

# INTERCOM

A Newsmagazine for Memorex Employees  
Vol. 11/July-August 1974 U.S. Edition

**Expanding The Media Business ...  
A Major Memorex Objective**

THE COMPUTER HISTORY MUSEUM



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# Company Reports \$5.3 Million Loss In First Half '74; Revenues Of \$101.8 Million, 19.5% Over '73 Period

**Robert C. Wilson**, Chairman of the Board and President of Memorex, announced that revenues for the six months ended June 30, 1974, were \$101,884,000, up from \$85,282,000 in the first half of 1973, an increase of 19.5%. For the second quarter of 1974, revenues were \$53,081,000, compared to \$43,359,000 in the second quarter of 1973, an increase of 22.4%.

A loss of \$5,345,000, or \$1.24 per share, was incurred in the second quarter of 1974. First quarter results were virtually at a breakeven level. Despite the loss, cash flow for the second quarter was positive, according to Wilson. He said this was largely due to the major emphasis being placed upon improved cash management.

Approximately \$4,000,000 of the second quarter loss resulted from net charges against operations, attributable primarily to a writedown of assets made in connection with scaling down certain aspects of the Company's communications terminal program. These charges are consistent with the announcement at the Annual Share-

holders Meeting on June 20, 1974. Mr. Wilson emphasized that Memorex intends to stay in the communications terminal business, but indicated that the Company will continue to scrutinize closely, in light of current conditions, all of its activities and programs.

Losses during the first half of 1973 were \$101,383,000 or \$23.54 per share. These losses have been fully disclosed in prior financial statements. Because certain changes in accounting policies did not become effective until July 1, 1973, comparison of current results to prior periods is not appropriate for other than sales and revenues.

Vigorous cash and profit improvement programs are in progress throughout the Company. In some instances the actions will have a negative impact on short term results. It is anticipated that most of the negative impact will be included in 1974 results. Price and productivity improvements will help in offsetting inflationary cost pressures.

President Wilson reported that documentation of the March 29, 1974, agreements in principle with senior lenders has not yet been finalized, but that no significant changes in these agreements as previously reported are contemplated. Inasmuch as the new agreements are not finalized, a full interest charge under existing agreements amounting to \$900,000 was made in the second quarter for interest on deferred interest notes and on \$40,000,000 of debt principal. The \$90,000 interest expense for the period April 1 to June 30, 1974, on debt principal and interest notes to be converted to preferred stock will be reflected as a credit to operating results if and when the new agreements are executed.

Demand for the Company's media products is very strong and in response to this demand, the Company is expanding its tape production capacity, Wilson said. This expanded capacity should be fully operational by the end of August. Demand for lease of the Company's 3670 disc storage system remains at a high level, and prospects for the outright sale of both 3660 and 3670 computer equipment are improved.

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## Company Leases Its Administration Building To GE; Move Is Part Of Overhead Cost Reduction Program

Memorex will rent its headquarters administration building to General Electric Company's Nuclear Energy Division, a move which will directly result in nearly \$300,000 yearly savings, announced **Robert C. Wilson**, President of Memorex.

"The move is part of a continuing Company-wide campaign to reduce expenses, to better utilize facilities, and to make more cash available for productive purposes," said President Wilson.

"Renting this facility permits a convenient and substantial savings in overhead as there is ample space in other buildings in the Memorex complex for the functions of the 150 people directly affected, including the executive staff.

"It also furthers the Company's recent organization streamlining by situating complementary business teams in close proximity in the same building. In this way, communications will be greatly improved among co-operating teams and productivity will be increased," he stated.

The four-story, three-year-old, 60,000 square-foot building is at the corner of San Tomas and Central Expressways in Santa Clara. The move is scheduled to be completed by September 1 and the lease is for one year, with two one-year options for renewal.

GE plans to shift approximately 200 administrative employees from its Nuclear Energy Division plant at Curtner and Monterey Roads, San Jose, to the Memorex location.

"In addition to the economies realized, we are delighted that the General Electric Company will share our attractive complex here in Santa Clara, and we look forward to a mutually beneficial association," said Wilson.

As part of the agreement, GE will use Building 12's parking facility. The increased parking at Building 10 may inconvenience some employees. In addition, GE employees will utilize the Memorex cafeteria, but according to Food Service Administrator, **Kathy Rieger**, the increase in patrons will not affect food service in any way. Ms. Rieger said that both Memorex food services, and canteen, are looking forward to serving GE employees.

# Greatest Cash Receipt Collection Recorded In May; \$10 Million Received Through Employee Efforts

Through the efforts of the Accounts Receivable Department and other departments and individuals throughout the Company, the high priority of liberating cash throughout Memorex is becoming a reality.

During May, more than \$10 million was collected in customer cash receipts domestically, which is the greatest cash collection in the Company's history. In addition, as a result of the good cash collection for May and June, cash collection projections year-to-date have been exceeded by \$3.6 million.

According to **Tom O'Keefe**, Manager of Credit and Accounts Receivable, when customers take longer and longer to pay their bills, it affects the cash flow operations of the Company significantly. "Customers sometimes need little incentive to hold back payment, such as a billing error or partial or late shipments, but most customers are just reluctant to pay immediately if they can put it off," said O'Keefe.

O'Keefe also said that if just a small percentage of our customers take the "pay later" attitude, it can create a very serious problem because of the large number of accounts. "We have more than 13,000 active accounts with about 20,000 payments being processed against these accounts each month," he said. "Thus a slow down of payment by only 10 percent of our customers can represent a significant amount of cash uncollected.

"The employee response to solving the cash receivables problem has been fantastic," said O'Keefe. "Sales personnel, product managers and others too numerous to mention have been helpful in clearing some key accounts which were late and/or needed resolution. The close working relationship with the credit and billing personnel and marketing groups has brought about the lowest level of past due receivables in more than 10 years," he said.

Numerous employees put forth the "extra effort" in resolving unpaid accounts. Here are just a few:

Equipment Salesman **Graham Baxter**, hand-carried corrected invoices to a customer who immediately forwarded checks amounting to \$30,000.

**Bernie Reeder**, Video Salesman, picked up two customer checks totalling approximately \$7,000 from two past due accounts and assisted in expediting payment from other customers in his area.

Equipment Branch Manager **Tom Edwards** called and requested that an invoice be initiated as soon as possible for equipment which had just been installed. He hand-carried the invoice to the customer and picked up the check, which resulted in a deposit of \$110,000 by the last day of the month.

Media Marketing Vice President **Philippe Yaconelli** and National Sales Distributors Manager **Bill Borman** met with a large media

customer and established the necessary ground work which effected early payments of \$329,000 and \$189,000.

**Mary Johnston** of Equipment Lease Billing personally resolved a number of old disputed billing problems which resulted in reductions of past due receivables of approximately \$20,000.

Memorex President **Robert Wilson** sent letters of appreciation to some employees identified as having made special efforts to be responsive to the call for better cash management. Also appreciative of the responsiveness of employees toward improving our cash flow is **George Dashiell**, Vice President and General Manager of Equipment Products Marketing. In a letter to all branch sales managers, Dashiell said, "You have made excellent progress in controlling past due accounts receivable. I consider receivables a major item of a branch manager's responsibility, as cash can, among other things, be used to manufacture more equipment for delivery."



Pictured is the Accounts Receivable Department, the group that helped make May and June the greatest cash collection months in

the history of Memorex. Other groups and individuals were also instrumental in this important achievement.

## INTERCOM

Editor: William D. Bellou

Published by the Memorex  
Corporate Communications Department



### On The Cover:

A major Memorex objective is to increase the capacity of the Media Business. That objective is now being met by hiring 75 people and re-opening a plant formerly used for the manufacture of microfilm, which will increase production about 20 percent. (See story on page 9.)

