the Company. But to make a lot of right decisions, all of us have to work together. Winning is always winning versus competition. There is no way you can win internally. You can't beat yourselves."

In concluding his talk, Wilson said the future of Memorex is going to be whatever we collectively make it. He said we have the capabilities to shape our future because we have excellent people. "I believe we can get the job done. It's going to take a lot of dedication and team work, but the job will be done, and we might have some fun in the process."





# Company Organization Restructured For Greater Management Effectiveness, Improved Productivity

A restructuring of Memorex's organization to more effectively manage the business activities of the Company and improve productivity while, at the same time, reducing the cost of overhead, has been announced by Chairman and President **Robert C. Wilson**.

"The reorganization streamlining more logically follows Memorex's business requirements and will allow us to effect better fiscal planning and control, to provide more adequately for the needs and development of our people, and helps us to be more customer-oriented. We do not anticipate any other major changes in the immediate future," said Wilson.

"The reorganization is very positive as it puts us in a more effective posture for immediate and long-term performance," stated Wilson. "Among the many benefits will be a more efficient management structure, greater financial integrity, improved productivity, shorter lines of communication facilitating more intelligent decision-making, and a new attitude that problems of all sizes can be resolved if we work together to overcome them," he said.

Another benefit of the reorganization is savings of about \$4 million. However, the impact of the savings will not be felt fully until 1975, because of severance pay and other costs of the restructuring. The savings resulting from these moves will mean that additional funds will be available for investment in the future of the business, an invest-

ment that otherwise could not have been made, according to Wilson.

One of the major organizational changes is the establishment of International Operations as independent entities apart from the Equipment Products Group. This will enable Vice President and General Manager **John J. Kramer** and his Equipment Group to concentrate their efforts on the markets they serve.

Separating the Company's International Operations from the Equipment Products Group will have a beneficial impact on both organizations, according to Wilson. International Operations have been established on geographic lines. The European-Middle East-Africa operations, headed by Vice President and General Manager **William S. McCalmont**, is headquartered in London; and the new Americas and Asia Operations, which includes Canada, Mexico, Latin America, Japan and Australia, is directed by **Richard L. Renne**, with headquarters in Santa Clara.

Equipment Marketing Organization has been restructured in order to better consolidate both the Sales and Field Service operations under the direction of Vice President **George E. Dashiell**. **William D. Randolph** is named Director of Field Engineering, responsible for all Field Engineering activities, including Field Operations. Other changes include the assignments of **Robert K. Loudon** as manager of Customer Service; **Jack P. Kelly**, Vice President, who assumes responsibility for

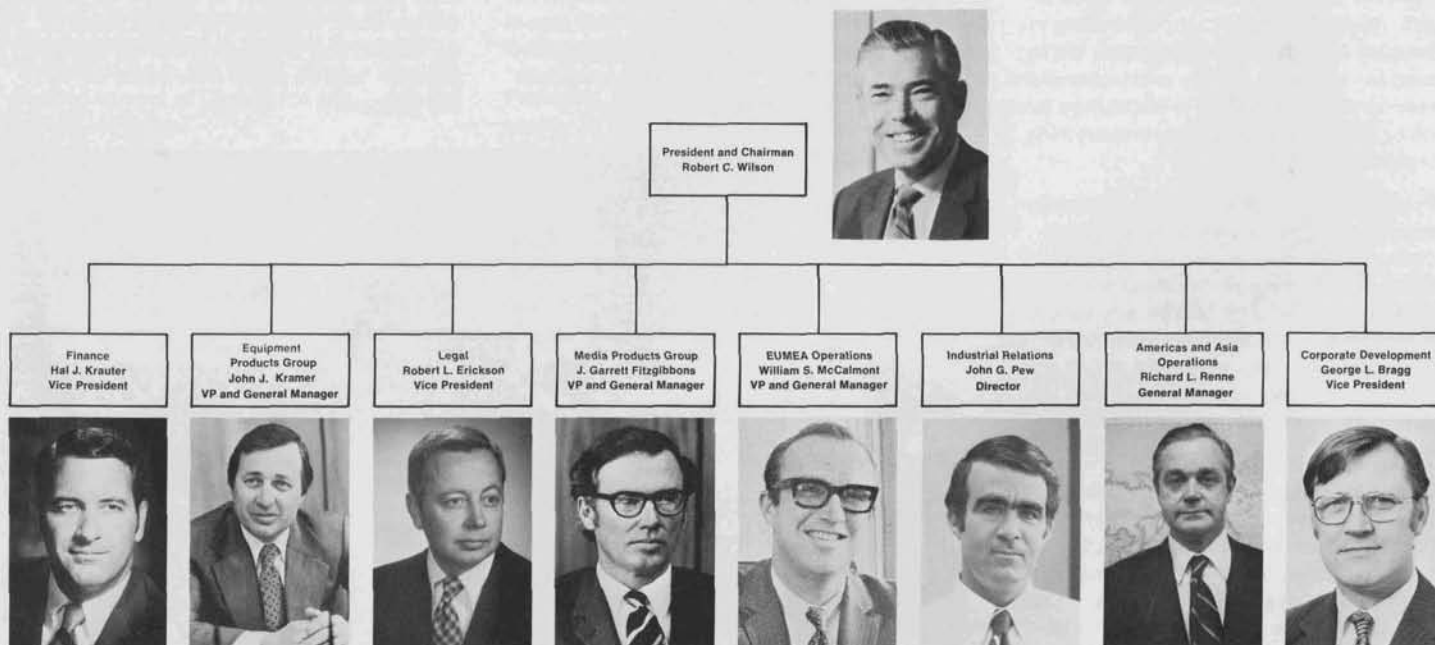
Marketing Administration; and **William F. Emmons**, Vice President, who will direct Product Marketing.

Both International Operations will report directly to the president. The importance of the international markets is indicated by the fact that they contribute more than 40 percent of total Memorex revenues.

In order to establish improved financial control and planning throughout the Company, all financial activities will be responsible to Vice President **H. J. Krauter**. Each line operation will have a controller as part of its business team. These controllers will be directly responsible to Corporate Finance for the integrity of their activities.

The responsibilities of Media Products Group, headed by Vice President and General Manager **J. Garrett Fitzgibbons**, remain unchanged by the reorganization. A rapidly growing component of Memorex, Media will continue to directly report to the president.

To reflect the importance accorded to managing the human resources of Memorex, a new Industrial Relations function, formerly Personnel Administration, has been established. "Under **John G. Pew**, its director, Industrial Relations will devote itself as a major staff function to employee attitudes, improved compensation and benefit programs, manpower development and training, career opportunities, and all the considerations that contribute to well motivated, productive employees," said Wilson.



