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THE COMPUTER HISTORY MUSEUM



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INTERCOM



Memorex Announces
MRX₂ Oxide Tape

Memorex Reports Substantial Earnings for 1972 - - Sharp Upward Trend of Profit in Fourth Quarter

Memorex reported 1972 earnings of \$1,193,000 or \$0.30 per share on total revenues of \$145,422,000, reflecting a sharp upward trend of profit in the fourth quarter, it was announced by **Laurence L. Spitters**, president and board chairman.

Revenue growth in the fourth quarter to \$39,400,000 produced \$611,000 profit or \$0.15 per share. Earlier 1972 earnings per share were \$0.06 in the third quarter, \$0.05 in the second quarter, and \$0.04 in the first quarter.

Memorex reported a loss of \$13,390,000, or \$3.43 per share, for 1971 on total revenues of \$110,201,000.

For the first year in the company's history, 1972 revenues from leasing computer equipment exceeded the volume of outright sales. Leasing revenues increased 71% to \$78,322,000 from \$45,647,000 in 1971. Sales were slightly higher in 1972 than in 1971, \$67,100,000 and \$64,554,000, respectively.

Memorex retains its deferral accounting policy and, as a result of the 1972 year-end audit, there was no material write-off of amounts deferred ("intangibles"). The Company had a year-end investment in the Systems program aggregating \$22,604,000 in deferred research and development, facilities, inventories, lease acquisition costs, and computer systems for lease. The opinion of the auditors relating to 1972's financial statements is subject to the realization of sufficient future revenues to recover this investment in the MRX/Computer Systems program.

Research and development relating to the MRX/40 and /50 Systems began approximately three years ago and the products were announced in March 1972. Initial customer shipments commenced on schedule in September, 1972. While current operations are yet in the start-up phase of manufacturing and marketing, MRX/ Systems are installed and on-rent in customer locations both in the United States and overseas.

During the fourth quarter of 1972, Memorex also shipped first production units of a second major new product line, the 3670 Disc Storage System. Scaling up of manufacturing volume is now proceeding at an accelerated pace against a backlog of orders for the 3670 which is the largest ever for a new Memorex product.

Commercialization of the MRX/ Computer Systems and 3670 Disc Storage System ends the deferral of development spending for the two products. As a result, Memorex's net deferrals decreased in the fourth quarter of 1972 and are expected to continue to decrease substantially in 1973.

"Four goals were achieved to mark 1972 as the turning point in our long term program to establish a significant position within the data processing industry," Spitters said. "First, the growth of revenues has given to our business the economy of scale necessary for profitable operations. Second, the financial turnaround and rising profits during 1972 has added to our corporate strength. Third, successful entry into the marketplace of the MRX/ Computer Systems and 3670 Disc Storage Systems has provided credibility for the two most important development programs in our history. Fourth, the restructuring of the financing of our equipment-for-lease program in connection with the recent acquisition of ILC Peripherals Leasing Corporation has resulted in a major reduction of interest costs."



Laurence L. Spitters

MEMOREX CORPORATION		
STATEMENTS OF INCOME(LOSS)		
YEAR ENDED DECEMBER 31		
	1972	1971
Net Sales and Revenues	\$145,442,000	\$110,201,000
Net Income (Loss)	\$ 1,193,000	\$(13,390,000)
Earnings (Loss) per share	\$.30	\$(3.43)

INTERCOM

Editor: William D. Bellou
Production: J. B. Shallenberger, Jr.

On The Cover:
Michael B. Martin explains the technical aspects of the new MRX₂ Oxide tape during a New York press conference. Martin is technical director for the Consumer Products Division. The MRX₂ Oxide tape is the most advanced quality cassette tape for all equipment available in the world today. (Story on page 4)

Spitters Announces New Management Reorganization

A new Memorex management structure which will integrate operating functions into three decentralized units has been announced by President **Laurence L. Spitters**. The three new units have been designated "Computer Equipment Products Business, Equipment Products Operations and Media Products Business."

"Marketing operations for equipment products, including sales and service, in both domestic and international markets have been joined in the unit designated Computer Equipment Products Business," Spitters said. "**John J. Kramer**, Vice President, formerly in charge of our very successful international operations since 1969, has been named General Manager. Kramer will also manage product planning and marketing strategy planning."



