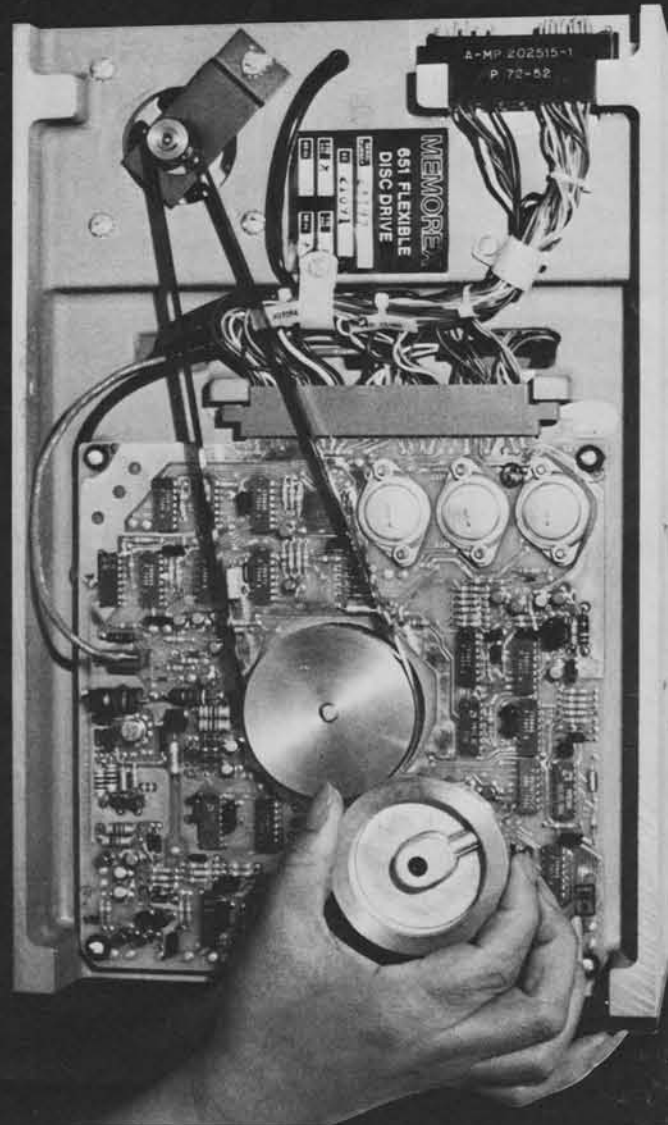
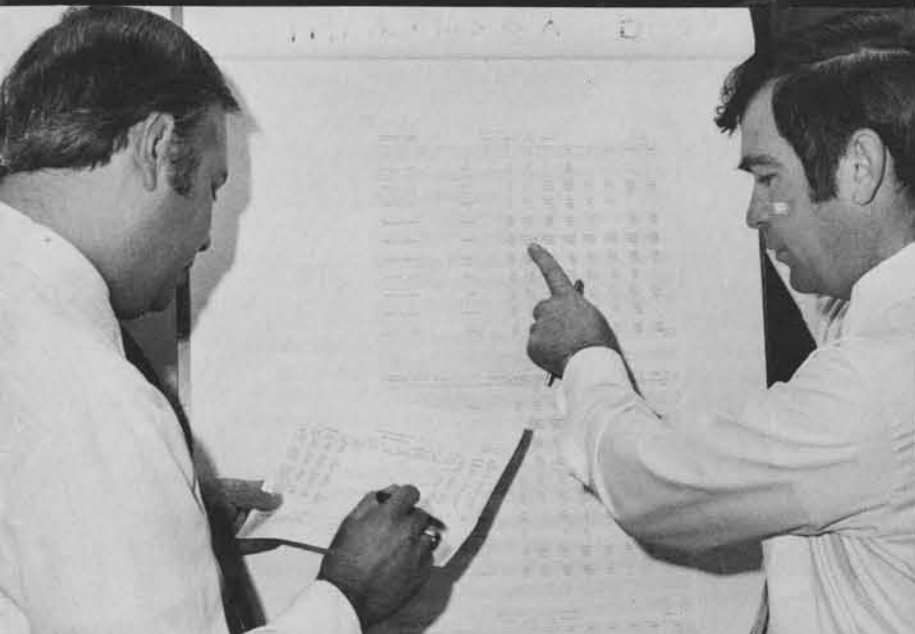


INTERCOM

Newsmagazine for Memorex Employees Worldwide
Volume 12 February/March 1975

Memorex Combats Inflation With New Buying Techniques



Wilson Cites Improved Cash Management

Company Reports 1974 Revenues Of \$217 Million, A 23 Percent Increase Over Same 1973 Period

Memorex's operating results for 1974 showed a sizable revenue gain of more than \$40 million over 1973, reported **Robert C. Wilson**, President and Board Chairman.

Wilson said the significant increase in revenues "is attributable to the dedicated efforts of Memorex employees worldwide. However, the operations suffered a loss mainly due to write-offs earlier in year, weakness of the dollar coupled with a change to an alternative method of reporting gains or losses on translation of foreign currency indebtedness."

Revenues for 1974 were \$217.6 million, a 23 per cent increase over 1973 revenues of \$176.9 million. The loss for 1974 was \$8.9 million, compared to a loss of \$119 million in 1973. In the 1974 loss, \$4 million was attributable to write-offs; \$3.3 million to currency translation and exchange associated with foreign operations and borrowings; and \$1.6 million from operations.

The president said that the Company's total debt was reduced by \$63 million, and shareholders' equity improved by \$63.1 million, from a deficit of \$86.8 million at the end of 1973 to a deficit of \$23.6 million at year-end 1974.

"Many steps were taken in 1974 toward a major turnaround despite such adverse circumstances as inflation, recession and devaluation," stated Wilson. "This improvement must be credited to the initiative and efforts displayed by talented Memorex employees throughout the world."

Some of the factors that have led to improved operations are better productivity, positive attitudes of confidence and teamwork, and more management effectiveness. "These refinements will contribute greatly to our collective objective to make 1975 the year of profit restoration," said Wilson.

Wilson stated that last year was the first time in the Company's history that it had achieved a positive cash flow from operations. "Our

MEMOREX - 1974 RESULTS (IN THOUSANDS)

Total Revenues

Net Loss

Loss per Common Share

Three Months Ended December 31		Year Ended December 31	
1974	1973	1974	1973
\$59,569	\$48,439	\$217,627	\$176,923
(2,533)	(13,813)	(8,972)	(119,090)
\$ (.59)	\$ (3.20)	\$ (2.08)	\$ (27.63)

NOTE: In the fourth quarter 1974, the Company changed its policy of currency translation on foreign currency indebtedness. This change in policy resulted in a charge against income for 1974 of \$2,153,000, of which \$1,207,000 was applicable to the three months ended December 31, 1974. The remainder was retroactively recorded to the prior quarterly results in 1974. The change in policy would have had no material effect on 1973 results.

significant cash improvement was accomplished despite net repayments during the last nine months of 1974 of \$18.2 million of senior debt, investments required to support the volume increase of more than \$40 million and operating losses and continued investments made to support future growth.