A new Corporate Development Operation has been established under Vice President **George L. Bragg**. It encompasses those corporate activities that deal principally with developing the future of the total business. These include the treasury function, strategic planning, acquisition planning and corporate communications. Wilson said Corporate Development will continuously search for new opportunities, recommend allocation of

available cash among alternative opportunities, manage cash resources and develop a good image for Memorex.

Another new operation, headed up by Vice President **Robert L. Erickson**, will be responsible for all of the legal affairs of the Company. Memorex has a large amount of litigation in progress. Erickson will have the responsibility for optimizing the Company's

interests, reducing legal costs, and providing counsel and guidance throughout Memorex.

Overall, the organization changes will mean a brighter future for Memorex. They provide for more effective management and control with reduced overhead costs. Thus, Memorex will be able to be more competitive and more responsive to customer needs.

## New 1242-S 'Super Sync' Batch Terminal Announced

A bisynchronous remote batch communications terminal that offers customers the most capability and flexibility for its price has been announced by Memorex.

The 1242-S "Super Sync" is a bisynchronous keyboard terminal with a 200 card per minute reader and impact printer—capable of speeds up to 180 lines per minute.

The 1242-S printer terminal is especially appropriate for Remote Job Entry (RJE) and inquiry/response applications where data processing centers require better distribution and turn around of their input-output data streams to areas where the information is being utilized.

"Super Sync" has expanded our terminal product line into an entirely new market place and has established a new level of price performance never before offered, according to **Harry Orendorf**, Manager of Customer Systems Market Planning.

"The 1242-S offers an extended array of functions for the bisynchronous Remote Job Entry applications," said Orendorf. "The card reader functions as a data device allowing the information to be sent in the printed form to another remote site via a communications network."

Orendorf indicated that Remote Job Entry is the fastest growing terminal market place, and the Memorex "Super Sync" will fill a required need in this area.

Checking the new 1242-S operation with printer listing at 240 characters per second are (l to r) Wain Chew, Farrokh Mottahedin, Ed Durler and John Christoferson.



Wain Chew completes final work on the "Super Sync" printer support PCB. Prototypes are now operational with first customer shipments expected in early July.



Facility Achieves Major Milestone

## Eau Claire Produces One-Millionth Circuit Board

The Company's Printed Circuit Board manufacturing facility, located in Eau Claire, Wisconsin, achieved a major milestone recently when it shipped its one-millionth printed circuit board since it was acquired by Memorex in 1970.

The plant, managed by **Joe Rizzo**, produces a majority of Memorex's printed circuit boards (PCB's) and has made significant contributions towards new product development through reduced thru-put and costs of engineering prototype boards.



Inspecting art work for registration, line width and spacing is Sharlene Kurth. This work is done prior to printing of copies required in the production process.



Test Technician Art Cortez observes the readout of Memorex digital tester while troubleshooting a 3671 PCB. The tester was built in-house by the test engineering department.

Eau Claire is considered by many in the printed circuit field to be among the leaders in the industry producing high quality PCB's for computers and peripheral equipment. It is currently making advanced PCB's for three large computer research centers in the upper midwest, said Rizzo.

More than 65 separate operations are performed in the manufacture of a typical printed circuit, varying from drilling with numerically controlled equipment, printing, plating of precious metals, etching, to fabrication of the final configuration.



Gary Stone, of the Eau Claire Fabrication Department, utilizes a punch press for blanking circuit boards.



Final examination is made on a 651 Flexible Disc File Printed Circuit Board by Opal Hart, Senior Sub-assembler.



Providing assembly and process instructions to Manufacturing is one of the key responsibilities of PCB Manufacturing Engineering. Barron Miller (r) is reviewing an assembly aid with (l to r) Jan Green, Joanna Solorzano and Helen Henard.

Once these preliminary operations are completed, the boards are sent to Santa Clara where they are assembled by inserting and soldering electrical components necessary to completion. The assembly is then functionally tested and transferred to the PCB crib where they are distributed to product, field feature additions or spares. Through the team work of both the Eau Claire and Santa Clara PCB operations, more than 23,000 circuit boards are produced each month.



Loading electrical components into printed circuit boards along one of the PCB "speed lines" in Santa Clara are (l to r) Bertha Simas, Elsa Domingues and Mary Urista.



Printed circuit boards are uniquely incorporated into Memorex communication terminal key boards. Above, June Kinne, PCB Sub-assembly lead, performs final assembly work on the 1280 keyboard.



# Former President Spitters Expresses Appreciation To Employees For Their Contributions And Loyalty

"The People who have built this Company, and have contributed to its success, are among the finest individuals I have ever been associated with in my business career," said former President **Laurence L. Spitters** in a final address to employees before stepping down from the post he has held for the past 12 years.

"What has been done at Memorex over the past decade is something all of us can be very proud of," said Spitters. "In recognition of those accomplishments I would like to say thanks to all of you and to your predecessors for all that you have done for me and the Company.

"Memorex has had its ups and downs, but we have to integrate all of our experiences, the good and the bad," Spitters said. "Looking back over the past 12 years, I feel the years have been very good to our Company. With our experience, we can now look to the future with only good in mind.

"There is new leadership coming to Memorex. Robert Wilson, my successor, is a very accomplished and talented executive, and I think you will find he is an excellent leader whose guidance will be well recognized and who can bring the kind of intelligence and talents the Company needs," Spitters emphasized.

Spitters, who entered the 12th Congressional District's Democratic Primary in March, said "I have a sense of poignancy that perhaps

some of you might have had when you left your classmates in high school or college. The kind of feeling you sense when you say goodbye to people you have had experiences with. There is a certain sadness in that, and I must confess I feel it, but at the same time I also feel a tremendous sense of exhilaration because I am off on another career now.

"I've been fortunate in my life to have risen from a poor family to a position of having enough money so that I no longer have to be financially concerned about my children or my family, and that permits me to do something now that is more in the non-commercial

area. It gives me an opportunity to say thank you to society and to this country which has been so good to me.

"I have had the opportunity to head up a large corporation, been associated with some wonderful people, and have made money doing it. I have a tremendous debt of gratitude not only to the people, but to the country and the system that has permitted that," Spitters stated. "And now perhaps in running for Congress I will have the opportunity to give some of that back, and I hope to be as successful as I feel we have been here at Memorex."



**Laurence L. Spitters gives his final farewell address to employees before stepping down as President of Memorex.**

## Com-line

**Why doesn't Memorex have a 10-hour day, 4-day week? Many companies are doing this and it works very well. The company would save on energy use. Also, employees would save gas and travel time.**

Memorex cannot establish your suggested work schedule for several reasons and here are the most important ones:

1. **Cost** — The federal government requires Memorex, as part of the Walsh-Healey Act, to pay a premium rate to many employees for any work over eight hours a day. The 4-day week is usually found in smaller companies, where the cost is not excessive.