John J. Kramer

"Product development and manufacturing operations for equipment products have joined in a second unit, Equipment Products Operations. This unit combines the organizations responsible for computer systems and peripheral equipment development and manufacturing. **E. Douglas Larson**, formerly VP of manufacturing, has been named Vice President and General Manager of this unit. Larson joined Memorex's



E. Douglas Larson

subsidiary involved in computer systems development and manufacturing in 1970 after 20 years' experience in the systems business.

"Memorex's several media products have been integrated in the third unit, Media Products Business. The unit will incorporate marketing, manufacturing and development operations for computer media, audio products and video tape. **J. Garrett Fitzgibbons**, formerly in charge of marketing equipment products, has been named VP, General Manager. Fitzgibbons has served as the chief executive of Memorex's Sales and Service organization for equipment products from the time of its original 12-man organization to the current organization of many hundreds of sales and service people.



J. Garrett Fitzgibbons

"**Robert H. Smith**, formerly Vice President of Marketing, has been named Vice President of Manufacturing reporting to Larson. Smith joined Memorex in 1970 as director of manufacturing operations. He was named general manager of manufacturing operations in 1971, and in December of that year became director of operations staff.

"**Robert Jaunich II** has assumed Video marketing responsibilities in addition to his duties as VP and General Manager of the Consumer Products Division. He joined Memorex in 1970 to head the launching of the consumer marketing program. Jaunich will report to Fitzgibbons.

"**Richard M. Bourgerie**, former director of Media Operations, has been appointed Vice President of Media Operations reporting to Fitzgibbons. He will assume the responsibilities for all phases of engineering and manufacturing for precision media products. He joined Memorex in 1970 as manager of production control and later director of Media Operations in January of 1972.

"**D. James Guzy**, former executive vice president and **Alan F. Shugart**, former vice president of development have resigned from Memorex. Both have played a large role in the growth of Memorex, however, they have both decided not to participate in the new organization. There was no dispute and I have nothing but appreciation and esteem for their contributions to the company," Spitters added.

Memorex's need for decentralization

"My action to regroup operations into a more logical business structure and to decentralize operating executive responsibility from a single general manager to three general managers will permit us to stay on top of our operations as our volume climbs—and, in 1973, our plans again call for a substantial growth over 1972.

"Decentralization is essential to a multi-product corporation like Memorex which sells to different customer sets with utterly different business requirements, and will serve our company well in 1973 because it will give concentrated management attention to our new equipment products," Spitters said.

Our successful products

"I'm immensely pleased with these new products. The Memorex 3670 Disc Storage System, a compatible and superior performance alternative to the IBM 3330, has had the best product reception of any product in our corporate history. Its backlog approaches \$50,000,000, technical performance in initial installations has met all specifications (including faster access than the 3330) and it has been remarkably trouble free. The manufacturing and install rate is increasing rapidly.

"The MRX/40 and 50 computer systems are now on-rent in Europe as well as in the United States, and have successfully displaced 360/20's while retaining customer investment in applications programs. The outstanding technical achievement in the systems development program is not only the advanced architecture and semiconductor memory of the hardware but also the on-time and fully operational delivery of a comprehensive set of programming support.

"Altogether, the excellent outlook for our business and the enthusiastic endorsement by our people of the new business structure and management organization make me more optimistic for Memorex than I have been since our entry into the computer equipment business. There is no question in my mind that the depth, experience and quality of our management in 1973 and ensuing years will demonstrate the soundness of our corporate development from a narrowly-based magnetic tape producer to a diversified manufacturer of computer equipment for lease and a stronger competitor in cassette, video and computer media market," Spitters said.

Memorex Announces MRX₂ Oxide Tape

The Consumer Products Division has announced the introduction of a new Memorex Cassette with MRX₂ oxide—the finest quality iron oxide tape cassette available anywhere. The new Memorex tape was announced at a New York press conference.