# 'Solid Progress And Substantial Improvements Being Made In Revenues, Profitability And Equity,' Says President Wilson At Annual Shareholders' Meeting

"This will be a tough year for Memorex, but it will be a year of solid progress with substantial improvements being made in revenue, profitability, and shareholders' equity," said President **Robert C. Wilson** at his first Memorex Annual Meeting of shareholders held last month.

In his address, Wilson discussed the importance of the proposed refinancing plan between Memorex and its senior lenders, reviewed some of the major problems confronting the Company, and pointed out some of the major opportunities at hand.

Wilson said the proposed refinancing plan should lead to a number of important benefits including, management flexibility, improved profitability, and an opportunity to restore positive shareholder equity. "Those are very dramatic benefits and should give all employees, shareholders and customers a great deal of confidence in the future," he said.

The president stated that many opportunities exist for the Company, including a strong market demand, domestically and internationally, a new financing package that will provide freedom of management action, a large tax carryforward, and equipment available for sale and lease that would provide significant additional profit and cash.

Discussing an on-going reassessment of all the Company's practices in light of its current business situation, Wilson explained that there may be some areas where additional reserves appear to be in order. These charges against income could range up to \$4 million and will have a negative effect on second quarter performance. He said, however, that all reported results will be on a sound and realistic basis.

**The complete text of the president's remarks is printed below.**

During the past year, there have been a number of dramatic and even traumatic occurrences in the affairs of your Company. Most of these have been well documented and widely publicized. As a matter of fact, in reading through the press coverage, it seems evident that the name Memorex is seldom used without the addition of some other adjective such as "troubled" or "debt-ridden."

There is no question but that Memorex is going through an extremely difficult period. It could be characterized as a crisis. As some of you know, the Chinese character for

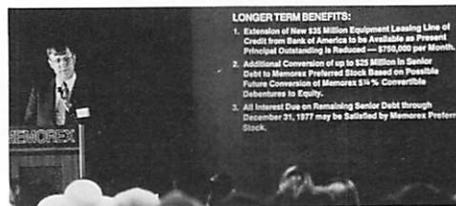
the word crisis is really made up of two separate characters: one indicates danger and the other opportunity. Before coming to Memorex, I tried to evaluate both the opportunity and the danger that existed.

The opportunity lies in the fact that Memorex participates in growth markets. It has a reputation for quality and it has a number of outstanding people. Its track record of growing from nothing in 1961 to an annualized sales rate of nearly 200 million dollars in the first quarter of this year is hard to equal. This growth could not have been accomplished without the contributions of a great many excellent people.

The danger was very apparent in the financial condition of the company and the restrictions that this was placing on the freedom of management action. This danger was very substantially diminished as a result of the financing agreements with our senior lenders.

These agreements provide the opportunity to restore your company to profitable growth. It was my positive assessment of the opportunities and the diminution of the danger through the financing agreement that brings me before you today. My purpose is not to liquidate but to build the future—by capitalizing on the opportunities and overcoming the dangers.

This morning I will touch briefly on history, discuss my perspective of the company as it stands today, review some recent actions that have been taken and provide some perspective on the future of Memorex.



**George Bragg, Vice President for Development, gave a detailed perspective on the new refinancing agreements with Memorex and its senior lenders. Bragg, who was instrumental in negotiating the agreements, told shareholders the plan was designed to "allow the Company to reach a positive net worth in a relatively short time, requalify for listing on the New York Stock Exchange in the near future, and provide flexibility for additional conversion rights, in order to capitalize on unplanned opportunities that might be identified over the next few years."**

The most impressive Memorex characteristic is its record of rapid growth from its inception in 1961 through 1973. The compound growth rate of the company is about 25 percent per year, which represents a doubling about every three years. Profitability for the same period was quite attractive until Memorex entered the equipment leasing business in 1970. In reaction, IBM sharply reduced prices attempting to drive competition out of the marketplace. This ultimately resulted in huge write-offs and losses, including those associated with the termination of the computer systems business. As a result of these losses and the concurrent negative net worth, the stock was delisted from the New York Stock Exchange last September. At year end 1973, the score sheet read like this:

Revenue—\$177 million    Loss—\$119 million  
Negative Net Worth—\$87 Million

The most recent issue of Fortune Magazine includes a tabulation of the second 500 corporations in the United States and indicates comparative statistics. Out of the total of the top 1,000 corporations, here's how Memorex stood:

Sales	619th
Profit	996th
Shareholders' Equity	1000th

These are grim statistics indeed. They do fail to disclose the fact that a great many actions were taken in 1973 in order to reduce losses and restore profitability. As a result of those actions, the first quarter annualized performance was this:

Revenue—\$195 million    Loss—\$20,000  
Negative Net Worth—\$87 million

Based on these statistics, the ranking against the 1,000 largest corporations based on their 1973 figures would be this:

Sales	578th
Profit	970th
Shareholders' Equity	1000th

Although this performance is far from satisfactory, it does represent an improvement over the disastrous results of the prior year. The actions taken in 1973 enabled your Company to survive—but much more is required before profit can be reestablished.

Because of these dismal operating results, my remarks today will be directed almost exclusively to the operations of the Company. In view of my relatively short tenure, my observations will not be based on an

“My purpose is not to liquidate, but to build the future.”—Wilson

intimate knowledge of the business. However, they accurately reflect my current impressions of the Company.

### Present Impressions

The press frequently uses the expression “troubled” Memorex. There are a number of reasons why we should be troubled. Let’s consider some of the major problems.

Attitude is the most important single problem. With the proper attitudes, nearly any task can be accomplished. Without proper attitudes, very little can be done. Unfortunately, they have been defeatist and negative. A number of good people have left the Company. We need positive, business oriented, end result, teamwork. The need for attitude improvement extends beyond the Company to our creditors, our vendors, our customers, the press, and even to some of our own share owners.

Cash is in short supply. As a result, management is unable to capitalize on many of the opportunities that exist. The likelihood of additional external financing is limited in the near term. Thus, the necessary cash must be generated from within.

- The profit problem speaks eloquently for itself.
- Our balance sheet is horrendous.
- Controls, measurements, and disciplines require substantial improvement throughout the organization.
- Revenue from both lease and sale of equipment has not reached expectations.
- Memorex is involved in an inordinate amount of expensive litigation. We are even being sued by ex-employees.
- Customer service requires upgrading.
- Our media plants are running at near capacity.
- Inventories are too high and yet we have shortages of needed inventory.
- Strategic planning is not adequate.

There are doubtless many other problems but these are substantial and seem to stand out from the others. They are deep-seated and they extend throughout the organization. However, every single one of these problems can be resolved. There is nothing mysterious about them. Their solutions will require professional skill, dedicated effort and the passage of time.

### Opportunities

So much for the bad news. Let’s talk about some of our very substantial opportunities.

This list is just a little longer than the problem list—I have always found that opportunities are greater than problems.

- Our markets are strong, both domestically and internationally.
- The new financing package provides the freedom of management action that will enable us to capitalize on our opportunities.
- Memorex has a tax loss carryforward of nearly \$70 million. That means most of the profit we earn can be converted into cash.
- There are unusually good opportunities for productivity improvement throughout the Company.
- There are a number of disc files in an off-rent condition. Sale or lease of this equipment would provide significant additional profit and cash.
- Good materials and logistics management will free up substantial amounts of cash.
- International markets are strong and Memorex has good sales and service capability.
- Pricing opportunities exist throughout the company.
- The pruning of paperwork, projects, products, geography, and people presents unusually good opportunity.