"Customer demand in 1974 and in the first quarter this year has held up well in spite of the current economic climate," said the

president. "This continuing demand for Memorex products, coupled with the effect of actions taken by employees to reduce costs and improve profitability, should provide the basis for profit restoration this year unless the value of the U.S. dollar in foreign currency markets and recessionary and inflationary pressures worsen beyond current expectations."

DPF Inc. To Finance \$10 Million Of Leases For New Memory Systems

Memorex and DPF Inc. have entered into an agreement for DPF to provide \$10 million of financing for customer leases of Memorex's new add-on semiconductor main memory systems.

The Memorex 6000 Series memories, installed under 3, 4 and 5-year leases, will be eligible for purchase by DPF. Marketing of the systems will be performed by Memorex with the assistance of DPF, a New York based computer leasing organization which owns one of the largest portfolios of System 360 and 370 computers. Memorex's worldwide equipment service group will install and maintain the equipment.

According to **George Dashiell**, Vice President for Equipment Marketing, "With today's business climate, the Memorex/DPF lease program should be particularly attractive to data processing users seeking ways to substantially reduce their monthly operating expenses.

The Memorex 6000 Series memories, introduced in December, are designed to extend the usable capacity of the internal main memory of certain IBM System 360 and 370 Central Processing Units and thus extend the life of the individual model. The memories employ the latest in solid state semiconductor technology and provide complete functional compatibility between the IBM CPU and the add-on memory.

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On The Cover:

The Company's Purchasing departments are doing their part in combating the effects of inflation by utilizing various buying techniques, such as annual contracts and value engineering. (Pictured top to bottom.) For example, gold pins, used in disc drives to make electrical contact, are now gold plated at select areas to reduce material costs; Greg Kolb (r) and Michele Greenberg of Purchasing formalize an annual contract with a supplier; purchasing managers Frank Powell and Robert Fernandez review a computer print-out of price increase projections compared to standard costs; and a new die casted pulley wheel for the 651 Flexible Disc Drive has been purchased, replacing a more expensive sand casted type. (See story on page 5.)

Second Phase To Begin May 6

First Phase Of In-House Management Training Program In Full Swing; Sessions Run Through May

The first phase of Memorex's in-house management training program is in full swing. Approximately one half of the Company's middle managers are participating in a 13-week program consisting of 26 sessions, February 3 through May 1.

One half of the Company's supervisors are scheduled to attend 14 weekly sessions through May 29. The program's second phase will be presented May 6 through September 4.

The program is intended to assist managers and supervisors through utilization of their abilities and past training in a consistent way.

The sessions are being presented at the Memorex Education Center in Santa Clara. International and field managers will participate in the Allen Management program by attending public seminars in their respective countries and/or states.

Approximately 20 managers and eight supervisors who have been trained by Allen Associates, a well-known management consulting firm, are leading the program for their fellow Memorex employees. The instructors

will present 19 specific management activities and four work sessions relating to actual on-the-job problems.

The training 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.

The management and supervisory programs cover essentially the same concepts, except the supervisory program covers five additional sessions on employee relations, compensation, safety, security, and equal employment opportunity (EEO), according to **Don Houk**, Training and Development Specialist.

Each session includes a review of the work assignment from the following session, presentation of new material by the instructor, visual aids, group discussions and a work assignment.

"Each session brings together employees with different management functions and from diversified areas of the Company," Houk said.

This provides better understanding of problems, and helps improve communications among the participants, he explained.

Houk said each session is designed to allow participants to apply the instruction to their work environment, thus the program is very relevant for both students and instructors.



Don Houk

Four Gleap Winners Earn Vacations In Acapulco

Four Memorex employees have been named "Gleap-of-the-Year" Award winners climaxing a year long event sponsored by the Equipment Marketing Group. Each winner receives a one week, all-expense paid vacation for two in Acapulco.

Winners from the Santa Clara office are **Kathy Perry**, Customer Service, and **Sydney Goodyear**, Records/Reproduction. Those selected from the field are **Bill Kalfur**, Senior Field Representative, New York, and **Bonnie Freezy**, an accountant at the Memorex Printed Circuit Board Assembly facility in Eau Claire, Wisconsin.

Mrs. Perry was nominated in September for "doing an outstanding job of locating modems and sending cables for an account" in customer service. Goodyear was chosen for his "very positive attitude and rapport with other employees." Kalfur's name was submitted for his "outstanding assistance" in installing a Memorex 3673 Disc Controller. Mrs. Freezy was also nominated for her "outstanding job performance."

More than 400 employee names were submitted for "Gleap-of-the-Year." The contest

promoted an attitude of kinship, spirit and teamwork within the organization.

The lunch-time drawing was held at the Santa Clara Corporate Headquarters and **George Dashiell**, Vice President for Equipment Marketing, selected the winners. A mariachi band provided musical entertainment.



Sydney Goodyear (r), Records/Reproduction, receives a check in lieu of the trip to Acapulco from Vice President for Equipment Marketing **George Dashiell** (center), joined by Goodyear's manager **Bert Sammarcelli**, Equipment Program Services. Goodyear could not make the trip due to family commitments.



Drawing names for the Gleap-of-the-year contest is Señor George Dashiell.



Bonnie Freezy



Kathy Perry

First System Of Its Type At Memorex

New Statistics Recording System For Media Group Reducing Costs And Improving Productivity By Pinpointing Waste And Production Inefficiencies

A newly instituted system for recording and analyzing manufacturing statistics for Memorex's Video and Computer Tape Media Operation is helping to reduce costs and improve productivity by pinpointing production inefficiencies. It is the first recording system of its type to be used in the Company.

The system includes optical mark recognition (OMR) equipment which records data inscribed on forms by Media personnel at different process locations on the production floor. The forms indicate code numbers that correspond to the type, amount, and quality of video and computer tape products.

The OMR equipment is connected to a Memorex 1280 Communication Terminal which prints out the data immediately. This data can then be transferred to the terminal's cassette or transmitted to a computer for storage and later retrieval.

According to Memorex Statistician, **Dean Smoot**, who instituted the new recording procedure, the system has proved very beneficial to Media's manufacturing and quality operations.