"Memorex with MRX₂ oxide is the most advanced quality cassette tape for all equipment available in the world today," said **Robert Jaunich II**, vice president and general manager of Consumer Products. "We have combined the Memorex reputation for quality with the most significant advancement in audio tape performance since the needle-shaped particle. Memorex cassettes with the new MRX₂ oxide now clearly demonstrate our position as leader in audio tape technology."

The new iron oxide in Memorex cassette tape coating offers the advantages of performance quality equivalent to chromium dioxide tape without the need for special bias switches; greater low frequency output than any other standard or chromium dioxide tape; and performance from cassette tape that previously was available only from open-reel tape at twice the speed," explained Jaunich.

More than a year in development

The Memorex CDP development staff, under the supervision of technical adviser **Michael B. Martin**, concentrated more than one year on the research and development of the new MRX₂ tape. "Many oxide particles were tested," Martin said, "some of which are now being used by other tape manufacturers, but only the new MRX₂ ferric oxide particle met all our requirements."

"The MRX₂ cassette tape is the most significant improvement in ferric oxide audio tape performance since the introduction of the acicular particle," said Martin. "The MRX₂ oxide is not only more needle-like in shape, but also stands alone with greater than ten to one particle length-to-width ratios. Also, the MRX₂ oxide has a near perfect crystal structure, a particle volume less than one-third that of conventional oxides, and almost complete elimination of dendrites (crystal imperfections)."

Because of the higher magnetic density, the tape sensitivity is improved over the entire audible range. This improvement is approximately 2 db in the lower part of the audible frequency range and up to 7 db at

the higher limits. In addition, the distortion of the signal by the tape is lower for equivalent record levels than with conventional tapes because of the uniformity of oxide dispersion in the coating and smoothness of the tape surface. This lower distortion allows the tape to be driven 2 db harder with acceptable distortion levels.



Robert Jaunich II

The new oxide has 80 percent less surface porosity, 25 percent more particle density and produces the most magnetically dense coating with the greatest signal-holding character available in the blank tape field today.

"The overriding requirement we had to meet was that we did not want to be only as good

as our competitors, Memorex clearly was going to become the leader in tape technology. Memorex cassettes with MRX₂ oxide meet this requirement," said Martin.

CPD Marketing plans for MRX₂

"In the market for little more than two years, Memorex CPD already commands the position of second most widely distributed and second largest selling premium tape brand on the market," according to **James P. Loser**, CPD advertising and promotion director. "We will continue to emphasize premium quality products with the new Memorex cassette line and the improved reel-to-reel and cartridge lines," said Loser. Also, we'll maintain the high level of consumer advertising and promotion that has become the standard in the blank audio tape industry."

CPD advertising programs for the introduction of the new Memorex cassettes and improved Memorex reel-to-reel and cartridge tapes will continue the successful "shattering glass" theme. Advertising plans include national television, consumer magazine advertising and local retail cooperative advertising to support the new product lines throughout 1973.



Displaying the new MRX₂ Oxide tapes, which will be available to customers within 60 days, is Gayle Clark, secretary. The new

tape has had more than a year in development by a team of Memorex technical experts.

National television programs, including "NFL Football," "Dick Cavett Show," "Man-nix" and "Mission Impossible" will carry 30 and 60-second Memorex commercials; and a full schedule of four-color and black and white ads will run in Playboy, Penthouse, Rolling Stone, High Fidelity and Stereo Review. Local retail cooperative advertising allowances to support the new lines will be available to merchandisers on a continuing basis.



Ella Fitzgerald exhibits the Memorex Cassette Tape product display which appears in stores throughout the country.

Coupled with this advertising program, Memorex CPD will continue consumer promotions that offer immediate benefits to consumers and merchandisers. Strong consumer promotion such as "Get one cassette free," and "Cash savings" offers will continue through 1973.

Shipments of the new Memorex cassette, and improved Memorex reel-to-reel and cartridge blank audio tape lines will begin within approximately 60 days.

Ella Fitzgerald stars in latest Memorex cassette commercial

Ella Fitzgerald stars in the latest Memorex cassette commercial in which she shatters a crystal goblet with her amplified voice—and then duplicate goblets are shattered by her voice as recorded on Memorex cassette tape. The commercial was aired heavily on the 1972 National Football Conference game broadcasts on the CBS Television Network.