2. **Schedules** — Many Memorex operations must be staffed on a 5-day basis, particularly those dealing with customers, suppliers and others who work the normal business week. Perhaps schedules could be arranged to allow some individuals a 4-day week while Memorex, as a company, operates five days. But that would require complex scheduling, would be unfair to some employees and might result in more use of energy because of the extra hours of business operations each day.

3. **Productivity** — I think you'll agree that we are generally less productive at the end of our work day than at the start. Adding two more hours to the work day would give Memorex

less productive work time than at present — at higher cost and with added schedule problems.

There is no question about the personal advantages to most of us in having three days off each week. It's very attractive. Unfortunately, the disadvantages to Memorex prevent us from establishing a 4-day work week.

**COM-LINE is an open and anonymous communications channel available to all Memorex employees. Questions are limited to those regarding company policy and practices. To participate in COM-LINE, write or type your question and send it via interoffice mail to Editor, INTERCOM Magazine, M/S 12-33. If you have any questions concerning COM-LINE or any other material appearing in INTERCOM, please write or call the Editor, Ext. 7-2200.**

# New Controller Introduced For 3670-Series Discs; Only Independent Unit To Offer String Switching

A new Memorex Disc Storage Control Unit, the 3672, the first independent device to support "string" switching capability, has been announced.

An advanced device for interfacing the Company's full line of 3330-compatible disc storage products to System/370 models 135 thru 195, the new 3672 is used in conjunction with the recently announced Memorex 3673 Disc Controller.

First, "single density" (3670) and/or "double density" (3675) disc modules are interconnected with a 3673 to form a "string" of up to eight drives. This "string" is connected, in turn, to the 3672 Storage Control Unit. Each 3672 can control up to two "strings" or 16 drives.

The string switch feature, installed in both the 3672 and the 3673, allows the 3673 Disc Controller to be attached to two separate 3672 Storage Control Units. Switching of the 3673 and its "string" of drives can be under either manual or program control.

"Although string switching can provide a significant performance advantage through increased control unit availability, perhaps the most important benefit to users is the ability to quickly reconfigure equipment and continue operation during periods of control unit servicing," said **George E. Dashiell** Vice President for Equipment Marketing. "Without string switching, billions of bytes of on-line storage can be temporarily lost to the user," he said.

"In addition to the important performance and reliability benefits, string switching provides the only means for sharing a large on-line disc data base with a 370/135 Integrated File Adapter (IFA)," Dashiell said. "This is because IBM does not offer channel switching capability for the IFA, even though channel switching is available on the larger System/370 ISC's.

"The introduction of the new 3672 is the third in a series of major enhancements to Memorex's advanced disc products," Dashiell said. "The announcement of the 3672, when viewed in the perspective of other recent Memorex product announcements, again demonstrates Memorex's continuing commitment to the independent peripheral business, and the clear superiority of the Memorex product line over other independents."

The 3672 shares many design advantages with the previously available 3671 Storage Control Unit, including a flexible disc for

loading operating micro-programs and diagnostics, an ultrafast alterable control memory, full internal Error Correction Code (ECC), and an advanced architecture emphasizing reliability and maintainability. Although the 3671 will continue to be offered, field upgrade at a nominal charge is available to users of the 3671 who need the more advanced features of the 3672.

The 3672 is fully compatible with the IBM 3830 model 2 and System/370 IFA's and ISC's. The 3672 will also offer the proven 2, 3, or 4 Channel Switch first introduced on the 3671. Initial deliveries are scheduled within five months.

"Several important enhancements to the 3672 are planned for introduction over the next several months," said Dashiell, "which will further augment the already advanced capabilities of this unit. Memorex's strong record of achievement is in large measure due to total involvement with peripheral products, including development and manufacture of all critical devices and components, worldwide sales coverage, unmatched equipment servicing, and recognized leadership in disc pack and computer tape magnetic media."



**Manager Tore Larsen (l) assists Engineer Jerry Fong and Technician Bill Castor in the testing of the hardware functions of the 3672.**



**The new 3672 Disc Storage Control Unit is supported by the most comprehensive set of diagnostics in the industry. Checking the Fault Isolation Diagnostic System (FIDS), which executes in the computer to verify operations and diagnose malfunctions, are Senior Programmers Perry Segal (l), and**

**Del Blevins seated at work table. At right, Vaclav Hoffmeister (l), Staff Engineer, and Bel Alanis, Technician, utilize the Memorex Flexible Disc Drive and writable control storage of the 3672 to execute microdiagnostics which isolate malfunctions in the 3670/75 Disc Drives.**

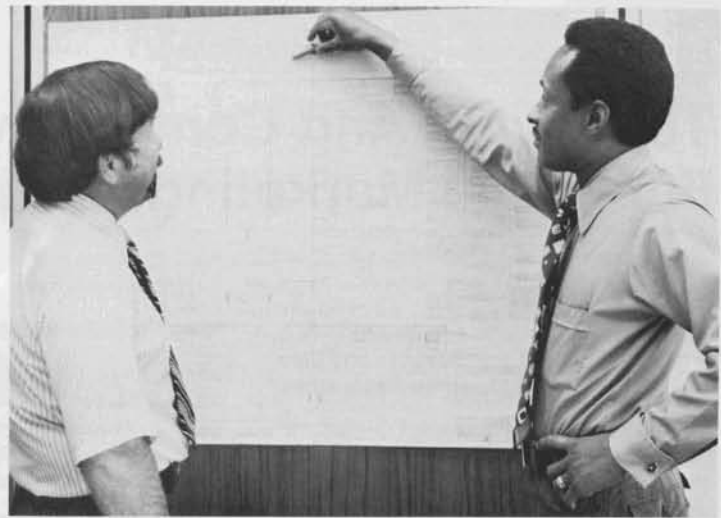




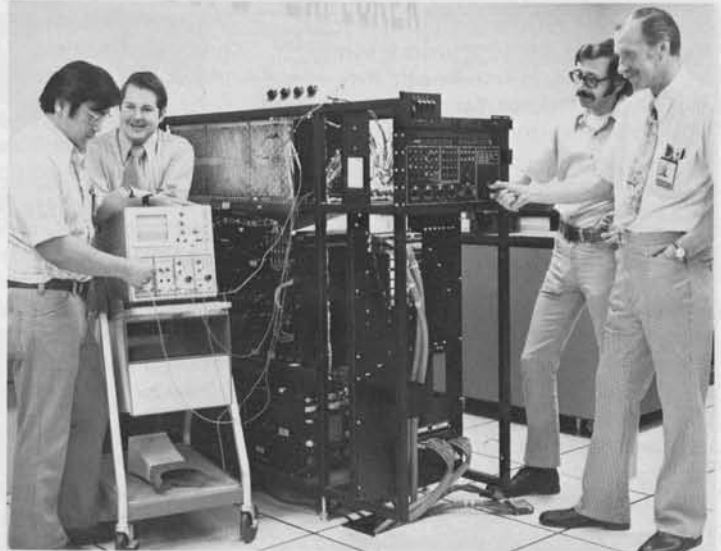
Senior Engineer Tom Carroll (foreground) and Engineer Earl Bailly developed the exterior design and component modification packaging for the new storage control unit.