Payables are lower than receivables. We need to reduce receivables and extend payables. In the recent past, some vendors have required cash on delivery. Normal relationships are being restored.

The original equipment manufacturers market has not been vigorously pursued in recent months. It represents excellent opportunity.

Our suit against IBM is being vigorously pursued. It is our belief that we ultimately will prevail. However, the litigation will be expensive and may extend over a period of several years. Thus, it will not be a positive factor in our programs to improve near term operating results.

Our list of opportunities is very substantial. The solution to each of our major problems represents added opportunity. Thus, there is an overabundance of good things to be done. Priorities are being established throughout the Company to make sure that we are doing first things first. The overriding priorities that have been established are: attitude, cash, profit and integrity.

Objectives are important in order to provide a collective sense of purpose for the entire

“It will be our endeavor to encourage all employees to initiate needed action throughout the Company.”

organization. The following have been established for your company.



Executive Secretary Lynn Shanrock registers shareholders as they arrive at the annual meeting.

### Objectives

1. Establish winning attitudes
2. Obtain sufficient cash for freedom of action
3. Restore profitability
4. Utilize tax loss carryforward
5. Establish positive shareholder equity
6. Establish professional competence in all positions
7. Obtain relisting on the New York Stock Exchange
8. Establish complete integrity and credibility
9. Maintain quality
10. Win IBM suit

This is a relatively simple list but one that will require a great deal of doing. In my opinion, every one of these objectives can be attained. None will be easy and none will happen over night.

### Actions Taken To Date

These major objectives will be attained as a result of a great many individual actions throughout the Company. A number of steps have already been taken towards these objectives. I would like to share some of them with you.

### Refinancing

It seems desirable to emphasize the fact that the refinancing agreement does a number of good things for your Company. It provides flexibility for management, improves profitability and affords the opportunity of restoring positive shareholder equity.

Those are very dramatic benefits and should give all employees, shareholders, and customers a great deal of confidence in the future. At this time, I'd like to publicly express my appreciation to the Bank of America and to our ILC creditors for this very tangible, very substantial expression of confidence.

## Reorganization

The recently announced reorganization will enable us to manage Memorex more effectively. There are four line management groups and four staff activities reporting directly to me.

Perhaps the most important single benefit is the establishment of a strong financial organization under **Hal Krauter**. He now has direct line responsibility for all financial activities throughout the Company. Concurrent with the establishment of central control, strong financial support for line management is being established in each business. The integrity of financial data and the support to line management will be substantially improved.



**Bob Harrington, of Dean Witter & Co., interviews Memorex President Robert Wilson during a press conference immediately following the 1974 Annual Shareholders' Meeting.**

The Equipment Products Group was previously combined with International. It is our most critical management area. The new organization establishes a full time management team for Equipment under the leadership of **Jack Kramer**. At the same time, it recognizes the importance of International by establishing two International Groups. One covers Europe, Middle East and Africa under **Bill McCalmont**. The other covers The Americas and Asia under the leadership of **Dick Renne**.

The Media Group is the original base on which the Company was built. It is under the leadership of **J. Garrett Fitzgibbons**.

Industrial Relations has been established as a full-time activity under **John Pew**. People are our most important resource—John's job will involve obtaining, retaining, developing and motivating people.

The importance of our Legal Activities has been recognized by the establishment of a direct reporting function under **Bob Erickson**.

The Future Growth and Profitability Activities are under the leadership of **George Bragg**. These include such functions as strategic planning, treasury and public relations.

Written delegations of authority have been made to each of these gentlemen to enable them to take decisive action.

## Overhead

Overheads will be reduced by over \$4 million. About half of this amount is people costs. The other half is a whole host of items from facilities to stationery.

## Attitudes

A number of steps have been taken to improve attitudes. The stature of our new slate for the Board of Directors will speak eloquently to the outside world. Meetings have been held with the press and a cordial relationship will be encouraged. Internal communications have been emphasized through meeting with all employees. Establishment of formal meeting schedules and personal meetings with managers.

## Capacity

The decision has been made to increase the capacity for the media business. This will be accomplished by utilizing the facility which was previously constructed for the micro-graphics business. It will add about 20% of our production capacity for tape.

## Cash

An effort has been made throughout the company to conserve cash. This will involve all employees. Receivable collections for the month of May were at an all time record and we sold the last of the computer inventory. Because of actions such as these, we will be able to finance our operations.

There have been a great many other actions through the Company but these seem particularly noteworthy. Collectively, they represent a major step forward for Memorex. It will be our continuing endeavor to encourage all employees to initiate needed action throughout the Company. As this takes place, progress will accelerate. As shareholders, you can all help us in at least two specific ways. First, reflect a positive attitude with respect to Memorex and secondly, buy Memorex products.

## Outlook for the Future

It is always hazardous to attempt to predict the future but it is particularly hazardous when you are in a new job and talking about a company like Memorex which has had some major perturbations. It will not be my practice to forecast the future. However, despite the hazard, it seems to me that you are entitled to at least my general views on how the future of Memorex currently looks to me.

When I arrived on the scene about a month ago, I asked that our managers thoroughly review and reassess all of our practices and all of our efforts in light of the current business situation. Although we have not yet completed these reviews, it is my feeling that there are some areas where additional

**“The decision has been made to increase the capacity for the Media Business.”**

reserves appear to be in order. They are nowhere near the magnitude of the charges against income of last year but they could range up to four million. This will have a negative effect on our second quarter performance. Your management will aggressively pursue opportunities for improvement. However, all reported results will be on a sound and realistic basis. In summary, 1974 will be a tough year but it will be a year of solid progress with substantial improvements being made in revenue, profitability, and shareholders' equity.

The longer term future is largely dependent on how well all Memorex employees work together. The opportunity is there. The markets we serve are growth markets. We have excellent people, a reputation for quality and the opportunity to manage the business. It is up to us to develop the right plans and to execute them effectively.

## Conclusions

In conclusion, it seems appropriate to remind ourselves that Memorex does have massive and deep-seated problems. However, these problems can be resolved by dedicated, talented people. My purpose in coming to Memorex was not to liquidate but rather to build for the future. Before we can talk long-term growth, however, we must establish a solid near-term base. A beginning has been made. The future opportunity is there and we are dedicated to establishing the base that will enable us to reach it.

This has been a rather grim Operations-Oriented discussion. Although appropriate to today's circumstances, I am looking forward to the occasion when I can stand before you to discuss a profitable, growing, listed Memorex with positive shareholder equity.



**Annual meeting attendees applaud the remarks of a shareholder who said one way to help Memorex was to “speak positively about its operations, and let everyone know it is on the road back to profitability.” He also said, “I think the people of Memorex and the new president all warrant our full support.”**

## Four Directors Re-elected To Board

# Memorex Shareholders Elect Nine-member Board Of Directors, Approve Qualified Stock Option Plan

Memorex Corporation shareholders have elected a nine-member Board of Directors and approved a qualified stock option plan and a compensation package for Company President, **Robert C. Wilson**, at their annual meeting held in June.

The purpose of the 1974 Stock Option Plan is to motivate key employees to contribute to the growth and development of the Company and its affiliates by providing them with an opportunity to purchase Memorex. Under the plan, options may be granted to key employees to purchase an aggregate of not more than 400,000 shares. The purchase price of the stock covered by each option

may not be less than 100 percent of the fair market value on the date the option is granted.

The Plan will be administered by a committee appointed by the Board of Directors, which will designate key employees who will be granted options. The Board of Directors may suspend or terminate the Plan at any time.

