

DATA FLOW

Laying the groundwork for its planned entry into the distributed data processing arena, **Zilog, Inc.**, soon will unveil a new line of microcomputer systems featuring a multitasking operating system. The products, called the MCZ-2 family, will be based on a 4-MHz Z80a microprocessor with up to 64k bytes of main memory, up to 4 Mbytes of floppy disk storage, four serial ports, a console port and the new operating system, called RIO/CP. The machines will be offered in tabletop, rack-mounted and packaged system versions, with pricing and availability as yet undecided. The products are expected to bolster the firm's current MCZ-1 products and will be enhanced in the next few months to provide users and OEMs with both local and remote networking capabilities. Current plans call for Zilog to add multistation capabilities around the middle of the year, with multiprocessing capabilities near the end of the year, though slippage here is more than likely. When all the bells and whistles finally are in place, sophisticated end users and OEMs should be able to configure distributed processing networks with upwards of 200 local nodes, each of which will be Z80-based and capable of interactive communications with any other node in the network. According to reports, the DDP system will not be host-dependent and will be able to continue operating if any node goes down. The local networking, called Z-Net, will be implemented by using a coaxial cable to connect nodes up to five miles apart.

Despite the firm's head start as the first OEM vendor to bring a 8-inch Winchester fixed disk drive to market, **International Memories, Inc.**, apparently has had trouble generating funding fast enough to get manufacturing capabilities up to the point where it can ramp up production of its Model 7720 Winchester unit. That device, a 20-Mbyte version of the initial 11-Mbyte offering, was unveiled at last year's National Computer Conference with the intent of being in volume production by now, but apparently it is just now being shipped in evaluation quantities. In order to bolster the firm's capital position, IMI reportedly has been entertaining acquisition offers by several firms, including a few international companies.

More information is making its way into industry channels from IBM's R&D effort in preparation for the H Series, which now appears slated for announcement in the fourth quarter of 1980 or first quarter of 1981. The 1.2-gigabyte disk drive for that system, formerly known as the Whitney and now called the Coronado, is expected to be announced this quarter or next. Also expected out before the H Series announcement is the associated tape drive, code-named Intrepid. This "high-technology tape drive" will carry a hefty price tag and equally hefty performance specs, according to industry sources. The exact price figure isn't set, but density will be 32,000 bits per inch (compared with present 6250-bit maximum). The format will be 18 tracks of 16k bit density.

Responding to fears touched off by the potential Three Mile Island nuclear melt down, **New York Telephone Co.** reportedly is interested in adapting an alarm system, which software house **Industrial Programming, Inc.**, designed recently for the Manitoba phone company. Using its general-purpose **Motorola AM 6800**-based operating system, Industrial Programming is making it possible for smoke detectors, burglar alarms and the like in 600,000 Winnipeg homes to send their message via telephone lines to a central response station. Ma Bell is thinking of using the bidirectional system in homes for 10 miles around Long Island's Shoreham nuclear facility as a warning device.

Gandalf Data Taps President

NEW YORK — Gandalf Data Communications Ltd., Ottawa, Canada, last week named co-founder and vice-president

Colin D. Patterson to succeed Desmond Cunningham as company president, effective April 1.

Cunningham, also a co-founder, will continue as chairman of the firm and its operating companies: Gandalf Data Inc., Wheeling, Ill., and Gandalf Digital Communications, Warrington, Cheshire, England.

Patterson, who had been involved with engineering, will now handle day-to-day operations of the company, which manufactures data communications equipment.

No plans were disclosed to fill Patterson's former post.

At the same time, the firm disclosed here that it had signed **Nissho-Iwai American Corp.**, headquartered here, as its exclusive distributor in Japan.

The two-year agreement covers all of Gandalf Data's product lines. A Gandalf spokesman estimated sales through the distributor in 1980 would reach \$2 million.

Memorex Receives \$30M Pact For Data Storage Equipment

SANTA CLARA, CALIF. — Memorex Corp. said it has received a contract worth about \$30 million from the General Services Administration for data storage equipment.

The contract runs for one year, with two additional one-year renewals, Memorex said, and calls for the company to supply 100-Mbyte 3670 disk pack drives, 200-Mbyte 3675 disk pack drives and 317-Mbyte 3650 14-inch Winchester fixed disk drives.

The exact number of devices to be supplied has not yet been determined, a company spokesman indicated.

Ex-System Industries, Shugart Execs Establish 8-Inch Winchester Company

By Paul E. Schindler Jr.

SAN JOSE, CALIF. — A former System Industries, Inc., vice-president and five ex-Shugart Associates executives have started an 8-inch Winchester disk drive firm aimed at competing in the "super-low-cost" market segment.

James Patterson, former System Industries engineering vice-president and now president of the new firm, called Quantum Corp., sees the Winchester market "dividing into two segments: low cost and super-low cost. Only Shugart and Memorex are in the super-low-cost segment."

"It may look like a crowded marketplace," said James McCoy, who recently left his Shugart post as manager of product management (CSN, Data Flow, Feb. 18) to become Quantum's head of marketing. "There are at least 28 other firms in it. But we don't aim to be number 29; we are going to be number three in the lowest-cost segment."