Responsible for the design and test of the microprogram incorporated into the 3672 are (l to r) Bob Dillon, Senior Engineer; Tomas Martin, Systems Programmer; Jesse I. Stamnes, Senior Engineer; Tom Idleman, Manager; Norman Wulferdinger, Engineer; and Rick Cummelin, Senior Electrical Technician.



Examining the engineer build structure of the 3672 are Rod Lass (l), and Gene Scott. Lass and Scott are responsible for processing all 3672 engineering changes.



The design and test of the hardware logic and power system for the 3672 were developed by (l to r) Roy Kozen and Tom Williams, Senior Engineers; Bart Raudenbaugh, Technician; and Noel Smith, Senior Engineer.



Attached to a host computer, the 3672 Disc Storage Control Unit is tested in various customer applications in different operating systems. Above (l to r) Ken Holly, Staff Engineer, Mills Qualls, Engineer, and Ulf Peter Motzfeldt, Staff Engineer, perform this unique customer level testing to insure the new 3672 operates satisfactorily in any customer environment.

# Teamwork And Competitive Spirit Key To Success For Media Marketing Group Headed By Yaconelli

**Editor's Note:** This article is the fourth in a series on Company organizations and their contributions to the Memorex "team effort."

The Memorex Media Marketing Organization can be likened to a group of aggressive chess players who constantly out-strategize opponents. In this case, the opponent is the competition, and the chessboard is the market place.

This competitive philosophy is a complete turnaround of attitude of a group that had been told for a couple of years that they were losers and, in fact, thought they were, according to **Philippe Yaconelli**, Media Marketing Vice President. "That losing attitude is gone now and, instead, there is a winning competitive spirit throughout this group," said Yaconelli.

"This team has proved to itself that it can win and the market place has accepted it as a winner," said Yaconelli. "The organization is probably as hard hitting a group of individuals this Company has ever seen, and I think we are poised to be the leader in the Computer Media Industry by 1975. Memorex's computer media will be the pacesetters for Disc Packs, Computer Tape and Flexible Discs in both end-user and OEM markets."

Like attitude, teamwork has been a key element in the positive turnaround of Media Sales, which just recorded one of the most profitable quarters in its 12-year history. "We've got a group of people who really work well together and pull together," explained Yaconelli. "They're like a group of commandos that have gone through hell together. Once they've won a battle, there is an inseparable, invisible bond between them, and they become incredibly tough to beat."

Yaconelli said that previously everyone tended to covet things for themselves, but now the approach is that they not only want to make it for themselves, but the group wants everyone else to make it too. He said this enthusiasm for teamwork has made them a tremendously viable group of fighters.

Important to the success of any individual or any organization is engineering your work, said Yaconelli. "You not only have to like what you're doing, but you also have to believe and take pride in it. Also it is important to remember that everyone makes important contributions to a common cause or goal," he said. "Once you have satisfied these requirements you become motivated and turned-on, and thus become impossible to stop."

## Sales Force Re-established, Revitalized

One of those turned-on people is National Sales Manager **Gary Fisher**. Fisher played an instrumental role in re-establishing the media sales force which had diminished to approximately 20 salesmen in 1972.

"Our objective in 1973 was to reconstruct and re-vitalize a very sound end-user sales force and to get back our share of the market," said Fisher. "Our goal in 1974 is to fine tune the operation to higher average unit prices and greater profitability of the day-to-day business activities," he said.

Fisher said a major goal of the Media Group is to differentiate it and Memorex products from the rest of the competition. "We want to make customers aware that Memorex is a company that understands their use and control of magnetic media and that we provide services which will help them run their operations more effectively. Our obligations aren't going to stop when we hand a customer a product; rather, it's an on-going operational relationship."

This kind of relationship between media vendors and customers is becoming very important in the computer media industry. "Customers are asking how much service you can give them compared to the competition," stated Fisher. "We have many customer services available now, and many more are being formalized for later this year, and many more for 1975."

## Marketing Services Group Maximizing Sales

The marketing support for new products, the opening up of new media markets, the maximization of cash generation are just a few of activities of the Marketing Services Group directed by **John Pingree**.

"This group has worked hard to fill the manufacturing capability of the organization for both disc and computer tape by opening up new market channels of distribution and enlarging existing ones," said Pingree. "We've turned-on the product sales by providing marketing support for a number of new products," he said, "but our main goal now is to maximize cash management and to coordinate market demand with manufacturing availability of products."

**Tim Morrison**, Product Manager for the group, explained that the demand is greater than the supply, thus we must improve the manufacturing process. "In the past we have always operated on an inventory condition, but now we're working off the end of the line," said Morrison.

Another member of the group who works toward the goal of increasing sales is **Bill Borman**, National Sales Manager for Distributors. Borman sells Memorex products to companies who market and distribute them. "This is different than selling on an OEM basis as these companies are not manufacturers," said Borman. "This activity increases sales because it allows us to reach another customer base," he explained. "It provides us with a greater sales coverage, which is important to our achieving the highest sales volume possible."

## OEM Sales Group Predicts Unlimited Potential

The newest component of the Media Marketing Organization is the Original Equipment Manufacturers (OEM) Sales Group, directed by **Don Ivie**. This group sells products to other manufacturers who in turn market and re-sell the product under their own name.

OEM sales started from nothing in 1973, to a projected sales rate of several million by the end of this year. The sales potential of the OEM Sales Group is virtually unlimited according to Ivie, because the only real boundary is the plant's production capacities.

"I believe our sales rate in the next few years could be doubled, tripled or even quadrupled, depending on the kinds of products we are willing and capable of producing," said Ivie. "The potential of OEM sales is very exciting to me and the entire group, because if you add the projected OEM Media sales to the OEM market potential of our equipment products, it could represent at least 50 percent of our current business."

## Business Products: A Viable and Profitable Division

Another viable section of the Media Marketing Organization is the Business Products Division. It never earned that distinction, however, until this year when the division recorded its first profitable quarter since being formed in 1969.