The first Memorex cassette tape commercial featured tenor Enrico di Giuseppe and soprano Nancy Shade, did the second.

The shattering glass theme advertising and merchandising effort won designation as one of the top advertisements of the year, a Variety Annual Sales Promotion Award of Excellence for point of purchase display and the National Flexible Packaging Association President's Award for product packaging.

CPD's history

Memorex announced its new line of consumer blank cassettes and open reel tapes on a national scale in the spring of 1971. Since that time, the Memorex Consumer Products Division has captured a significant share of the market, established broad distribution in a wide variety of retail outlets, developed a reputation for product excellence.

Memorex entered the blank tape marketplace with low noise, high output ferric cassettes and five and seven inch reels. Several new products were introduced during Memorex Consumer Product Division's first year, including chromium dioxide cassettes, eight-track cartridges, ten-inch reels and a convenient aluminum cassette storage library.

In March of 1971, Memorex introduced a television and print media advertising cam-



Michael B. Martin, technical director for Consumer Products, explains the MRX₂ tape advantages in performance quality, during a New York press conference. The new tape offers the advantages of performance quality equivalent to chromium dioxide tape without the need for special bias switches; greater low frequency output than any other standard or chromium dioxide tape.

campaign built around the theme "Reproduction So True It Can Shatter Glass." During that year, Memorex spent more on advertising than the rest of the blank tape industry combined and competition was out-merchandised by extensive use of award-winning display pieces, in-store sales materials and incentive programs.



News In Brief

Eau Claire Reports 60% Increase in PCB Press Capabilities

Memorex's Printed Circuit Board Plant in Eau Claire, Wisconsin has improved process techniques which will allow circuit board multilayers to be pressed five at a time resulting in a 60% increase in press capability.

Media Manufacturing Reports Highest Production Levels

The Memorex Media Manufacturing Operations reports that computer and video tape production reached the highest production levels in the company's history during December. They also report that basic inventory levels were low and 1973 schedules call for continued high levels of production.

Organizational Change for Mem-Mex

Rudy Sikorsky has assumed the assignment of plant manager for Mem-Mex, Nogales, Mexico. **Ron Tosta** has been promoted to assistant plant manager. Sikorsky replaces **William Hankins** who has recently accepted an assignment in Field Support at Santa Clara.

Sikorsky's previous assignment at Memorex was that of assistant to the director of remote facilities. Tosta's previous assignments have been manager of manufacturing, and manager of manufacturing engineering at Mem-Mex.

Major Telecommunications Enhancements for Memorex Computers

Memorex has announced major telecommunications enhancements for the MRX/40 and MRX/50 Computers. For customers who desire the capability to communicate with other computer systems at high speed, we now offer 19.2 KB wideband support and WE 30.3 modem support.

First 1227 Acoustic Adapters Shipped

The first Memorex 1227 Acoustic Adapters have recently been shipped from Memorex, Santa Clara. The availability of this product will enhance the market potential of Memorex terminals. The acoustic adapter is designed to allow users of Memorex terminals to couple to standard telephones for data communications. It couples the tone signals from the terminal's internal modem into the telephone line by acoustically coupling to the telephone earphone and microphone.

Martin Appointed Technical Director For Consumer Products



Memorex recently announced the appointment of **Michael B. Martin** as Technical Director for the Consumer Products Division.

In making the announcement, **Robert Jaunich II**, vice president and general manager of Consumer Products Division, noted that "Mike Martin is our logical choice to succeed **Eric Daniel**, who is retiring. He worked closely with Eric in all phases of Consumer Products development, start-up and growth while building a total familiarity with all our technical operations."

Martin has been working with magnetic tape for 23 years in data processing engineering and management prior to joining Memorex as European Technical Manager in 1964. Since that time, he has assumed greater management responsibilities in both Computer & Business Products and Consumer Products divisions before taking over this most recent position.

Sischka Named Manager Of Chemical Development For CPD



Fred J. Sischka has been named manager, chemical development, for Memorex Consumer Products Division, according to **Michael B. Martin**, director of technical operations for CPD.