"What once took weeks of manual recording can now be completed in just a few hours," said Smoot. "We have also increased the amount of information recorded. In addition, any type of production statistic over any period can be obtained quickly from the computer data bank."

"Quality Inspection, Process Engineering and Chemical Inspection are a few of the departments using the system," says Smoot. "These groups are finding that the dramatic increase in the amount of data able to be recorded and stored is providing greater productivity throughout the plant. The system is also improving communications. Before, the information was handed down from department to department, but now everyone receives a copy of the data at the same time."

The Quality Engineering Department is currently using the new reporting method to compile Media costs statistics. Through this application, the manufacturing operation can isolate internal raw material wastes and fine tune the process to eliminate production inefficiencies.

Members of the Media Chemical Engineering Department recently effected a cost savings of approximately \$40,000 after monitoring production quality via the recording system.

The group found that there were no quality differences when using less expensive filters rather than costly pre-tested filters in the resin mix process.

While the recording system saves Memorex thousands of dollars, even it can't escape from the Company's rigorous cost reduction programs. Beginning this month, an inhouse mini-computer will be connected to the OMR system which will reduce computer costs over existing outside computer timesharing expenditures.



Casey Boyes (r), Process Clerk, completes the recording of quality control information on the optical mark recognition equipment, while **Dennette Kimble**, Reporting Clerk, reads the communication terminal for transferring the statistics.



Filling out an optical mark recognition form, used to compile manufacturing statistics for the new media reporting system, is **Ardelle Barkley**, Computer Tape Test Operator.

Company Begins Marketing New Double Density Mark XI Disc Pack

The Company has begun marketing its new Mark XI Disc Pack. The 200-million byte capacity media product is compatible with both the Memorex 3675 and IBM 3330-11 double density disc drives.

"The greater capacity of the Mark XI will allow users to change packs less frequently and represents a substantial cost savings over single density packs," says **Hal Sowle**, Disc Pack Product Manager.

Because of the demanding tolerances required in double density performance, formulation of the Memorex Mark XI surface involves a special application of oxide particles and a hardened binder material. "This process produces the greater signal strength required by double density packs," said Sowle.

"With the announcement of the Mark XI Double Density Pack, Memorex continues its leadership as a broadline source of media products for computer-users," added Sowle.



The new Mark XI Disc Pack, shown here, is capable of storing up to 200-million bytes of data, equivalent to the number of words contained in approximately 2,500 standard sized novels.

Purchasing Departments Utilizing New Buying Techniques To Combat The Forces Of Inflation

Improving performance in profit and cash generation, eliminating waste, reducing inventories, and promoting productivity are some of the ways Memorex is combating the forces of inflation. But have you ever wondered how the Company counteracts the increasing costs of materials it purchases to manufacture its diverse products?

According to purchasing managers **William Hiegel** and **Frank Powell**, the Company's Purchasing Departments are using a variety of buying techniques that are proving to be highly successful in cushioning the negative effects of inflation.

One weapon being used to shoot down high prices is annual contracts. This purchasing tactic allows prices to be analyzed in numerous marketing segments throughout the coming year. This enables Memorex to get a "handle" on prices it must pay to produce each product. Annual contracts also help to obtain firm prices from vendors, and guard against price increases.

Annual contracts have proved to be very beneficial to the Media group, especially during last year's rising oil prices and shortages. Hiegel, who handles purchasing for Media, Word Processing and Consumer Products operations, said that obtaining annual contracts with firm prices is extremely important because the materials they use are directly associated with petroleum.

"Many of our component costs are directly related to the cost of crude oil," explained Hiegel. "However, competition among suppliers has increased, and for one particular component, improved competition has resulted in a potential savings of \$200,000 annually."

Another purchasing method being stringently applied to help Memorex fight the war against inflation is value engineering. This is a method by which material requirements are reduced to exactly what's needed. In other words, paying the least amount for a product or material and have it meet specification. Value engineering is similar to deciding whether to drive your car to work or take the bus. Either form of transportation may be used for the same function, but one is less expensive to use.

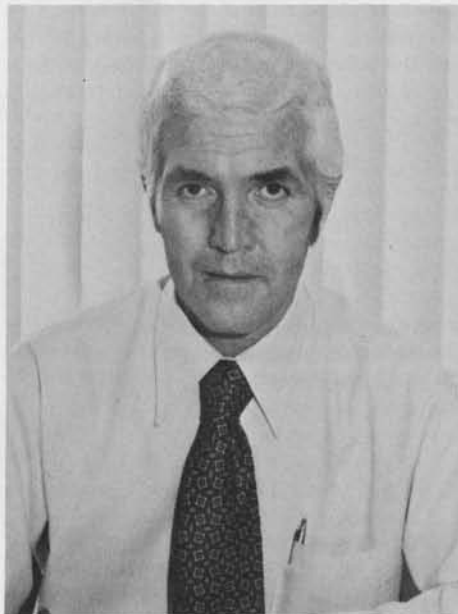
Powell, who manages purchasing for the Equipment Products Group, said that value engineering has played an important role in counteracting the tremendous price increases for gold. Gold, an excellent conductor of electricity, is used in many Memorex equipment products in the form of gold plated pins.

"In our 3670 Disc Drives, for instance, the pins make an electrical contact between the drive and circuit boards," explained Powell. "This application allows the boards to be removed for easy servicing. But now, the pins are being gold plated at selected points, which costs significantly less."

Value engineering is also being applied to our packaging material requirements, stated Hiegel. "A review is now in progress of possible packaging modifications which will bring about a significant reduction in overall production costs."

In addition to reducing prices, Purchasing is also working hard to reduce costs. For example, if Purchasing believes that a supplier is charging too much, but won't reduce prices, then the purchasing department's people negotiate for improved quality, reduced transportation charges, re-work, if needed, or even extend payables at no extra cost to Memorex.

Purchasing is also working to reduce lead times. "The gap from the time the department receives an order from a Memorex operation to the time we get back with price estimates, availability of product, delivery times, etc., has been reduced 50 per cent over the past year," said Powell. "We're also working on a new system whereby Purchasing will have an accurate record of materials delivered the same day on the receiving dock via telescriber equipment. This will help make Memorex's total operations run a lot smoother."



William Hiegel



Frank Powell

"The effects of inflation aren't all negative," remarked Hiegel and Powell. "In fact it's creating a lot of new technological advances by many talented people."

Hiegel said that a new plastic material has recently been developed and is being used in the manufacture of Memorex Markettes, the Media for flexible disc files. The material has reduced costs by more than 50 per cent. He also said that a water based solvent is being evaluated, which could be used in place of a highly flammable cleaning material which may reduce costs by 50 per cent and virtually eliminate safety hazards.