Under the direction of the Division's seventh general manager, **Warren King**, Business Products is now on the road to sustained profitability. The ground work for this dramatic turnaround was established in 1973 when King put together an operating plan for the business.

King, who has valuable experience in cost accounting, found the operation lacking a sense of financial and marketing expertise.

"We've done a lot of things which, taken as a whole, have really put new life into every aspect of Business Products," stated King.

"We have established an extensive dealer network of about 150 dealers throughout the U.S.," said King. "We have also expanded our national account business well beyond previous volumes. Both segments have helped significantly in obtaining a great deal of repeatable business," said King. "We now hold exclusive toner contracts in more than 14 states, and have signed major contracts with original equipment manufacturers and

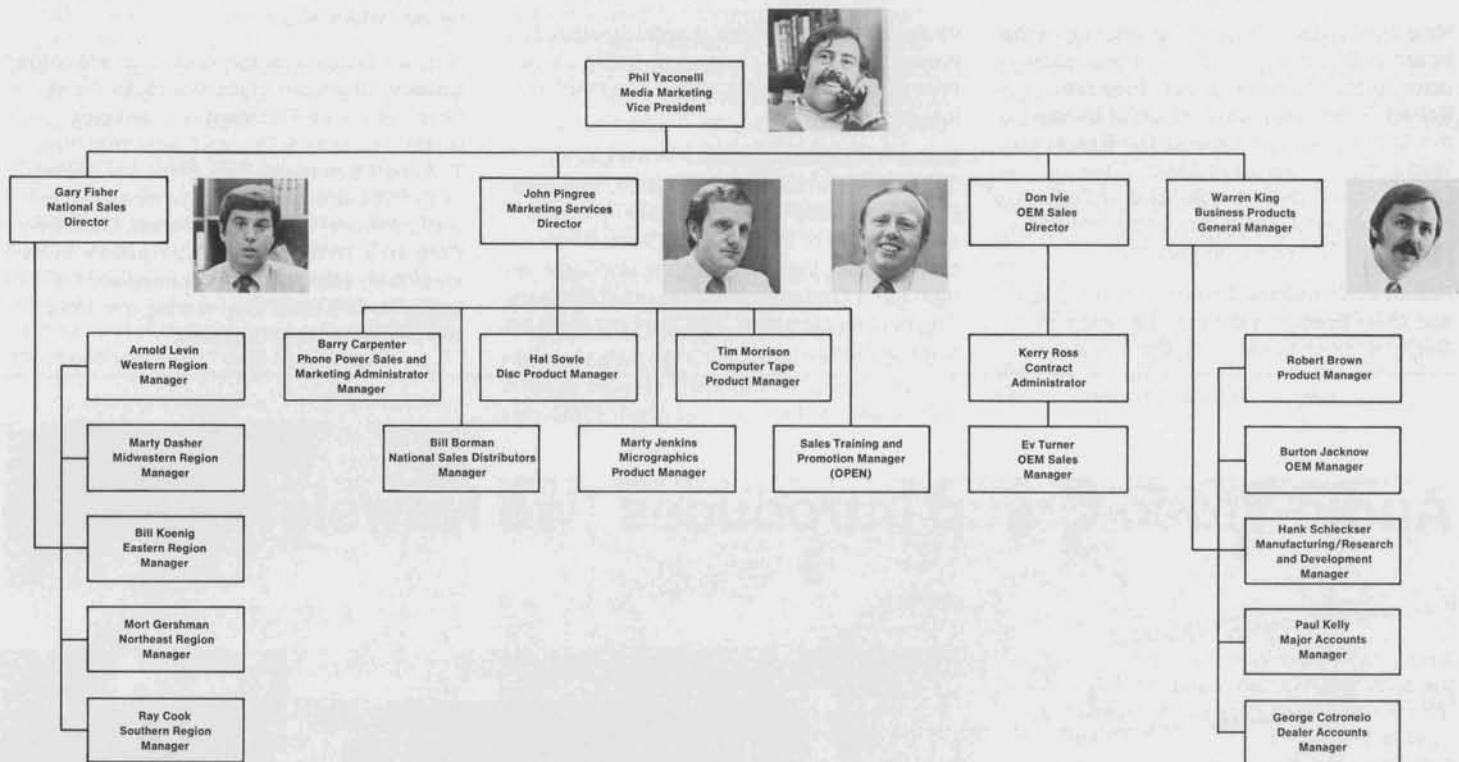
third-party leasing companies. All these activities have increased volume and profit."

King said another reason for the positive results this year is that "We've redefined responsibilities and put together a very cohesive team. The benefits of this teamwork, together with the new marketing thrust, became apparent in the first three weeks in March of this year, when more products were manufactured and sold than the entire first quarter of 1973."

A national advertising campaign was recently launched, which is the first major campaign

in the history of Business Products. Ads are appearing monthly in two major business word-processing publications to capture two entirely different markets, the consumer and the dealer.

"Unlike our competition, new ads are being developed every month to give Memorex a pleasing, fresh approach," King said. In addition, reprints of the ads are being distributed to dealers in order that they may utilize them for local advertising and sales promotion literature.



## Medical Computer Service Utilizes Memorex Disc Storage Equipment And Improves Efficiency 44%

A medical computer service, functioning with the Department of Biomathematics at UCLA, has improved its thruput efficiency by 44 percent and slashed its data storage costs by 15 percent with the use of Memorex 3660 and 3670 Disc Drives and 3671 Controller.

Health Science Computing Facility, located in Westwood, Calif., has a medical research disc data base consisting of more than 1.5 billion bytes of information. The facility utilizes more than 30 Memorex Disc Drives.

The medical research center has two basic objectives; serving research project investigations for more than 700 users and developing computerized techniques which enhance the nation's medical capabilities.

One of the facility's practical and ongoing contributions to medical health is its organ transplant and blood transfusion activity performed in conjunction with the laboratories of Professor Terasaki at the UCLA Medical Center's Department of Surgery.

Blood samples from potential organ donors and recipients are received world-wide from over 120 transplant and transfusion centers.

Once analyzed and typed at the laboratory, resulting data is key-punched, read into a terminal and transmitted over voice grade phone lines several blocks away to HSCF. There test data is disc-filed for computer compatibility matching of individual donor and recipient blood characteristics to obtain the best prognosis of success.

Two remote users, the Bethesda Cancer Institute in Maryland and the Veterans Hospital in Nashville, Tennessee, utilize online bi-directional transmission of test data due to the critical time value combined with their volume of compatibility requests.



# Annual Shareholders' Meeting Set For June 20

The Company's Annual Meeting of Shareholders will take place on Thursday, June 20, at 10 a.m. at the headquarters' facility in Santa Clara.