"This appointment will strengthen our continuing growth program in the Consumer Products Division," said Martin. "Fred Sischka already has made significant contributions to audio tape formulation improvements and new oxide developments since joining Memorex CPD. We believe this newest assignment will enable Fred to further broaden CPD's audio formulation horizons."

After graduating from the University of Portland in 1969, Sischka joined Memorex as a Video Chemist. In March, 1971, he was promoted to Development Chemist in CPD where he was responsible for the chemical formulation of new tape products and maintenance of production quality.

New Memorex Model 20 Feature For MRX System Eases Conversion

Memorex customers are finding that the use of the new Model 20 Compatibility feature on the MRX Computer Systems results in a much more orderly and smooth conversion than was previously available. The new feature is designed to assist the IBM System 360 user in making the transition to an MRX/40 or MRX/50 Computer System.

Consumer Products Holds National Sales Meeting

The Consumer Products Division held their national sales meeting in Santa Clara recently. More than 50 salesmen and regional managers were in attendance to learn of the Division's marketing and product plans for 1973. **Laurence L. Spitters**, President, addressed the group and congratulated CPD on their achievements which are remarkable considering that Memorex did not have a national sales force and was unknown to the cassette-buying public less than two years ago. The efforts of our Consumer Products Division have boosted Memorex to our present position as the second largest selling cassette product in the blank tape market.

News Briefs To Inform Employees

A new communications channel entitled **News Briefs** has been instituted with the objective of informing Memorex employees of current happenings within the company on a continuing weekly basis.

News Briefs report news involving people, production, milestones, pending items, forecasts, special schedules and reports via cards placed on cafeteria tables and on bulletin boards throughout the company. All Memorex employees are encouraged to submit material for News Briefs to Editor, INTERCOM Magazine, M/S 12-33; or call Ext. 7-2200.



Belinda O'Leary (l) and **Betty Mulkern**, secretaries of data processing information systems, read the latest News Brief in the cafeteria. News Briefs, which are published weekly, report news involving people, production, milestones, pending items, forecasts, special schedules and reports.

Memorex Employees Celebrate Anniversaries

5-Year Anniversaries 10-Year Anniversary

The following employees have marked his or her fifth anniversary with Memorex. Each employee will receive a five year pin in recognition of their contributions to the company.

Richard L. Cassidy	Richard T. Pisano, Jr.
Gerald A. Cayton	Arthur J. Randall
Ross P. Clark	Marsha A. Richards
Howard F. Earhart	John Rivas
Norbert Harris	James Robertson
Mas Kawamoto	Paul F. Ward
Richard C. McPhee	Steven H. Wong
Alice Marsh	Kenneth R. Zin
Gerald L. O'Connor	



Harold Morgan (r), receiving inspector, is presented with an engraved clock honoring his 10th anniversary with Memorex. **Al Osterlund,** director of quality assurance and test engineering, made the presentation in recognition of Morgan's participation in the company's growth during the last decade. He joined the company January 21, 1963.

Promotions

Susan Ansuini to Data Processing Center Clerk B
James Baldo to Master Scheduler I
James Black to Senior Computer Operator
William Bollinger to Manager, Administration/Marketing
Robert Carmichael to Manager, Technical II
June Casey to Personnel Specialist
Juli Chandler to Video Marketing Administrator
Aaron Choate, Jr. to Mechanical Technician C
Lloyd Clark to Supervisor, Mailroom
James Cowley to Senior Electronics Technician
Donell Deffina to Department Technician, Assembly
Jane Dellamaggiore to Product Control Clerk B
Janet Dormandy to Documentation Control Clerk
Thomas Finnegan to Associate Buyer
William Frame to Data Center Systems Engineer
Ronald Frederick to Engineer II, Quality Control
Suzanne Galinski to Buyer Assistant

Douglas Gans to Senior Financial Analyst
John Goodrow to Senior Sales Representative
Frances Green to Manufacturing Engineer Aide
Harold Harden to Engineer I, Testing
George Harris to Systems Order Analyst
Roger Holen to Advisory Marketing Education Specialist
J. Jackson to Senior Marketing Representative
Paul Kuehling to Returned Goods Clerk
James LaPlante to Associate Product Test Technician
Robert Leonard to Senior Electronics Technician
David Lewis to Field Support Engineer
Richard Lukens to Department Manager II, Manufacturing
Darlene Lupien to Personnel Clerk B
Michael Mann to Senior Systems Engineer
Michael Martin to Technical Director, CPD
Don Miller to Manager, Technical II
Robert Nicholas to Chemical Technician B
Anthony Olszewski to Field Support, Field Manager
Dorothy Pace to Benefits Personnel Administrator
Steven Palm to Regional Administrator
Dennis Palmerston to Advisory Marketing Education Specialist