Shareholders elected five new directors to the Memorex Board. They are: **Robert L. Chambers**, Chairman and Chief Executive Officer of Envirotech Corporation, Menlo Park; **Philip J. Gomez**, President, Western Gear Corporation, Lynwood; **Vester T.**

**Hughes**, partner, Jackson, Walker, Winstead, Cantwell & Miller, a Dallas law firm; and **Alvin C. Rice**, Executive Vice President of the Bank of America National Trust and Savings Association; and President Wilson.

Re-elected directors are **Alger Chaney**, Chairman, Medford Corporation; **T. Robert Sandberg**, Vice President, retired, Cutter Laboratories; **Benno C. Schmidt**, Managing Partner, J. H. Whitney & Co., and **Dr. Theodore Vermeulen**, Professor of Chemical Engineering, University of California, Berkeley.



Robert L. Chambers



Philip J. Gomez



Vester T. Hughes



Alvin C. Rice



Robert C. Wilson

## President Wilson Answers Shareholders' Questions

**Editor's Note:** Memorex President Robert Wilson answered a number of questions from shareholders at the annual meeting; three of the most important are reprinted below.

**Q: Does Memorex have any long range plans for the business proportion of Media compared to Equipment in production and sales?**

A: One of our deep-seated problems is an Equipment versus Media syndrome. We have in some cases two camps in this Company, which is a very unfortunate situation. One of the things we're making sure of is that all of our corporate officers are corporate officers, and not officers of a particular business. We are going to be cash restrained for some period of time, and we're going to allocate that cash to the best possible opportunities, regardless of where those may be. For example, two decisions that we have made are to expand media capacity and to increase production of equipment. It really isn't going to be one versus the other, it's going to be a matter of evaluating the total opportunity and making those decisions which are best for Memorex.

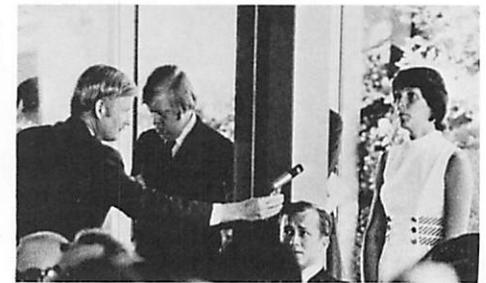
**Q: What is your philosophy on information gathering in order to make decisions?**

A: I think the problem for any manager in getting good information is an extremely difficult one. Employees are the best source of information, but we do have a number of outside sources of data of various kinds, economic, etc., and we will also utilize outside consultants. Within the Company, I think the key issue is to establish an environment where people will talk to each other. Our information gathering program will take the total form of data gathering, evaluation and discussions.

**Q: The attrition rate at Memorex has been phenomenal. What is Memorex doing to stop this attrition?**

A: Attrition is a combination of many factors, and I think one of the major ones was the Company's entry into the computer system equipment business—where Memorex was on full charge into a new market place—and then the sudden withdrawal from that area, which created a very dramatic and traumatic event. Part of the attrition from this action was voluntary, and part was involuntary, because it was essential to get the Company

back on to a cost structure which was more nearly appropriate to its present businesses. The most important item in reducing attrition is attitude. Positive confidence in our Company will have a good effect on attrition, especially when employees see that action is being taken, that we do have priorities and objectives, and they can see their path clear toward winning the ball game.



An annual meeting attendee asks President Wilson a question about the operations of the Media and Equipment businesses.

Held In Burgenstock, Switzerland

## Tech Sessions And Informative Discussions Highlight International Sales Conference

Informative technical sessions, an interesting perspective on the Company and numerous question and answer sessions, were among the highlights of the 1974 Memorex International Sales Rally held in Burgenstock, Switzerland. Attending the conference were Memorex salesmen from 13 European Countries, speaking six languages.

**William McCalmont**, Vice President and General Manager for European, Middle East and Africa, led the opening day's session with a perspective on the Company. McCalmont's discussions included the Corporation's major priorities (attitude, cash and profit), the current condition of Memorex's European business and new product introductions for both Equipment and Media.

The main purpose for the European rally was to bring the sales force together to review the latest technical information on the entire Memorex product line, to analyse the

marketing of future products, and to promote a sense of unity. In addition, it allowed an updating of the current European Data Processing field by headquarter's representatives.

"We've obtained a tremendous amount of information which will help headquarters in creating new programs in assisting Memorex International Salesmen world-wide do a better job selling," said **Mike Mann**, Product Support Manager.

Mann said a majority of European sales representatives attending the rally expressed the desire for a closer working relationship with headquarters. "They are requesting that more information be made available in all aspects of Memorex's business activities," he said. "In other words better communication on all levels."

Among the presentations were an explanation of the new Eagle Advertising Program featuring Memorex as the "Inde-

pendent Equipment Company," a selling seminar led by McCalmont and **Robert Levy**, Country Manager of France, and a manufacturing and technical support report on the Company's Media Operation in Liege, Belgium.



Participants of the 1974 Memorex International Sales Conference stayed at the Bergenstock Grand Hotel, Burgenstock, Switzerland.

## Business Products Celebrates Production Milestone



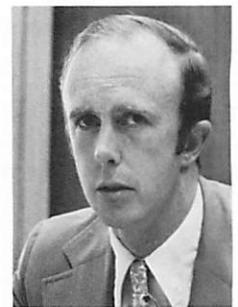
Business Products Manufacturing personnel were recently presented a cake in recognition of 164 percent of planned toner volume for the month of May, which represents a new record production level. Growing sales of Memorex Toner Products have created the need for increased production. Manufacturing Manager **Hank Schleckser** said, "I believe that the demonstrated performance reflects well on the attitude and ability of each member of the team. They have consistently improved output and quality of all toner production processes."

## Warren Named Equipment Product Planning Director

**William Warren** has been named Director of Product and Business Planning for the Equipment Products Group, announced **John Kramer**, Vice President and General Manager. Warren will report directly to Kramer.

**Robert Stender**, who previously held this planning position as well as manager for Engineering, will now devote his full time as Engineering Vice President, Equipment Products Group.

Warren was previously Director, New Business Planning, and prior to that was Product Manager for that Memorex Systems Program. Warren said his specific duties will be to develop the detailed equipment product plans consistent with the strategic plans of the Corporation. Warren joined Memorex in 1970.



**William Warren**

## 75 People To Be Hired

# Media Expands Manufacturing Capabilities To Assure Better Service To Media Customers

To assure more timely shipments and better service to customers of Memorex computer tape and video tape products, Memorex is hiring 75 people and expanding its media manufacturing capabilities by reactivating a manufacturing facility, Building 23.

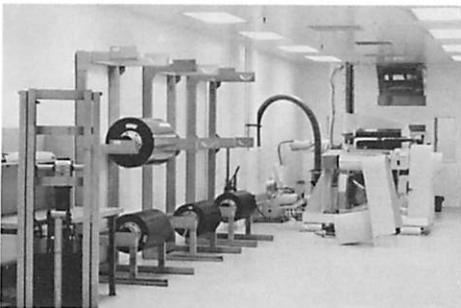
"The growing market in the United States and overseas for these Memorex media products requires we add production capacity to make timely delivery of all tape products we can sell," said J. Garrett Fitzgibbons, Vice President and General Manager for Media Products. "Expanding our labor force and manufacturing capability will permit us to reduce lead time between orders and shipments, and to deliver large volume purchases in one batch when necessary."

Fitzgibbons said that substantial orders, especially for two relatively new media products, including large OEM contract orders, have made it necessary to add capacity. The two products are Cubic Tape, a thick computer tape which virtually eliminates edge wear damage, and Cromex Video Tape, which Memorex is licensed to make and market in the Sony 3/4 inch U-Matic™ cassette format.