Nine candidates will stand for election to the Board of Directors; five are first time nominees to the Memorex Board. They are:

**Robert C. Wilson**, President, Chief Executive Officer, and Chairman of the Board. Wilson was formerly President, Chief Executive Officer and a Director of Collins Radio Company, and a Vice President and Director of Rockwell International.

**Robert L. Chambers**, Chairman of the Board and Chief Executive Officer of Envirotech Corporation of Menlo Park, Calif., a manu-

facturer of engineered equipment. Chambers is also a Director of Consolidated Freightways, Inc., and Herrick Corporation, and is a trustee of Midwest Research Institute.

**Philip J. Gomez**, President and Director of Western Gear Corp., Lynwood, Calif., a supplier of specialized machinery and mechanical systems.

**Vester T. Hughes**, a partner in the Dallas, Texas, law firm of Jackson, Walker, Winstead, Cantwell & Miller. Hughes presently serves on the Board of Directors of a number of corporations, including Murphy Oil Corporation, Austin Industries Incorporated, Stewart Engineering Company, and the First National Bank of Mertzton.

**Alvin C. Rice**, Executive Vice President in charge of the European, Middle East, and Africa Division of the Bank of America National Trust and Savings Association, with headquarters in London.

Director candidates for re-election are: **Alger Chaney**, Chairman of the Board, Medford Corp., and Vice President and Director, Baker, Fentress & Co., an investment firm; **T. Robert Sandberg**, Vice President, retired, of Cutter Laboratories, a pharmaceuticals manufacturer; **Benno C. Schmidt**, Managing Partner, J. H. Whitney & Co., a private investment firm; and **Theodore Vermeulen**, Professor of Chemical Engineering, the University of California at Berkeley.

## Audio-Video Group Introduces Two Newsletters

Memorex's Audio-Video Group has announced the publication of two new bimonthly newsletters, the "Blank Tape Leader," and the "Inside Track."

The "Blank Tape Leader" was created to improve communications between the Company and dealers/distributors of blank tape, and to help dealers obtain the most sales and profit from Memorex blank tape.

"We feel this new four-page publication will enable us to more effectively communicate with the trade on specific and general thoughts about the audio tape business, with the hope this information will be helpful to most, if not all of our accounts," said **Barry Berghorn**, Audio-Video General Sales Manager.

Similar in design to the "Blank Tape Leader" newsletter, but not in content, the "Inside Track" provides information for users of all formats of blank tape — cassette, 8-track and reel-to-reel. "This new newsletter is intended to help both audiophiles and more casual users of premium blank tape obtain the best possible service from the product," said Berghorn.

Each issue features in-depth coverage of a specific aspect of tape and care. Explanations are made in non-technical terms, and photographs and diagrams are used to emphasize or illustrate important points.



'Formula Unique'

## Patent Awarded Memorex For Toner Formulation

Memorex has been awarded a patent for the polymer base toner formulation it is currently marketing for use in Xerox and IBM Copiers, making the Company the only independent manufacturer with a toner patent for those copiers. Imaging material products (toners and developers) are manufactured by the Business Products Division headed by **Warren King**, General Manager.

Our patented toner formulation is unique, according to Staff Chemist **Elinor Tanck**, because its special polymer base allows for sharper images and better contrast than competing brands. "Cleaner background and sharper print quality have also been accomplished by minimizing toner particles that are not of optimum size," said Mrs. Tanck.



Preparing an experimental polymer formulation, similar to the type used in Memorex Toners, is Staff Chemist Elinor Tanck. This and other chemical experiments may result in more unique products for the Business Products Division.



Testing Memorex 3600 Premium Toner is Bill Brandt, Associate Engineer, who is in charge of functional evaluation. A sample of each day's toner production lots are evaluated in the actual copier machines for which they are intended.

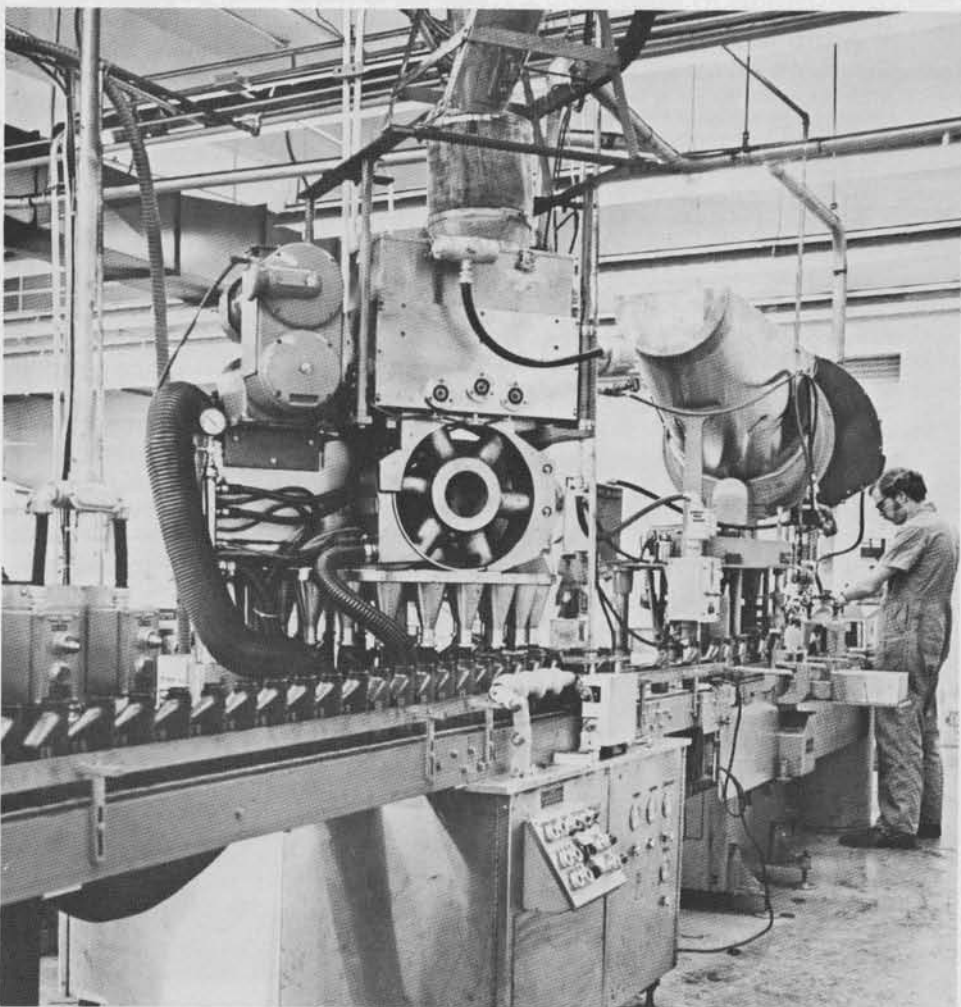
Setting high quality control standards is a major reason why our toners are outperforming all other brands on the market. "A special continuous manufacturing process has eliminated batch-to-batch variations," said **Hank Schleckser**, Manager of Development and Manufacturing for Toner Operations. "Each lot is carefully tested to meet a multitude of stringent criteria using the latest and most sophisticated analytical tools and techniques. Our toner products are 'custom made' for each particular copier rather than using one or two toners for all machines."