Douglas Pasquinelli to Associate Buyer
John Pizzola to Production Control Clerk A
Mark Polak to Production Control Expeditor/Dispatcher
Lee Potts to Traffic Analyst
Gary Prideaux to Field Support Engineer
Howard Rathbun to Education Manager
James Ruszczyk to Senior Engineer
Marilyn Saucerman to Molding Supervisor, Comdata
Mary Schmidt to Order Correspondent B
William Servais to Director, Software
Paul Simmons to Data Center Systems Engineer
Douglas Sumida to Senior Engineer
Ann Swanson to Accounting Manager, Comdata
Elwain Trunec to Manufacturing Manager, Comdata
Merle Vaughn to Electronic Technician C
Sharon Veglahn to Secretary A
Ruth Wegner to Inprocess Inspector C
Susan Weier to Inspector
Dennis Wendell to Manager, Technical I
Dean Winkelman to Supervisor, Equipment Manufacturing
Gordon Worthington to Assembly Supervisor, Comdata
Raymond Yasukochi to Manager, Systems Design Group

In Memoriam

Arthur Tollkuhn, 47, Staff Engineer in Disc Development and Engineering died of a heart attack on January 9. Tollkuhn joined Memorex in 1967 and was co-responsible for the Memorex Disc Pack Launch Program and the development of the Memorex Santa Clara Disc Pack Manufacturing Plant. Later,

at Consumer Products, he developed the Automatic Cassette Assembly Machine. Most recently he was involved in the Mark X Disc Pack Development. Tollkuhn had contributed significantly to the growth of Memorex. He is survived by his wife and four children.

Indianapolis Community Hospital Information System Will Utilize Memorex Terminals

The 650-bed Community Hospital of Indianapolis is developing a hospital information system which will use Memorex 1250 Terminals to provide nurses with "real time" data and schedules every two hours for their medication and dietary rounds.

According to Larry W. Collins, the hospital's director of data processing, "The reason we decided to install the Memorex 1250 Terminals was to get the 120 cps speed, which we feel is necessary to the satisfactory operation of our system."

"We currently have two 1250 Terminals installed," Collins said. "One of these units is installed in the dietary office, along with a CRT Terminal which is used to enter patient

diets into the IBM 360/40 computer system. A trace of all orders entered is printed on the 1250 for backup purposes. At set times prior to each meal, a list of diet changes entered since the previous meal is printed on the 1250. A current diet record for any patient can be obtained on demand via the 1250. This information also is used in a selective menu system and production control system in dietary."

The second 1250 Terminal is installed in data processing where it is used as a control terminal for the entire online system and also for testing new programs. Periodically the blood bank uses this terminal to produce hardcopy inventory reports from their online system.

"Our plans are to develop a complete hospital information system and use Memorex Terminals at each nursing station," Collins said. "We are currently developing the medications and laboratory phases of that system."

"Slower terminals would require as long as 45 minutes to print out a schedule at a nursing station, which is unrealistic with the requirement to make rounds every two hours for dozens of patient care requirements," said Collins.

Memorex 1270 transmission control units, each with the capability of controlling up to 96 communications lines, will be incorporated in the ultimate system.

Bliss Receives FSR Extra Measure Award

Harold Bliss, FSR-Minneapolis, has recently received the Memorex Field Support Extra Measure Award for his excellent customer relations, according to Minneapolis Branch Manager, **Warren Maertens**. "Harold's relationship with our customers is always excellent because he is willing to do a little extra," said Maertens.

Bliss also used his talents to fly parts to Ames, Iowa, which saved the company much time and money. "The customer's equipment was repaired within 90 minutes and they were very impressed with Memorex's responsiveness," said Maertens.