The reactivated plant and equipment, which had been used for the manufacture of microfilm, is being utilized to coat carbon backing to tape, and is then transported to the Tape Plant. "The carbon backing process is increasing tape production capacity approximately 20 percent, according to Pat O'Donnell, Building 23 Production Manager.

O'Donnell said that the normal start-up problems existed at the outset, but the operation is now running a smooth 24 hour, five-day week schedule. "We're currently concentrating our efforts to the coating of broadcast and closed circuit video tapes, but will begin processing the complete tape product line beginning in August.

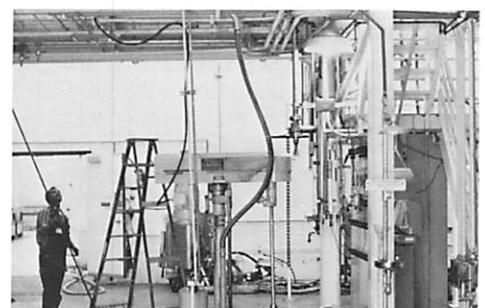
"Attitude toward the plant's rebirth has been very positive," explained O'Donnell. "Everyone is very enthused about the operations, and our contributions for the expansion of the Media Business," he said. "We're especially excited about the day-to-day increase in the efficiency of the operation."



Building 23's jumbo storage system (left) and infeed unit (shown with covers off) were both modified to accommodate the new operation.



Electrician Ryan Curtis checks out a coater tape transport drive unit prior to the start-up operations at Building 23.



The facility underwent plumbing modifications for carbon mills, which breaks down the carbon, and high sheer mixer used to mix tape resins.



(l to r) Pat O'Donnell, Building 23 Production Manager, Roscoe Moore, Director of Media Manufacturing, and J. Garrett Fitzgibbons, Vice President and General Manager of Media Products, tour Building 23 before the start-up operations began.



A jumbo reel of video tape is removed from the carbon back processing unit.

# Establishment Of Largest Lease Base One Of Many Accomplishments Of The Disc Pack Organization

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

The establishment of the largest disc pack lease base in the world, increasing production volume approximately 350 percent within a year's time, the creation of an efficient 24-hour operation, and the retention of a small company atmosphere are a few of the many accomplishments of the Memorex Disc Pack Organization.

Disc Pack contains four groups: Research and Engineering, Manufacturing, Quality Assurance, and Material. Collectively they are responsible for the disc pack product, a random access storage device on which information is recorded, from its development to shipment.

The organization first began in 1966 when Memorex acquired a Los Angeles Company known as Disc Pack Corporation, and a substrate plant located in Hawthorne, California. Within a year, the operation was moved to Santa Clara, and a start-up program began for the manufacture of the Mark I Disc Pack, a six disc pack with 10 recording surfaces. However, the substrate operation of the business was not moved to Santa Clara until 1972. The first disc pack was produced in 1967.

In 1968, operations were expanded for the production of the Mark VI packs for both sale and lease. New technology was introduced in 1972, and in 1973 high volume production of the Mark X Disc Pack was attained. Increasing demands for Memorex Products promoted the addition of a third shift for a continuous 24-hour operation.

Today, a start-up program is underway for the production of Memorex's version of the IBM 3336 Model II Disc Pack called the Mark XI, which is scheduled to begin next month.

Directing the development of the new Mark XI program, and other new products yet to be announced, is Research and Development Director **Dr. John Scott**. Dr. Scott, who has recently joined Memorex, believes the development group should be run like a small company, as far as financial visibility and scheduled commitments are concerned.

"We're going to look very carefully at our financial status, which includes project costs, development costs and schedules," explained Dr. Scott. "I have appointed a program manager who will keep tabs on the

expenses, which in turn will enable project managers to run their projects with greater efficiency."

Total responsibility of the group includes the development for all new products, on-going engineering support, and the interfacing of Quality Assurance and Marketing. In addition, the development team builds test equipment for new products, develops new disc pack design technology, and assists Quality Assurance and Manufacturing with programs to increase yields and reduce costs.

The department's most recent accomplishment has been the new Mark XI Disc Pack. "The Mark XI program is proceeding on schedule, with the first production run beginning next month," stated Dr. Scott. "We will be stressing the importance of meeting schedules because it has a direct effect on cash flow," he emphasized.

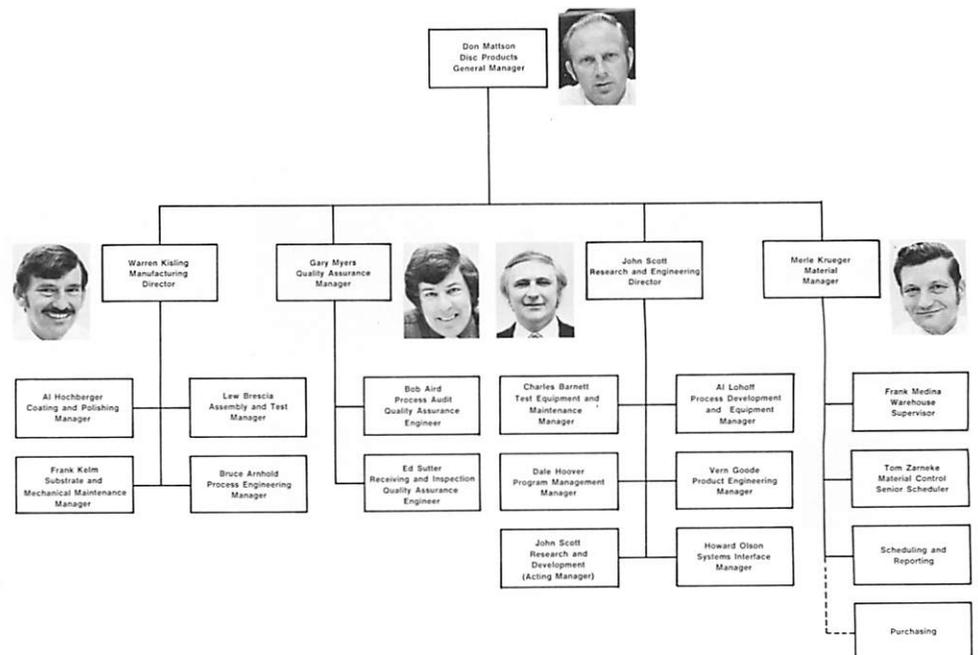
Due to increased market demand for disc pack products, significant changes have been effected in manufacturing over the past year. Capabilities were increased almost four times, the work force tripled, and the Mark X Pack was introduced, and the organization entered the Original Equipment Manufacturer (OEM) Market. "Everyone in manufacturing should be proud of these accomplishments which have been made in such short time," said **Warren Kising**, Manager of Manufacturing.

Manufacturing is divided in four main groups: A wet-end or mix process, metal working or substrate process, the disc process where the mix is applied to the substrate, and assembly and test. These groups collectively transform raw material to highly sophisticated products in approximately 50 steps.

The manufacturing organization was built on three essential characteristics of cost, quality, and schedule. "These three areas have been the key to the success of our operation," said Kising. "Our packs must be produced at the lowest possible cost, with the highest possible quality and on a regular schedule." Although accomplishments have flourished, the group hasn't been without some problems, the major one being capacity.

"The increasing demand for disc pack products is creating a capacity problem, and, with the start-up of the Mark XI Pack production, the problem is becoming more prevalent," stated Kising. "We are taking immediate action to solve it," he said, "but we are still going to be very busy during the rest of 1974 and especially in 1975 when we introduce another new disc pack."