The special care involved in the production of our toner is paying off, because sales are at an all-time high. In fact, the toner plant is now operating 24 hours a day, seven days a week in order to keep up to the demand. "It's very gratifying to see the plant operate at 100

percent capacity," said Schleckser. "The success of our business is the end-result of a lot of hard work by the entire Business Products Group."

### Brief History of Business Products

The Business Products Division was established in 1969 to develop, manufacture and market magnetic tape cartridges for use in the IBM MT/ST, MT/SC and Model 50 Data Inserter. In 1970, the division began producing magnetic cards for Mag Card Typewriters and dictating belts, and the development of superior toner formulations was initiated. By 1971, a full line of toners was produced and successfully marketed for Xerox copiers. Toners for IBM and Xerox 4000 copiers were introduced in 1972, and a toner for the IBM Copier II was introduced last year.



Brad Hawkes, Manufacturing Supervisor, adjusts the packaging line for the Memorex 2400/3600 Toner. The toner plant is the most modern and highly instrumented in the industry.

# NEWS IN BRIEF

## MRX COM System Displayed At National Microfilm Assoc. Conference Held In Boston

The Memorex 1600 Computer Output Microfilm System (COM) was displayed at the National Microfilm Association Conference held recently in Boston. More than 10,000 people attended the four-day event. There is renewed interest in COM equipment due to the shortage of paper and its higher costs, according to Product Manager **Joe Werning**. In addition to reducing paper and reproduction costs, our COM System cuts costs related to computer system charges and use and storage of computer output data.

## Reorganization In Media Sales Announced By Fisher

**Gary Fisher**, National Sales Manager for Computer Media, has announced a reorganization to increase management effectiveness within the Western sales group. **Arnold Levin** has been promoted to Western Regional Manager, and will be responsible for the Bay Area, Pacific Northwest, and Denver Sales offices. **Dennis Yoshida** assumes the position of District Manager reporting to Arnold. Yoshida will be responsible for the Los Angeles, San Diego and Phoenix sales offices.

"The reorganization was made to increase our management effectiveness and span of control over a widely dispersed region, both with regard to personnel and geography," said Fisher.

## Memorex Awarded Citation For Energy Conservation

An "Energy Conservation Citation" signed by Secretary of Commerce, Frederick B. Dent, has been awarded to Memorex for developing an energy conservation management program. Equipment Operations Vice President **E. Douglas Larson** accepted the award on behalf of Memorex at a special luncheon ceremony sponsored by the San Jose and Santa Clara Chambers of Commerce. Ed Blecksmith, Office of Energy Program, Washington, D.C., presented the citation and gave an address on "The National Goal of Energy Independence by 1980."

## \$225,000 Saved Due To New PCB Repair Program

Approximately \$225,000 worth of printed circuit boards have been recovered and repaired through the PCB Returns Repair Program which began in January, according to **Stan Stegemeyer**, Director of PCB Operations. The repair program was started to provide better service to the field and to return inventory to production which had previously been idle.

## Patent Granted For 'Flexure' Apparatus For Disc Drives

A patent has been awarded Memorex for a unique apparatus which provides stiffness in certain rotational directions and flexibility in other directions. The device, called the Flexure, is currently utilized for mounting recording head sliders in our disc drives.

## Prototypes Of 3675 Disc Module Now Operational

A major milestone in the development of the new Memorex 3675 "double density" disc module has been reached as the first prototypes are now operational with both Memorex and IBM "double density" Disc Packs, according to **Tony LaPine**, 3675 Project Manager. "This achievement was made possible thru the valuable contributions of the technical management team, the mechanical engineering group, the 3675 head mechanism development people, and electronic design personnel," said LaPine.



**Engineer Ron Reams compiles data during the prototype test of the new 3675 "Double Density" Disc Drive Module.**

## Large Installation Rate For 3660's Recorded Last Month; Shows 15% Increase

One of the largest number of installations for 3660 Disc Drive Systems in the last year and a half was recorded in April, according to Product Manager **James Allen, Jr.** Allen said that since the beginning of this year, orders for 3660 systems have increased about 15 percent rate on a month-to-month comparison.

## Rohrer Named Product Manager For Audio Group

**Jake Rohrer** has joined the Audio Video Group as Product Manager for all Consumer Audio Products, announced Advertising, Promotion and Planning Director **Ted Cutler**. Rohrer has had previous experience in consumer product management at the Clorox Company, and received a master's degree in Business Administration from Stanford University. Rohrer will take charge of all responsibilities previously held by Ward Greil, who is now on special assignment.

Cutler said the current assignments of product managers in the Professional Products area will remain unchanged. **Dave Berry**, Product Manager, is coordinating responsibilities for all Professional Products, and has the specific responsibilities for business progress on new products, broadcast and video duplicating products. **Art Anderson**, Product Manager, has responsibility for all Professional Products which utilize the distributor base. These include the Audio Training Cassette, CCTV, and the Video Cassette business. Additionally, Art also has the responsibility for these products as they are sold to original equipment manufacturers (OEM).

## Lynn Swidersky Promoted To Territory Supervisor

**Lynn Swidersky** has been promoted to Territory Supervisor of the Greensboro, North Carolina Field Support Branch Office, announced **Don Snider**, Director of Field Service. In addition to supervision of the Greensboro Office, he will be responsible for the Raleigh and Charlotte Branch Offices. Swidersky joined Memorex as a Field Support representative for the Atlanta Office in 1970.



# PROMOTIONS

## Promotions For Audio Cassettes Now Underway

Memorex is offering dealers two promotions on audio cassettes during May and June; a half-price on the C-90, and a special buyer incentive offer on the MRX<sub>2</sub> C-45. The C-90 cassettes are packaged two to a bag, offering customers a second cassette at half-price with the purchase of a first at full price. In the C-45 promotion, a customer may obtain a free head cleaner with the purchase of two C-45's.

## Information Systems Dept. Reducing Operation Costs

The Information Systems Department is taking positive action to reduce operating costs and offset rising paper rates. Beginning next month, computer printed output will be printed on shorter paper with slightly smaller print size, and standard form output multi-part paper will be replaced with multiple printings of the output on single-part paper. These seemingly small changes will save the Company more than \$40,000 annually.