Joining Patterson and McCoy are the other former Shugart executives: David Brown, previously floppy disk engineering director, who will be in charge of engineering, and Harold C. Medley, who had been director of manufacturing, engineering and development and will now handle manufacturing.

Additionally, Joel N. Harrison, former engineering manager and project engineer for Shugart's SA1000 line, and Donald V. Daniels, previously Shugart's engineering manager for large fixed-disk drives, will serve on Quantum's engineering team.

First deliveries, according to Patterson, are expected in the second half of this year, with volume production by 1981.

The firm temporarily is based



McCoy: Aiming For No. 3

in headquarters here but plans to establish permanent quarters in the Santa Clara Valley, Patterson noted.

Quantum's founders are all experts in production of "small, low-cost electromagnetic peripherals," according to Patterson, who said the firm eventually will produce a family of drives, perhaps including a less-than-8-inch Winchester.

There will be no new, innovative technology in Quantum's products, according to McCoy, who said, "The key to Shugart's success was to pull together mature technologies for a high-volume, low-cost operation."

Existing technologies can still be combined in ways that will "improve cost-performance," he predicted, but he declined to give details.

According to McCoy, Quantum's founders—most of whom have worked at IBM and Memorex—are "in their third-generation of low-cost, fixed-disk products."

Financing for the new firm is not completed, according to Patterson, who said negotiations are underway with venture capital

firms and "innovative sources" of alternative financing. "We don't think money will be a problem," he said.

Product specifications are not completed, McCoy said, but the first drive will be in the low-capacity range. The interface has not been set, he added, but "if ANSI wins, much of the industry will go with it." He said the timing of Quantum's market entry will "allow us to position ourselves on a winning course" with regard to interfaces.

Quantum will not have a prototype at May's NCC, according to McCoy, but the firm will have "a presence" at the show.

Patterson said the search for an appropriate product began last September. "We examined many possibilities," he said.

He said he didn't want to detail the rejected options because "we concluded that none of them was a dead end."

Selecting the 8-inch drive market was a "difficult decision," according to Patterson, in view of the wide range of opportunities in peripherals. "All of them are boom markets, but all of them have big guns trained on them," he said.

McCoy and Patterson said they did not expect any confusion between their firm and the similarly named Quantum Science Corp., a marketing research firm, which performs no manufacturing.

Reminded of the high infant mortality of firms in the peripherals business, McCoy recalled the situation in floppy disks in 1974. "The projections of who would win then and who actually did turned out to be quite different," he said.

"Our market will range from very healthy to spectacular," he predicted.

Mohawk Planning To Expand Its System 21 DP Line

NEW YORK — Mohawk Data Sciences, Parsippany, N.J., plans to expand its System 21 line of data processing systems during the next several months.

The company will add new models in the System 21 line designed for entry into the low and high ends of the market, and will offer new peripherals, languages and a word processing option for the entire line, according to Ralph H. O'Brien, chairman.

"The success of the System 21 has been very important to the success of MDS. Sales to existing customers of other product lines, as well as a large volume of new customers, gives the company about 8500 System 21 customers, which is the second largest customer base in the data processing field," O'Brien said last week at a meeting here of the New York Society of Securities Analysts.

O'Brien did not elaborate on the company's new marketing pack with Wiltek, Inc., which was signed two weeks ago, but he did say that Wiltek's electronic message equipment will be married to System 21, and that the new product will be introduced by the end of the year (see

related story on page 59).

Asked if the introduction of the IBM 5280 has hurt System 21 sales, O'Brien said, "IBM's introduction hasn't had a negative impact on System 21 or MDS."

Douglas Davidson, senior marketing vice-president, added, "IBM's new system will probably help us, since it will increase interest in systems already on the market."

Can Weather Mild Slowdown

"MDS has several System 21 models available, and if changes in any one of our systems are necessary, hardware changes aren't needed, as with the 5280," he said.

Mohawk can weather a mild general recession this year, because, according to O'Brien, "Companies would still need data processing equipment, especially to increase the productivity of people. Only if it [a business slowdown] were severe, with widespread plant shutdowns and a major business falloff, would we be affected."

Revenues for fiscal-year 1980, which began last May 1, are 21 percent higher than last year at this time, and the firm's third-quarter backlog is \$166 million.

compared with \$192.2 million for the third quarter of fiscal year 1979, O'Brien said.

The company expects to generate \$55 million to \$60 million in revenues during fiscal-year 1980, which is sufficient for Mohawk's expansion plans for the coming year, according to R. Watson Bell, senior vice-president and chief financial officer.

"We currently have a \$75 million bank line, and this should be adequate for the next year or two," Bell added.

Datum Net Drops 80%

ANAHEIM, CALIF. — Datum has reported an 80 percent drop in earnings for the year ended December 31, compared with last year.

The peripherals and controller house reported a profit of \$200,000, or 11 cents a share, compared with \$1,016,000, or 55 cents a share, in 1978.

Revenues for 1979 amounted to \$15,233,000, compared with \$16,457,000.

Datum president Louis B. Horwitz ascribed the lion's share of the decrease to the company's instrumentation systems and said peripheral products also experienced a "modest drop."