Maintaining the high quality standards of Memorex products is a very important function throughout the company, and especially the operations of Disc Pack. Managed by **Gary Myers**, Quality Assurance makes sure products are manufactured with



# Disc Pack Organization(Cont.)

the greatest possible quality before they leave the plant.

The administration of Quality Assurance is accomplished through three main operations: Quality Engineering, In-process Quality Control, and Receiving Inspection.

Quality Engineering reviews specifications and engineering changes and provides new product entry liaison with manufacturing and development. In-process Quality Control insures that all products at the component level and the finished product meet all quality requirements. Receiving Inspection makes certain that all products received from suppliers of outside sources meet all standards of quality.

One of the most important aspects of the Disc Pack operations is the scheduling production based on the factory build schedule, the providing of material and packaging, and the delivery of the finished goods. This function is provided by a 19

member group called Material, Managed by **Merle Krueger**. Material allows greater efficiencies through the coordinated efforts of three departments.

Consisting of inventory control, scheduling and warehousing, the Material Department determines the requirements of parts for manufacturing by keeping a very exacting inventory control of components and comparing this total with the estimated known delivery times of the final product. Without a somewhat precise scheduling, inventories could become either too large or small.

"The last year has seen the reemergence of Disc Pack as a major unit at Memorex," said General Manager **Don Mattson**. "We have had numerous achievements such as record volumes, high levels of productivity, and new product introductions."

Mattson said Disc Pack is well prepared for the future. "We're going to move quickly into the next technology because of the very

strong support of every member of the organization," he said.

Looking to the future, Mattson feels the life of the disc pack products is excellent. "In my opinion, the disc pack market will continue to be strong for at least another 10 to 20 years, and will continue to be the most efficient peripheral storage media available. In fact, some of the new storage memory devices being developed are very complex and costly and the volume of memory is not as great as in existing or proposed disc packs," he said. "Future products will be enhanced by different applications of existing discs, such as through different coating thicknesses and new coatings.

"I am confident of Disc Pack's future," concluded Mattson, "because of the dedication, expertise and the experience of each employee at every level."

## 'Is It Live, Or Is It Memorex?'

# Audio-Video Products Displayed At CES In Chicago

"Is it live, or is it Memorex?" was the question asked visitors to the Company's exhibit at the Summer Consumer Electronics Show held in Chicago's McCormick Place last month. The Consumer Electronics Show (CES) is held twice a year to introduce home entertainment products, merchandising programs and promotional campaigns to thousands of retailers and consumers.

Utilizing a display featuring a live performer, individuals were asked which of two TV monitors directly overhead the booth was a live broadcast and which one was a closed circuit video tape broadcast. The majority of participants watching the display could not tell the difference.

The full line of Memorex audio products also was displayed, including cassette, 8-track and reel-to-reel. Special promotional emphasis was placed on MRX<sub>2</sub> Oxide and Chromium Dioxide Cassettes. Both products have been very instrumental in making Memorex the sales leader of premium cassettes in the U.S. consumer market.



**July Penthouse Pet "Barbie" signs autographs in front of the Memorex booth at the Consumer Electronics Show in Chicago.**

Introduced at the show was a special dealer promotion which offers a discount offer on MRX<sub>2</sub> 60 minute cassettes. Packed two to a bag, consumers can obtain a second cassette at half price when buying a first cassette at full price.



**The Memorex Audio Video display received a great deal of traffic during the four-day show. Approximately 40,000 attended from all 50 states and 36 foreign countries.**

Also exhibited was the product line of Memorex professional and educational video products, including the MRX-80, a gamma ferric reel-to-reel video tape, which offers a life time warranty against defects in workmanship and material, and video cassettes.

# Employees Celebrate 10-Year Anniversaries

Five employees have recently marked their 10th anniversary with Memorex. Each was presented an engraved clock in recognition of their many contributions to the Company. (Photo 1) Paul Kurth, Manager of Electrical Procurement Q.A. is presented the award

by Manufacturing Vice President E. Douglas Larson. (Photo 2, l to r) Robert Jackson, Chemist for Media Development, Ed Sutter, Quality Engineer for Disc Pack, and Gilbert Luna, Coating Operator for Building 23, display their engraved clocks

following a formal presentation by Media Vice President and General Manager J. Garrett Fitzgibbons. (Photo 3) Wilbur Opp, PCB Department Technician, accepts the award from Larson.



## Promotions

**Lynella Albert** to Senior Final Assembler  
**Henry Almeida** to Senior Engineering Tech  
**John Arafles** to Data Management Analyst  
**Harold Atherton** to Department Technician Fabrication/Test  
**John Bado** to Manager-Engineering Section  
**Wendell Balc** to Non-Technical Director  
**Dorothy Bellew** to Product Center Expeditor/Dispatcher  
**Gerald Bendinelli** to Manager Production Control  
**Steven Boyd** to Supervisor Finishing Operations  
**David Brown** to Engineering Specialist  
**Jane Bulgrin** to Accounting Specialist A  
**Raymond Bursese** to Fabrication Group Leader  
**James Cairns** to Department Technician Fabrication/Test  
**Howard Campbell** to Eastern Region Field Support-Branch Manager  
**John Campbell** to Department Manager Engineering  
**James Carson** to Engineering I Test  
**George Chaisson** to Department Manager II Manufacturing  
**Gary Chang** to Head Mix Technician  
**Robert Chapmen** to Supervisor Equipment Manufacturing  
**Fay Chong** to Staff Engineer  
**Joe Correia** to Associate Fabrication Specialist  
**Michael Craig** to Mechanical Technician C  
**Diane Davis** to Order Correspondent A  
**Rafael De Leon** to Product Tester  
**Thomas Dickerson** to Field Services Washington D.C. Territory Supervisor  
**Albert Dimarco** to Zone Manager Consumer Products Division  
**David Dougherty** to Chemical Technician C  
**Howard Douglas** to Senior Project Manager  
**Richard Duerksen** to Silk Screen Group  
**Sidney Duggan** to Executive Secretary  
**Margrette Durick** to Statistical Clerk  
**Sheila Flanter** to Computer Operator B

**James Fluter** to Production Control Analyst  
**Rita Foglia** to Associate Accountant  
**Arthur Fonda** to Material Director for Media  
**Jill Fugate** to Executive Secretary  
**Thomas Galli** to Production Control Analyst  
**John Geringer** to Department Manager- Manufacturing  
**Fred Gorton** to Senior Inspector  
**Russell Hadley** to Engineering Specialist  
**Richard Hale** to Products Center Expeditor/Dispatcher  
**Nicole Hershey** to Accounting Associate  
**John Jebel** to Senior Products Control Analyst  
**Jerome Keane** to Field Support Engineer  
**Frank Kirchhoff** to Product Marketing Manager  
**Tore Larsen** to Manager Engineering Section  
**Charles Levdar** to Manager Manufacturing/ Quality Control  
**Arnold Levin** to Regional Sales Manager  
**Joe Lum** to Manager Engineering Section  
**Adrien Lussier** to Surface Treat Operator  
**Ronald Lyons** to Supervisor Finishing Operations  
**Joseph Machutes** to Manager Production Control  
**Warren Maertens** to Midwestern Regional Field Support-Branch Manager  
**Daniel Malesic** to Inprocess Inspector C  
**Alejandro Martinez** to Associate Fabrication Specialist  
**Sharon Mattus** to Product Tester  
**Barbara McLean** to Traffic Coordinator  
**Thelma McLean** to Finishing Materials Handler  
**David Miller** to Equipment Sales Manager  
**Frances Miller** to Executive Secretary  
**Tim Morrison** to Product Manager  
**Celia Moyle** to Supervisor Purchasing Services  
**Dana Nelson** to Territory Supervisor Dallas Field Services  
**Marilyn Nicholas** to Accounting Specialist B  
**John O'Connell** to Territory Supervisor Boston Field Services  
**Debra Ogden** to Telecommunications Coordinator