## Francis Named QC Manager For Equipment Products

**Ken Francis** has been appointed Manager of Quality Control for Equipment Products, announced **Robert Erickson**, Manager of Product Reliability. He will have responsibility for all Quality Control inspection functions. Francis has experience in various manufacturing management and quality engineering positions. "Ken's background will be a great asset in carrying out the responsibilities of his new position," said Erickson. He joined Memorex in 1969.

## Employees Celebrate 5 Years With Memorex

The following 20 employees have recently marked their fifth anniversary with Memorex and will receive five year awards in recognition of their contributions to the Company.

<b>Maria Aleman</b>	<b>Napoleon Littlefield, Jr.</b>
<b>Dot Cook</b>	<b>George Lucero</b>
<b>Darlene Crook</b>	<b>Allen Lynn</b>
<b>Grace Fields</b>	<b>Alejandro Martinez</b>
<b>Barbara Freel</b>	<b>Donald Mattson</b>
<b>Alfred Gutierrez</b>	<b>Glenadine Maynard</b>
<b>John Hayes</b>	<b>Danny Moore</b>
<b>Betty Kennedy</b>	<b>Mary Rodriguez</b>
<b>Darryl Lake</b>	<b>Dorothy Tucker</b>
<b>Michael Legue</b>	<b>Philip Yaney</b>

**Michaelene Adams** to Associate Marketing Systems Analyst  
**Victor Anderson** to Associate Programmer  
**Morton Ashcraft** to Production Control  
**Larry Ballard** to Department Tech-Assembly  
**Jerry Biecher** to Maintenance Mech. C  
**Robert Booker** to Systems Engineer  
**Charles Bowman** to Territory Supervisor  
**William Brandt** to Engineering Specialist  
**Joanne Cakebread** to Accounting Associate  
**Kathleen Campbell** to Employee Activity Coordinator  
**George Caputo** to Supervisor Equipment Manufacturing  
**Juan Chacon** to Chemical Tech B  
**Dennis Comer** to Production Control Expeditor/Dispatcher  
**Susan Crum** to Process Data Clerk  
**Harvey Dalmadge** to Senior Test Engineer  
**Don Davis** to Engineer II  
**Dan Deckman** to Office Services Coordinator  
**Cindy Deem** to Production Control Expeditor/Dispatcher  
**Jane Dellamaggiore** to Statistical Clerk  
**Robert Dimenna** to Service Planning Representative  
**Paul Ellis** to Field Support Engineer  
**Randall Esperas** to Senior Computer Operator  
**Rachel Fernandez** to Inprocess Inspector C  
**Richard Fitzgerald** to Department Tech-Fab/Test  
**Ross Foulk** to Department Tech-Assembly  
**Michael Gallardo** to Maintenance Tech I  
**Ernie Gentes** to Inprocess Inspector C  
**James Gonzales** to Maintenance Tech I  
**Tim Gott** to Electronic Tech B  
**Marie Grace** to Manager—Accounts Receivable  
**Johanna Halber** to Receiving Inspector  
**Robert Hamilton** to Electronic Tech A  
**Vaclav Hoffmeister** to Staff Engineer  
**Paul Hathaway** to Production Control Analyst  
**David Hernandez** to Process Test Tech C  
**Virginia Holldwell** to Inprocess Inspector C  
**James Howard Jr.** to Engineer I-Quality Control  
**John Hughes** to Territory Supervisor  
**Paul Inzer** to Electronic Tech C  
**Donald Jackson** to Area Manager for Professional Products  
**Marion Johnson** to Senior Final Assembler  
**Nigel Kirkpatrick** to Staff Engineer-IE  
**Thomas Lambert** to Manager of Production Planning  
**Anthony Maris** to Senior Sub-assembler  
**John McElhenie** to Field Support Field Manager  
**Keith Mercer** to Inventory Analyst  
**Frankie Mork** to Secretary A  
**Ulf Motzfeldt** to Staff Engineer

**Dennis Muth** to Senior Products Control Analyst  
**Patricia Nelson** to Accounting Specialist B  
**Dennis Palmerston** to Product Manager  
**Vicki Parks** to Accounting Specialist B  
**Arturo Pellan** to Department Manager Manufacturing  
**Rodney Pattillo** to Project Manager  
**Betty Rawlings** to Secretary C  
**Nancy Robby** to Order Correspondent  
**Wayne Robinson** to Regional Technical Support Manager  
**Kerry Ross** to Contract Administrator  
**Peter Rowe** to Zone Manager for Consumer Products Division  
**Pat Schoppe** to Department Tech-Assembly  
**Paul Tiberian** to Zone Manager for Consumer Products Division  
**David Tichenor** to Department Tech-Assembly  
**Beverly Toms** to Promotion Coordinator  
**Robert Vaillette** to Senior Engineer  
**James Vander Maaten** to Electronic Tech A  
**Walter Vierra** to Department Tech-Assembly  
**William Vivian** to Senior Production Control Analyst  
**William Warren** to Non-Technical Director  
**George White Jr.** to Micrographics Support Engineer  
**Llewellyn White** to Department Manager-Engineering

## Konar Presented 10-Year Award



Senior Technician **Tad Konar** (r) is presented an engraved clock honoring his 10th anniversary with Memorex by **B. B. Patel**, Director of Tape Media Operations. Konar was the first employee involved in the coating of disc packs, and is now in charge of chemical testing for all incoming solvents for the Company's media operations. He joined Memorex May 11, 1964.

# INTERCOM

MEMOREX Corporation  
San Tomas at Central Expressway  
Santa Clara, Calif. 95052

R P QUINN  
10300 FARALLONE DRIVE  
CUPERTINO CA 95014

First Class  
Permit No.  
316  
Santa Clara,  
California

First Class Mail

# Depend on Memorex to get the word around.



Memorex fuels the machines that people depend on to spread the written word around the business world — from copiers to word processors to dictation machines.

Memorex helps keep the whole business information loop going smoothly and economically with magnetic and copier supplies warranted to give premium performance at regular prices.

We supply writable surface magnetic cards for the IBM MC/ST and other word processing equipment; magnetic tape cartridges for the IBM MT/ST, data inscribers, composers, and dictation belts for IBM dictating equipment. Made with the same scrupulous care as Memorex audio/video and computer tape, they carry a year's warranty.

And Memorex toners and developers for Xerox and IBM copiers give consistently crisp copies, consistently high yield and continuous dollar savings.

You really can depend on Memorex. For details, call the nearest Memorex representative or dealer.

He's in the Yellow Pages. Or write: Memorex Business Products, 1200 Memorex Drive, Santa Clara, California 95052.

## MEMOREX

**Gets the word around.**