Memorex people are also becoming innovative in their fight against inflation on the job. Powell said an employee suggested replacing an expensive part made of steel used in a flexible disc file with a zinc casted part.

A member of a department that uses a large vat of solvent to clean tools came up with an idea that saves hundreds of dollars. He found that a lot of solvent was being wasted by evaporation, so the employee suggested placing distilled water into the vat. The water floats to the top of the vat closing off the escaping fumes, and the solvent can continue to be used by cleaning the tools through the layer of water.

Other methods being used by Purchasing to fight inflation include sending out a greater number of bids, shopping for products and materials in lower labor rate areas, and obtaining volume discounts. These and many others are contributing to the turnaround from a seller's market to a buyer's market.

Unified Team Of Seven Separate Groups Serving Customers Throughout The U.S. Make Up The 650-Member Memorex Equipment Marketing Organization

Editor's Note: This is the 10th article in a series on the Company's organizations and their contributions to the Memorex "team effort." This month's feature takes a look at the work of the 650-member Equipment Marketing Organization.

Seven distinct groups working as a unified team dedicated to selling and servicing Memorex equipment products throughout the United States—that's the Equipment Marketing Organization, led by Vice President **George E. Dashiell**.

Each of the seven groups interrelates with each other, thus coordination, cooperation and communications are essential for good operating performance. Marketing's interlocking groups are Field Sales, Field Engineering, Product Marketing, Customer Service, Communication Terminal Programs, Marketing Administration, and Field Administration. Field Administration also serves the Computer Media Marketing Organization.

Not only are these groups interrelated, but each also associates with other groups outside Equipment Marketing. For example, Field Sales and Product Marketing work closely with Product Planning and Research and Development (two groups responsible for developing new products); Field Engineering works hand in hand with engineering groups at Headquarters; Customer Service deals with Manufacturing in booking orders; and Marketing Administration and Field Administration interface with Accounting and Finance.

Equipment Marketing's 300-member sales force is located throughout the United States selling Memorex equipment products in a highly competitive, fast moving, technological environment. This group is an essential link between the customer and the Company, and for that reason, each member strives to make each first impression a good and lasting one.

Each sales rep reports to a regional or branch office manager located in one of 16 branch offices or nine regional offices. Equipment Sales, Equipment Service and Computer Media work out of the same office, however, each of these groups remain distinct and separate entities.

One of the nine regions is a newly created Federal Region located in Washington, D.C. which provides a strong marketing thrust into the growing government market. Dashiell said **William Koenig** has been named to direct the region's marketing for both Equipment

and Computer Media Products. In addition, Koenig has indirect responsibility for consumer, professional and word processing products. Koenig reports to Dashiell and **Gary Fisher**, Director of Media Marketing.

Another structural change is the establishment of Regional Administrators in each of the regional locations. These managers will report to **William Bollinger**, who has been named Manager of Field Administration for both Equipment and Media Groups. Bollinger, who reports directly to the vice president of Finance, **Henry Montgomery**, said the administrators will have responsibility for handling the day-to-day operation and administrative functions of each office. "This change permits equipment and media regional managers to maximize their time toward serving customer needs."

Because good sales are vital to the continued success of Memorex, every member of the Equipment Marketing Organization is considered an assistant salesman. Each is dedicated to helping the sales force do their job.

"Not only do I consider our marketing group assistant salesmen, but I consider everyone in the Company a sales associate," stated Dashiell, "because everything we do affects the performance of our sales force in its ability to sell products. Good performance is what it's all about. Our customers will stop buying if we stop performing."

One marketing group that does a lot of work to help sales reps sell products is Field Engineering. Field Engineering personnel help the salesmen acquire new customers and retain existing ones by providing excellent quality service. With good service, customers are more willing to buy more products or extend their lease.

Directed by **William Randolph**, Field Engineering has more contact with Memorex's equipment customers than any other Memorex group, thus each engineer has a direct influence on customer satisfaction. Many times an engineer is assigned to a large customer installation, which means that to the customer, he is the Company.

"Field Engineering is an integral part of customer service, and good customer service is the keystone of successful marketing," said Randolph. "A lot of the Company's success hinges on what our customers think and say about us, so our engineers are very important in creating positive customer attitudes through good service."

Memorex Field Engineers work out of 26 branch offices and 40 satellite locations throughout the U.S. The group maintains 26 different products attached to 23 different computers utilizing seven types of software operating systems. The equipment is usually used 24 hours per day and six to seven days per week. If a machine fails, the engineer is usually there within two hours and restores the machine to full operation in approximately one hour.

The engineer's job is complex. Locating problems can be very difficult because many causes can be obscured by the complicated inter-relationships among the computer, operating system, customer programs, common carrier facilities, and Memorex equipment.

Product complexity and relatively frequent new product introductions require a continuing technical education program. In Santa Clara, a professional training staff, managed by **William Emond**, develops and teaches courses ranging from customer relations to computer training.

Another Field Engineering group, Technical Operations, provides technical interface to field engineers through Engineering and Manufacturing. Managed by **Louis Perkins**, the Technical Operations people make sure that the equipment products meet reliability and maintenance requirements. They also work to ascertain any product deficiencies in design and manufacture, and keep the worldwide Field Engineering Groups informed about technical information affecting product performance.

An important part of Field Engineering is Spares Operation, managed by **Paul Sheffield**. Sheffield's team is responsible for planning, acquiring, shipping and recycling spare parts for the proper maintenance of equipment. The group must walk a fine line between excess and shortage. Error in computing this inventory could mean excessive costs or poor customer service.

Because Field Engineering's overall operation is highly cost competitive and profitable, the group has recently entered the third party service business. In this new business thrust, Memorex has extended its service coverage to non-Memorex products for the first time.

New Business Manager **Don Snider** said Field Engineering is now maintaining products manufactured by four other companies. "Our objective is to become a major force in the third party service business."

Developing marketing programs, sales objectives, sales strategies, and promotional campaigns is the work of Product Marketing, managed by **John Hoiness**. This 13-member team is the primary marketing link between headquarters and field sales personnel. In addition to providing sales support to the field, Product Marketing includes Systems Engineering Support, a staff of systems specialists. Managed by **Michael Mann**, the technical staff answers customer questions regarding the use of Memorex equipment within their data processing system, and

visits customer sites in the U.S. and around the world.

The Product Marketing group includes five marketing managers who are assigned to specific product lines. They develop marketing strategies, and provide the sales force with the best possible tools and information for each product line.