**Daniel Orlando** to Product Control Analyst  
**Ronald O'Toole** to Accounting Specialist B  
**Gene Ousterling** to Manager Manufacturing Quality Control  
**David Pardue** to Fabrication Specialist  
**Jerry Parker** to Product Center Expeditor/Dispatcher  
**Jitendra Patel** to Manager Engineering Section  
**Celeste Paquette** to Programmer Trainee  
**Susan Perez** to Documenting Clerk  
**Philip Petty** to Product Tester  
**Thomas Porter** to Software/ Technician manager  
**Michael Price** to Product Control/Analyst  
**Pauline Ramirez** to Associate Product Test Technician  
**William Roch** to Senior Sales Representative  
**Sue Rosso** to Senior Final Assembler  
**Paulette Schneidmiller** to Secretary B  
**Arnold Simon** to Manufacturing Manager  
**Dennis Sirus** to Product Center Expeditor/Dispatcher  
**Laura Smith** to Promotion Coordinator  
**Robert Staley** to Fabrication Specialist  
**Jo Ann Steinhauer** to Accounting Specialist B  
**Maria Stroud** to Product Tester  
**Caridad Tamayo** to Accounting Specialist B  
**Ronald Terry** to Product Control Analyst  
**Craig Thomas** to Manufacturing Department Manager.  
**Maurice Turner** to Engineer I Test  
**Dale Vinnedge** to Department Technician-Fabrication/Test  
**Robert Vidis** to Associate Fabrication Specialist  
**Trenna Walther** to Secretary A  
**Richard Watters** to Supervisor Technician Process  
**Gary Williams** Department Supervisor Technical Procedures  
**Donald Wirth** to Maintenance Technician II  
**Richard Wisz** to Department Technician Assembly  
**Edward Wong** to Final Assembler  
**Edward Yslava** to Maintenance Technician I  
**Thomas Zamer** to Field Support Specialist  
**Elvira Zarate** to Research Technician C

Utilized For Membership Accounting

## First 3673 Shipped To NEA, Washington, DC

The first customer shipment of the new Memorex 3673 Disc Controller, an interface device for the 3670-series Disc Storage Subsystem, has recently been made to the National Education Association, Washington, D.C.

The 3673 provides greater market potential for Memorex products because it allows the attachment of our disc drives on smaller System/370 computers.

The primary application for the first 3673 installation is membership accounting for the more than 1.5 million members of the NEA.

The new controller is used with a CRT Inquiry System which accesses the membership data base.

The NEA, founded in 1857, is the largest professional organization in the nation. Its purposes are to elevate the character and to advance the interest of the profession of teaching and to promote the cause of education in the United States.

**Sam Townsend, Jr.**, Eastern Region System Engineering Manager, said the installation was made in just a few hours, and it has been operating problem-free. "Ray Lovelace,

Manager of NEA's Data Processing Department, said he was very pleased with performance capabilities of the 3673, and the technical support by Memorex personnel," said Townsend. "Lovelace has always regarded Memorex products and service very highly," he added.

In Santa Clara, the 3673 is in full production, and shipments are being made on schedule. This fall, additional attachment capability will be added which will allow the attachment of up to four 3673's with a maximum of 16 disc drive modules. The modules can be a mixture of 3670's, 3670 II's and 3675's.



Above, 3673 production personnel flank the new controller just prior to the first customer shipment to Washington, D.C. (Photo above, l to r) are: Gary Cramer, Richard Wisz, Martha Wade, Nancy Donnelly, Betty Leis, Gene Hurtig, Shirley Nixon, Barbra Freel, Barron Miller, Bea Altamarino, John Calloway, and Bill Jacinto. Second photo below features Emiry Mogorossy, Esq., Abdul Jaka, Pete Palomo, Bill Cooke, Doug Revis, Pete Ruth, Maureen Fratis, and Willie Opp.

Field Support Representative Ron Ferg checks out the operation of the equipment prior to turning it over to NEA. (Photo courtesy of NEA.)



Memorex Field Engineering Territory Supervisor Curtis McCrary (right) points out some engineering features to NEA Manager of Data Processing, Ray Lovelace.



# News In Brief

## Memorex Awarded Patents For Flexible Disc Drives

Memorex has been awarded a patent for the proprietary design of its Flexible Disc Drives, the 651 and 652. The disc drives are direct access electronic storage devices which read and write data on flexible discs. The patent covers the basic architecture and the access mechanism, specifically a cantilevered integral lead screw mechanism. It is believed that the inventions for which Memorex has been granted patent protection are being utilized by a number of other companies.

## Jones Receives Award For Snuffing Disc Pack Fire

Mix Operator **Jim Jones** received a U.S. Savings Bond during a special presentation from **J. Garrett Fitzgibbons**, Vice President and General Manager of Media Products, and **Warren Kisling**, Disc Pack Manufacturing Manager, in recognition of Jones' quick response in extinguishing a fire that occurred at the Disc Pack mix final inspection area. The fire started when a piece of molten metal from an electrical outlet box which was being removed, flew into a sink containing solvent.

According to Jones, he immediately turned around when he heard the sound of an arc and saw the flames coming out of the sink. Jones responded immediately by telling an electrician to set off the alarm, and proceeded to extinguish the fire. He received minor burns on his left hand which required medical attention. "Jim's quick response in proceeding to extinguish the fire without regard to his personal safety turned what could have been a catastrophe of potential employee injury and damage to property into a relatively minor incident," said Kisling.



**Jim Jones, Mix Operator, receives a U.S. Savings Bond for his quick fire fighting actions from Warren Kisling (l), Manager of Disc Pack Manufacturing and Garrett Fitzgibbons (r), Vice President and General Manager for Media Products.**

## Semeraro Saves Boy's Life

**Mario Semeraro**, Mechanical Inspector, recently utilized the life saving training skills he acquired through the Company's First Aid Training Program to save the life of a 3-year old boy. The child accidentally fell into a neighbor's pool and was submerged for more than four minutes before his mother was able to pull him out.

Unconscious and not breathing, the boy was brought to the front yard and the mother's screams attracted the attention of Semeraro and his neighbor. Both of them immediately converged on the stricken youth and took turns giving mouth-to-mouth resuscitation and chest massage. "We got the boy breathing by the time the fire-rescue crewmen arrived," said Semeraro.

First Aid Training, developed to teach the fundamentals of administering emergency care, is available to Memorex employees interested in participating.

This program is organized by Occupational Health Nurses **Adele Muzzio** and **Rose Grady** under the direction of **Ernie Tydell**, Manager of Corporate Administrative Services. For information regarding up-coming training sessions call 7-2583.



**Memorex first aiders (l to r) Ron Lyons, Ron Porter, Harry Brandt, Tully Mansfield, and Gene Robles practice life-saving techniques on volunteer "victim" Tom Steele during a recent training session.**

## Comdata To Hold MAG Picnic

Comdata, located in Santa Ana, California, will hold its annual Memorex Activities Group (MAG) picnic at the Cota de Casa park in Orange County on Saturday, August 10, from noon until 6 p.m. Activities will reflect the "Old West," with horseback riding, hay rides, and a "western style" dinner.

## In-house Computer Service Utilized To Reduce Costs

A cost reduction has recently been accomplished by moving the Calibration Services test equipment inventory file from an outside computer timesharing service to the Company's own in-house computer service. In addition, a more efficient program has been written by Information Systems Department personnel.