Bob Farmery manages the Company's 3670 Series Disc Drives marketing programs, **Gordon Orsborn** handles terminal control

units, and **Don Kelly** has charge of the computer-output-microfilm COM systems. In addition, **Mike Mauldin** directs the purchase business programs, including add-on memory products, and **Eugene Douglas** directs the group's international sales activities.

Hoiness said Product Marketing monitors performance against forecasts. Variances are dealt with quickly by instituting programs designed to correct the situation, or support changing product strategies.

(Continued on page 8)



Washington Federal Region
(Wash. D.C.)
William Koenig-Sales Mgr.



Equipment Marketing
George Dashiell
Vice President



Field Administration
William Bollinger
Manager



Marketing Administration
Robert Rafalovich
Manager



Field Engineering
William Randolph
Director



Customer Service
Robert Louden
Director



Product Marketing
John Hoiness
Manager



Terminal Programs
Charles Steele
Manager

Northeast Region (Boston)
Jonathan Leavitt-Sales Mgr.
David Gorbey-Engrg Mgr.

Southeast Region (Atlanta)
William Whitaker-Sales Mgr.
Justin Mastrangelo-Engrg Mgr.

Southwest Region (Houston)
Thomas Edwards-Sales Mgr.
Arnold Mudge-Engrg Mgr.

New York Metro Region (New York)
Frank Kirchoff-Sales Mgr.
Lynn Leier-Engrg Mgr.

Midwest Region (Chicago)
Jere Werton-Sales Mgr.
Douglas Speed-Engrg Mgr.

Great Lakes Region (Detroit)
Kay Finley-Sales Mgr.
Francis Juliano-Engrg Mgr.

Mid-Atlantic Region (Philadelphia)
Alfred Kennedy-Sales Mgr.
Ronald Steen-Engrg Mgr.

Western Region (Santa Clara)
Charles Splaine-Sales Mgr.
James Tyson-Engrg Mgr.



Jonathan Leavitt



David Gorbey



William Whitaker



J. Mastrangelo



Thomas Edwards



Arnold Mudge



Frank Kirchoff



Lynn Leier



Jere Werton



Douglas Speed



Kay Finley



Francis Juliano



Alfred Kennedy



Ronald Steen



Charles Splaine



James Tyson

(Equipment Marketing Continued)

An example of the changes made in sales emphasis has been the purchase program. The program has been very successful in communicating the need for a favorable balance between lease and purchase business. In 1974, purchase business was 150 per cent of plan, and lease business was approximately 90 per cent. According to Hoiness, purchase business in 1974 increased 350 per cent over 1973.

"Although our 1975 sales objectives are aggressive and will be difficult to achieve, we've entered the year with a momentum which should allow us to reach them," said Hoiness. "We're staffed and prepared to meet this year's challenges head on."

The 29-member Customer Services Group, directed by **Robert Loudon**, is responsible for the order processing and build scheduling of end user equipment orders throughout the world and for the shipping and asset management of equipment products in the United States.

Six departments, Order Control, Order Administration, Contract Administration, Systems Assurance, Asset Management, and Domestic Traffic are responsible for everything that happens from the time a contract is signed until the customer receives his equipment. They book orders, schedule them with Manufacturing, communicate delivery times to the Field, and manage costs associated with warehousing products.

Other marketing functions performed by Customer Services include Guest Services, handled by **Howard Rathbun**, who provides tours of Memorex facilities in Santa Clara for customers and prospects; International Liaison, handled by **Mel Fuller**, coordinates customer services for Memorex marketing groups outside the U.S.; and Communications, the people who control messages over the network.

Loudon said there have been many changes in both responsibilities and procedures in Customer Services over the past 10 months. "Our order processing group, under the direction of **Wayne Millies**, has introduced a new processing procedure to reduce the average order processing time by approximately 40 per cent," said Loudon. "The order backlog reporting system has been automated by **Cres Cole** so that it's capable of tracking every order from the time the order is received to the time the equipment is installed at the customer's site."

The Communications group, under **John West**, established a headquarters Message Center for the Memorex 1280 Terminal Network and set up a priority system to make sure that important messages were answered promptly by headquarters. Domestic Traffic renegotiated carrier agreements and achieved a 50 per cent reduction in shipping time. "The Asset Management group saved more than \$120,000 by carefully managing the tax costs incurred through the Company's warehouse facilities," said Loudon.

"Our 1975 objectives include accelerating inventory turnover to increase cash flow, expanding the worldwide order processing and backlog reporting system, and effecting further reductions in communications costs by expanding the use of the 1280 network," stated Loudon.

Another important Equipment Marketing group is Communications Terminal Programs, directed by **Chuck Steele**. This team is responsible for maximizing the cash and profit generation from the Company's terminal products line currently on lease or being purchased.

The major thrust of the six-member group has been to reduce costs associated with maintaining terminals in the field. The team has made numerous design changes to the machines to make them more reliable. Many of the changes were suggested by field engineers.

"We're here to respond to any suggestion or problem that may arise in the field relating to the terminal product area," said Steele. "A recent design modification suggestion from the field, for example, will save the Company more than \$200,000 annually in maintenance costs."

Steele explained that there are quite a few machines in the off-rent status, so the group is working on new programs to increase outright sales. A member of the team, **Larie Brandner**, is managing product marketing. Steele, Brandner and the engineering staff recently made the first mini-computer connection to a Memorex Terminal at the Data General Facilities in Palo Alto, California. Brandner says other attachments are scheduled soon, and if successful, these applications may open up a new market for Memorex terminal products.

Handling personnel matters, checking employee performance standards and making sure that printed materials are distributed are just a few of the functions performed by Marketing Administration.

Managed by **Robert Rafalovich**, the group establishes and administers policies and procedures affecting the Marketing Organization. These policies and procedures are communicated to the field personnel through **Ted Neu** via the branch office manual. The group also conducts special programs and studies requested by the group vice president.

Handling personnel matters affecting both Field Engineering and Field Sales representatives is **Inez Greer**. She takes care of the paper work required for new hire requisitions, documents terminations, salary actions, and she also keeps tabs on reimbursement expense funds for each branch office. Mrs. Greer also works on studies and reports that are prepared for the group's vice president.

Rafalovich said another important function of his administration group is marketing distribution, handled by **Charlotte Willson**. Mrs. Willson makes sure that each branch office receives branch manuals, corporate publications, technical engineering and sales manuals, and promotional materials. In addition,

she works closely with Development Engineering to make sure that operational instruction manuals are developed when a new product is introduced.

"Our objectives this year are to continue to improve communications through the Marketing organization, establish meaningful measurements for each Marketing team, and develop cost savings studies," said Rafalovich.

"The Marketing Organization is showing a lot of cohesiveness," states Dashiell. "Field Sales and Field Engineering operations are performing well as a team. This teamwork is beneficial in attaining our objectives for 1975. There is only one way to perform in our organization, and that's for our customers. We win or lose in the customer's office; that's where the game is played," explained Dashiell.

"More than ever, our job at Headquarters is to support our field people to help them win the game. Everyone in the Marketing group and everyone in the Company ultimately affects our salesmen's ability to sell products."

Advertising and Promotion

Dashiell said that the Marketing group will continue to keep Memorex's name before the public with some national advertising, but a large per cent of this year's advertising budget will be used for presentation aids such as flip charts, reprints, brochures, and direct mail advertising.

Dashiell said he was very pleased with the INDE-660 Program, a promotion contest to motivate salesmen to help sell Model 3660 Disc Drives. "The INDE-660 was probably the most successful sales campaign I have ever been associated with. It caught the imagination and attention of the entire organization, and it received a lot of support from top executives of the Company."

Major Emphasis on Cash and Profit

"Equipment Marketing's major emphasis is on cash and profit and not just revenue," explained Dashiell. "In other words, we're striving for a good balance between lease and outright sales. There have been times in the past where the major thrust was to build volume; now it's volume with profit."

About Vice President George Dashiell

George Dashiell began his electronics and computer-related career 25 years ago as a sales representative for IBM Corporation. He moved through the ranks and became a branch manager and later a regional manager. After a successful six years with IBM, Dashiell joined Burroughs Corporation as national director of product marketing. Four years later he left Burroughs and was appointed vice president of sales for RCA's Electronic Data Processing Division, and was later named vice president for that company's Graphic Division. In 1968, Dashiell was appointed president of Wabash Tape Corporation, where he restored profitability after a number of annual losses. In 1970, he was appointed president of Wabash Computer Corporation. Dashiell joined Memorex in 1974.

Small Computer Market Growing Fast

Development Engineering Group Makes First Mini-Computer Connection To Memorex Communication Terminal; May Open Up New Market For Products

The Company's Communication Terminal Program is getting a "shot in the arm." The booster is being administered by a group of development engineers who have recently made the first connection of a Memorex 1280 terminal to a mini-computer—possibly opening up a new market for the Company's products.

The mini-computer market is one of the fastest growing segments in the data processing industry, with more than 50,000 small size computers currently installed. Experts predict there will be approximately 175,000 in use by 1978.

Although Memorex communication terminals were not originally designed for mini-computer applications, development engineering re-designed some of the terminal's electronic circuits to make the connection possible. The first link was made with a Data General Nova Series Computer at the Data General Facilities in Palo Alto, California. The attachment went very smooth, and the few problems that developed have been resolved.

With the successful Memorex-Data General attachment now behind them, the engineering group, under the direction of **Chuck Steele**, are now in the process of hooking-up to other mini-computers available on the market.

"Next month we will be connecting terminals to mini-computers manufactured by Hewlett Packard, Digital Equipment and InterData," said Steele. "This will give us a wide variety of applications to make thorough evaluations. Once these installations are tested, the marketing organization will begin selling them throughout the world. But, we want to make absolutely sure that our terminals are compatible with each type of mini-computer before we make a formal public announcement."

The equipment used in mini-computer installations is usually purchased rather than leased, thus Memorex's possible participation in the market could help to improve the Company's cash flow, according to Product Marketing Manager **Larrie Brandner**.

Brandner said that Memorex terminals offer small size computer users the benefit of increased data transfer rates when compared to the typical mini-computer system utilizing teletype printers. "Teletype machines are relatively slow, about 10 characters per second (CPS), but high speed terminals, like the Memorex 1280, allow users to select either 60 or 120 CPS print speed.

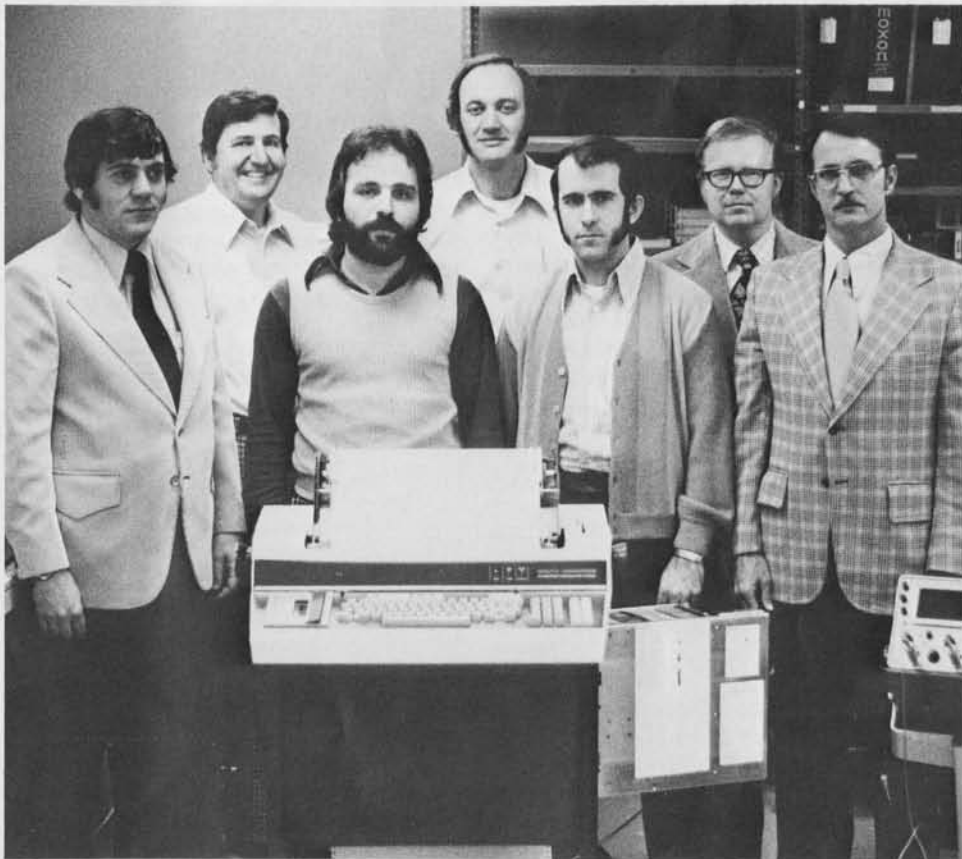
"Unlike several competitors' devices," explained Brandner, "Memorex terminals do not require hardware or software modifications in order to function as a Teletype compatible device at up to 12 times the print speed."