## Education Reimbursement Pays Employee Tuition Fees

For employees going to school this fall to earn a degree or to take single courses, check Memorex's Education Reimbursement Policy. The program reimburses textbooks and registration fees and tuition for satisfactory completion at either 100 or 50 percent of the cost, up to \$600 per year depending how closely the course relates to the individual's work. The Memorex Employee Educational Guide, which will be available from the personnel office later this summer, is a convenient booklet describing most of the major programs, both academic and vocational, that closely relate to the industry of Memorex. For more information call **Don Houk**.

## Rayborn New Manufacturing Director-Consumer Products

**Neal Rayborn** has been appointed Director of Manufacturing for Consumer Products, announced **B. B. Patel**, Director and General Manager for Tape Media Operations. "Since joining Memorex in 1972, Rayborn has been Consumer Products Quality Control Manager," said Patel. "His efforts and achievements have enabled him to earn this promotion." The position was formerly held by **Art Fonda**, who has recently been promoted to Director of Material Energy and Distribution. Rayborn will report to Patel.

## Mel Kowardly Appointed Manager-Special Products

**Mel Kowardly** has been appointed Manager, Manufacturing Special Products for the Media Group. Kowardly will be responsible for coordination of all activities and requirements of the Flexible Disc program and magnetic business products. He will report directly to **Roscoe Moore**, Director of Manufacturing.

## Sheffield Named Manager For Spares Operations

**Paul Sheffield** has been appointed Manager for Spares Operations, announced **William Randolph**, Director of Field Engineering. Sheffield will have responsibility for spares planning and spares inventory management world-wide. "Paul's appointment reflects a new emphasis in this important area," said Randolph. Sheffield will report to Randolph.

## Employees Celebrate 5 Years With Memorex

The following 36 employees have recently marked their fifth anniversary with Memorex and will receive five year awards in recognition of their contributions to the Company.

Lynella Albert	Richard Lukens
Hector Arriaga	Linda Madruga
Thomas Elder	Danile Malesic
Richard Fitzgerald	Frances Martinez
J. Garrett Fitzgibbons	Donald McClendon
Sydney Goodyear	Maurice Mikkelson
Leslie Gravatt	Conchita Modesto
Amy Greer	Jane Morello
Walter Hillblom	Hiroshi Nagakura
Robert Hinojo	Jennie Noriega
Billy Hughes	Anthony Post
John Kelly	William Randolph
Williams Krajewski	Denise Robinson
Jack Kramer	Gregory Rodoni
Rudolf Kuhn, Jr.	Everett Souza
Anthony LaPine	Telesforo Tenedora
Viola Lewis	Steve Winton
Ray Luevano	Carmen Wyckoff

## Media, OEM Equipment Displayed At National Computer Conference

Memorex Computer Media and OEM Equipment was exhibited at the 1974 National Computer Conference held in Chicago. More than 35,000 attended the four-day conference. **Bill Harry**, OEM Equipment Marketing Manager said there was a considerable amount of interest in our OEM equipment products which were displayed for the first time. Displayed was the 3675 Disc Module, 1249 Communication Printer, and 651 and 652 Flexible Disc Files.

Media products displayed included the Markette I Flexible Disc, Cubic Computer Tape, the Mark X Disc Pack, and the new Mark XI. According to **Hal Sowle**, Disc Product Manager, Media received its greatest response in any show Media has ever attended. The Media and Equipment Group jointly demonstrated the Markette I running continuously in a 652 Flexible Disc File. Registrants were encouraged to guess the number of passes before any noticeable surface wear or error occurred, with the closest guess winning a pocket calculator. The winning guess was 11,989 passes.



Memorex Media and OEM Equipment mutually displayed products at the National Computer Conference held in Chicago.

## Media Sales Holds Seminars

The media sales group is currently holding numerous seminars on Cubic Tape, a relatively new computer tape developed to eliminate edge damage, the major cause of tape failure. As a result of a Cubic Seminar recently held in New York, an order was received for 1,000 reels from Merrill, Lynch, Pierce, Fenner and Smith Inc.

## Complimentary Letter On Memorex Service Received By Vice President Dashiell

A complimentary letter was recently sent to **George Dashiell**, Vice President and General Manager for Equipment Products Marketing, from William Doherty, Processing Operations Manager for the Ford Motor Company, regarding Memorex Service. Doherty said that Senior Associate FSR **Ronald Gelaude** "did a fine job preventing a major catastrophe in the Ford Parts Division by enabling the utilization of Memorex equipment as back-up when IBM equipment malfunctioned. Without the immediate attention of Ron, employees in Ford Warehouses around the country would have had to be sent home because of a lack of communication capability."

## Martin Appointed Director-Media Products Development

**Mike Martin** has been appointed Director of Development for Media Products. He has responsibility for all programs relating to new media product development. Six technical media staffs will report directly to Martin. Advanced Chemical, Formulation Development, Electronics Instrumentation and Recording Performance Engineering, Analytical Microscope, Process Development, and Magnetics Development. Martin said one of his many goals will be to reduce the Company's reliance on the oil industry for tape production.



## Rita Foglia Promoted To Associate Accountant

Ms. **Rita Foglia** has been promoted to Associate Accountant. She recently completed an accounting for managers course, certified by the American Managers Association. **Dave Sugishita**, Media General Accounting Group Leader said, "It is appropriate that Rita be given this promotion in recognition of her achievement of greater professional competence. She has taken the initiative and time to broaden her scope of knowledge on the theoretical concepts of accounting, and I commend her."

## King Promoted To Manager Organizational Planning

**Steven P. King** has been promoted to Manager of Organization Planning and Development, announced **John Pew**, Director of Industrial Relations. King will have corporate responsibility for organization planning, management development, manpower planning, personnel records, and the Personnel Management Information System (PMIS). "Steve is moving to this extended responsibility following two years of excellent service with Compensation, most recently as Manager of Wage and Salary Administration," said Pew.



## Cost Savings Achieved In Wire Wrap Department

Through the efforts of **Dolores Green**, Supervisor for Wire Wrap, a substantial cost savings has been achieved. Previously all 1270 Control Unit back panels returning from the field for reconditioning were completely stripped and re-wired. Today, with the direction of Dolores, only wires that do not meet the correct engineering level are replaced. This change will save more than \$40,000 in this year's schedule.

## Flexible Disc Drive Contract Received

The Company has received a contract to provide a quantity of its Model 651 Flexible Disc Drive and accessories to the Information Display Division of Tektronix, Inc. of Beaverton, Oregon. Tektronix will use the 651 in an auxiliary storage device that is peripheral to its graphic computer terminal product line.

## IAM Awards Media Promotion Manual 'Best Of Show'

Industrial Arts Methods Magazine has designated the Memorex Computer Media Promotional Manual the "Best of Show Award." In its 10th annual contest, entries were judged for graphic design, suitability, consistency, illustration and photography, typography, printing quality and paper excellence. Produced by Corporate Advertising Manager, **Robert Murray**, the book is characterized by simple, dynamic design, brilliant color and reliance upon few words boldly displayed for body text. IAM describes the book as a "strong, attention-grabbing entry—appropriately suited for one of the most highly competitive industries."

# INTERCOM

Memorex Corporation  
San Tomas at Central Expressway  
Santa Clara, California 95052

First Class  
Permit No.  
316  
Santa Clara,  
California

First Class Mail

## Santa Clara MAG Picnic...A Family Affair



More than 5,000 Memorex Santa Clara employees and their families attended the 12th Annual Memorex Activities Group (MAG) sponsored picnic held at Frontier Village Amusement Park. Evening activities included rides for the children, dinner, rock bands, and an auction.