Brandner says that many users are expanding the memory size of their mini-computers, but are finding that the expansion requires an excessive amount of computer time due to a "data bottleneck" caused by the relatively slow printing speed.

"By installing our terminals we can help users, and at the same time, improve the Company's Terminal Program," said Brandner.



Larrie Brandner



Members of the Communication Terminal Products Group who made the first connection of a Memorex terminal to a mini-computer possible are (l to r) Chuck Steele, Manager of Terminal Products; Joel Filios, Program Measurement; Wayne Fortino,

Senior Mechanical Engineer; Norm Zimmerman, Senior Electrical Engineer; Hank Almeida, Senior Engineering Technician; Gene Ahlquist, Senior Systems Engineer; and Rod Pattillo, Field Service Coordinator.

News In Brief

Employees To Retire At 65

A mandatory retirement date at age 65 is in effect to conform with the Memorex Pension Plan. The new retirement policy applies only to Memorex employees in the United States.

According to **Candy Brown**, Employee Relations Administrator, domestic employees who are now or will be 65 years old prior to May 1, 1975 can wait until May 1 to retire. After that date, employees must retire the first day of the month on or following their 65th birthday.

A retirement planning packet providing helpful information regarding Social Security, Medicare and Unemployment benefits, has been prepared by the Industrial Relations Department, and is available upon request.

If you have any questions regarding retirement, call Candy Brown, 7-3164.

Nordberg Winner In Third Quarter 'Selassist' Contest

Bob Nordberg, a Field Engineer from Pittsburgh, Pennsylvania, is third quarter winner in the Equipment Group's Selassist Contest, a spin-off of the "INDE-660" Program, designed to stimulate sales of Memorex 3660 Disc Drives.

In the contest, each field engineer was scored according to his pre-sales activities, including points for tips on new customers or accounts and post-installation activity.

Nordberg will have a choice of a \$1500 cash award or a trip for two in Acapulco. The Selassist Contest was open to all field engineers in the Company.

Employee Devises System To Save \$1,440 Annually

Marilyn Depaoli, Associate Programmer for Information Systems, has devised a method to save \$1,440 annually by reducing costs for data programs at NCSS, a computer time sharing company. Memorex utilizes the company for computer programming. We now supply our own tape thus eliminating charges by NCSS for the use of their tape.

Nelson Named Pension Plan Administrator

Mary Nelson has been named Pension Plan Administrator, a newly created position, announced **Ed Phillippe**, Vice President-Controller. She formerly was Manager of Employee Benefits Accounting.

Mrs. Nelson is in charge of the U.S. Pension Plan accounting and personnel management guidance in interpreting new rulings and procedures relating to Federal Regulations. She is available to answer employee questions about the plan.



Mrs. Nelson

A Memorex employee since 1968, she earned a Bachelor of Science Degree in Business Administration from the University of Missouri.

James Dulgar Captures Large Tape Contract

Jim Dulgar, North Western District Manager for Consumer Products, has completed a \$365,000 sale of audio tape with the U.S. Military for distribution in Korea, Japan, Thailand, Taiwan, the Philippines, Guam and Okinawa. This is one of the largest, single sales ever made in the Consumer Division.

Companywide Safety Program Being Planned; Employees Invited To Submit Ideas

Memorex is planning a companywide safety program. Employees are invited to participate in the development of the campaign by submitting suggestions for a theme, slogans for posters, or ideas relating to safety. Prizes will be presented for those ideas used in the campaign. All proposals must be received by April 1. Send your ideas to **Bob Murray**, mail stop 00-64.

Paper Usage Reduced 39%

Memorex's campaign to reduce excessive paper usage by eliminating unnecessary reports is paying off. A recent study shows a 39 per cent paper usage reduction throughout the Company. In addition, approximately 54,000 pages of the reports now being generated each month are being printed on 25 microfilm cassettes via a Memorex 1600 Microfilm System.

New Overpass To Reduce Traffic Congestion

An overpass construction project is now underway to reduce traffic congestion and provide easy access to the Memorex Corporate Headquarters Building. The bridge is being constructed at the corner of San Tomas and Central Expressways by the Santa Clara Department of Public Works and scheduled for completion in 1976. Intricate detour routes are now in effect, thus employees should avoid the intersection whenever possible while construction is going on.

Promotions

Peter Anzellotti to Process Test Technician B
Martin Atkinson to Slitter Operator A
Carroll Barber to Engineering II - Quality Control
Carol Boselly to Order Control Clerk
William Britton to Process Test Technician B
Henry Buck to Mix Operator B
Andrew Di Maria to Supervisor - Tech Process
Tom Edwards to Regional Equipment Sales Manager, Texas

Dorothy Gargalli to Order Correspondent B
Frank Kirchoff to Regional Equipment Sales Manager, New York
Carolyn Myers to Engineering Tech B
James Patterson to Consumer Products Material Handler
Joseph Santangelo to Area Manager for Professional Products
Stephen Stone to Product Manager
David Swoboda to Supervisor Equipment Manufacturing
Shannon Walden to Draftsperson Trainee
Daniel Weber to Senior Systems Engineer
Harry Wellman to Chemical Technician C

Judy Hawkes Takes To The Road

Wife Of Memorex Employee Drives 60-Foot Diesel Truck For Living; Enjoys The Spirit Of Adventure

"What does your wife do for a living, Brad?"

"She drives a truck."

"A truck?"

"Oh, not just any truck, but a huge 60-foot, 73,000 pound diesel semi-end tractor-trailer."

Memorex Tape Plant Supervisor **Brad Hawkes** is asked these questions often, but never tires of describing his wife Judy's profession. She is a truck driver for a company, run by a husband and wife team, which transports dirt, broken concrete and sand to concrete plants.

Mrs. Hawkes, mother of two young children, is a psychology major at San Jose State University. The young truck driver, a former fashion model and secretary, said a person can earn twice as much money driving a truck as she can working as a secretary.

She had been working as a bookkeeper for three years for the trucking company when she decided to try driving.

This truck driving adventure started eight months ago, according to Mrs. Hawkes, and the "newness hasn't worn off yet.

"I told my boss the next time a driver went out on the road, I wanted to go along to learn the techniques of driving. I would have had a hard time getting started if my boss wasn't a woman. She listened to me and trusted my judgment. She knows what it's like to be a woman in a position with lots of responsibility," she explained.

The young driver was given training on maneuvering the truck by driver Ron Pennington, manager of the company. Within a few short weeks, she passed the written, driving and physical tests qualifying her as a truck driver.

Mrs. Hawkes describes driving a truck for 10 to 12 hours a day as "physically tiring."

"Truck driving can really beat you to death. Sometimes driving is so hard on you physically. Some days after I drive a long 10 or 12 hour day, my back is so tired that I can hardly stand up. On these days, I think about turning in my keys," she said.

She does, however, enjoy driving with her German Shepard along side. "Heidi is good company when the roads are hectic and the days are long. It's nice to have a friend around that understands," the young female driver explained.

Mrs. Hawkes said truck driving is an enjoyable profession when you really get down to the basic everyday routine. "It is a good job and my employer makes me feel good about tackling the job."

"I know the competition is tough and I realize some men can do the job better. When men show me they appreciate my work, I know I'm doing a good job," she said.

Truck driving does not come without its hazards. Soft ground creates problems for

the truck driver, according to Mrs. Hawkes, because the wheels can sink into the ground and cause the truck to tip over.

Traffic is also a problem for truck drivers. The driver must look far enough ahead of himself and have room to react when a car pulls out in front. People don't realize just how much room truck drivers need to stop, she emphasized. The young driver also warned that drivers must keep a close watch on the trailer at all times.

Driving from Campbell to Santa Cruz and throughout the Santa Clara Valley, Mrs. Hawkes has made many friends.

"All the truck drivers I've met have been helpful and friendly offering special driving techniques. I've never heard any negative remarks from male drivers because I'm a woman. All the guys have been super nice," she said.

What does Brad think about his wife's profession?

"He gets a special thrill telling everybody what I do for a living. He is very supportive of my career and I like that," Mrs. Hawkes remarked.

"Brad gets a lot of razzing from work. They always ask him what he is going to prepare for dinner tonight. He often has dinner on the table when I get home. Brad's really great with the kids, especially when I have to work late."

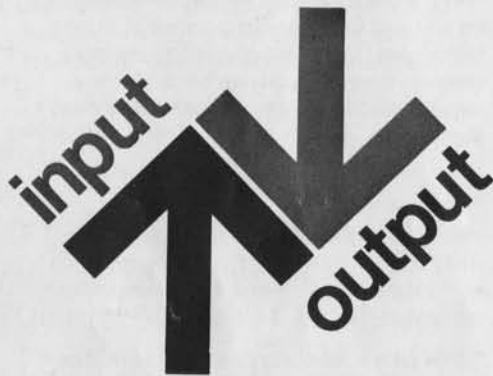
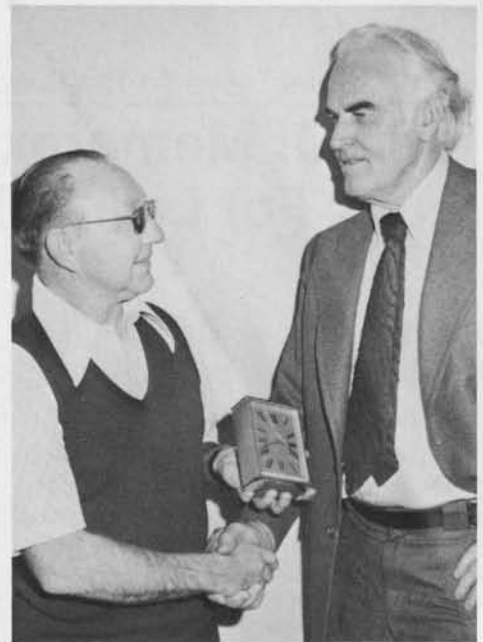


Employees Celebrate 5 And 10-Year Anniversaries

The following 20 employees are celebrating their fifth anniversary with Memorex and will receive five-year awards in recognition of their contribution to the Company.

John Adams Jr.	Ken Lowe
Henry Almeida	Norman Martel
Paul Alvarez	Tim Morrison
Kenneth Broadbent	Robert Parsons
George Campbell	John Pingree
Kenneth Chiara	Ralph Robnett
Hector Flores	Pablo Rodriguez
Morton Gershman	James Shaw Jr.
Herbert Green	Bruce Walters
Hugh Hagel	Thomas Zarneke
Gwendolyn Jackson	

Tillman Mayberry (I), Supervisor of Facilities Maintenance for Memorex Drive, recently celebrated his 10th anniversary with Memorex. In recognition of his accomplishments and contributions to the Company, **Reginald Simpson**, Manager of Facilities Services for Memorex Drive, presented Mayberry with a gold clock and letter of congratulations.



How about some scissors for toolboxes on 670 Power Line? Presently we must use exacto knives or diagonal pliers to cut heat shrink insulation for wires and mylar tape used to insulate 50 Hz transformers from their boxes. The addition of scissors to our toolboxes would eliminate much wasted heat shrink and mylar tape, an extra trimming procedure on each task and possible injuries by having the right tool for the job.

The scissors request was an excellent idea. They were promptly ordered and are now in use on the line.

Doug Campbell
Manager, Manufacturing

Is it possible to have the number of days vacation available printed on the pay stub of our checks?

Your suggestion to have all vacation hours appear on check stubs is reasonable and would assist every employee at Memorex. Unfortunately, the Bank of America payroll system, which we currently utilize, does not possess the necessary reporting capability to print vacation balances on the pay-check stubs. Please note, however, vacation hours taken and amounts paid do appear on your paycheck.

As an alternate, a vacation benefits report is being established which will list hire date, vacation hours earned, vacation hours taken and balance of vacation time available for all employees. This report will be distributed to all managers this month.

Mike Paradis, Manager
Personnel Accounting

Will Memorex have an open house, so that employee's families can come and see what we do? Several employees and myself have discussed this and think it would be a good idea. Also it would give employees a chance to see other areas of the plant that they are not familiar with and see the different products Memorex produces.

Yes, Memorex does plan to have an open house in June.

As you know, our plans for an open house to be held in May of 1974 were cancelled. This was due mainly to the expense and administrative effort required.

Roger Stabile
Employee Relations Manager

Input/Output is a Company-wide program which provides a communication channel through which Memorex employees may obtain responses to any question or comment about work procedures, benefits, employee relations, products, etc. To participate, simply fill out the Input/Output forms which are available throughout the Company. Input/Output questions of general interest will be printed periodically in INTERCOM.



Margaret Kelly, center, receives her retirement check and letter of appreciation during a celebration by fellow employees honoring her seven year service with the Comdata Division of Memorex. Mrs. Kelly, an assembler, is the Company's first retiring employee to receive income from the new pension

plan. Helping celebrate her retirement are **John Hickey**, left, Manufacturing Manager; **Howard Earhart**, General Manager of the Comdata Division; **Gordon Worthington** (standing left), Assembly Supervisor; **Jeanetta Timms**, Assembly Foreman; and **Bill Le Noir**, Assembly Foreman.