He recently flew to Eldora, Iowa to repair a 1240. The drive normally takes about five hours each way, but Bliss was able to complete the call within six hours. "The customers are always overwhelmed with the fast service, and appreciate the extra things we

do to make Memorex service the very best possible," said Bliss.

Bliss has flown more than 30 different types of airplanes including jets, which he says "is a real experience." "Since childhood I've always been fascinated with airplanes and to later make my career aviation," he said. "However, my Dad, an electrical engineer, wanted me to make electronics my career," he explained. "I guess I've got the best of two worlds."



Harold Bliss, FSR-Minneapolis (r), is presented the Field Support Extra Measure Award from regional manager, **Don Snider**.



Harold Bliss, recipient of the Field Support Extra Measure Award, stands near a Cherokee 180 at the Minneapolis airport. The Cherokee 180 is just one of more than 30 different types of aircraft that Bliss has flown.

Bliss' willingness to do a little extra was exemplified recently when the Minneapolis Branch was faced with a seven hour drive to Fargo, North Dakota, due to a Northwest Airline strike. Bliss, a commercial rated pilot, volunteered to fly the trip himself. Within two hours after leaving Minneapolis, Bliss had the customer's 1240 Terminal up and running.

Fitzgibbons Speaks Before International Conference On Computer Satellites

Garrett Fitzgibbons, vice president and general manager, media products, spoke before the First International Conference on Computer Satellites in Agriculture at Ohio State University recently. The following are excerpts from his remarks.

"The advent two years ago of high-speed hard-copy terminal printers already appears to be bringing distinct advantages to agricultural computer satellites. Careful assessment of terminal parameters such as print speed, transmission speeds, printing characteristics and forms—handling capability are key to successful use of communication terminals in agricultural computer satellites. The primary advantages of terminal printers operating at 30, 60 and 120 characters per second are, of course, savings in time, manpower and money.



J. Garrett Fitzgibbons

"An example of an agricultural computer satellite using high-speed terminals is Computone Systems, Inc., of Atlanta, Georgia. Computone's Formulation Division specializes in providing proprietary software solutions to formulation problems for its customers in the feed and meat-processing industries. Specifically, Computone provides

least-cost formulas, product pricing and inventory control for production and nutritional management information. The company has approximately 45 feed-formulating and meat-packing customers around the United States.

"Computone utilizes proprietary linear programming techniques within its IBM Model 360/50 computer to provide on-line least-cost solutions to such variables as nutritional parameters and the daily or weekly price changes of commodities. Generally, each of Computone's subscribers reviews and updates his formulations and price lists once per week. Savings realized from the use of the Computone-supplied information result in direct cost reductions without sacrificing end-product quality. Since Computone subscribers produce hundreds of thousands of tons per year, the potential savings are substantial.

Computone Converts to Memorex Terminals

"Computone began the agricultural computer timesharing service in 1965 utilizing 15-character-per-second terminals at each subscriber location. As a customer service, Computone converted during the past year to 60 cps terminal printers—Memorex 1240 Communication Terminals. This conversion, Computone estimates, has reduced the transmission time from five minutes to one minute per formula. This has resulted in a 60 percent to 70 percent reduction in telephone line charges for each customer.

Memorex's commitment to involvement of computer satellites

"Memorex Corporation has a commitment to and an ongoing involvement in the development of computer satellites in agriculture. The company's already-existing communications product line—the Memorex 1200 Com-



MRX Sales Representative, Jack Gibbons, (r), demonstrates the Memorex 1280 Communication Terminal to a prospective customer during the First International Conference on Computer Satellites in Agriculture at Ohio State University.

munications System, includes terminal control units, dial-up, cassette and receive only terminals with printing capabilities up to 120 cps, an acoustic adapter and various Memorex modems.

"Memorex is engaged in a continuing engineering program to design and build printer terminals with the utmost simplicity of operation. The simplicity of operations of these terminals and their sturdiness and dependability make them ideal machines for use by non-professional data processing personnel. Obviously, the agricultural industry has barely begun to tap the vast potential of remote data processing utilization. The remote networks used by Computone and Virginia Polytechnical Institute only fore-shadow the almost limitless future of computers in agriculture.

New Guard Post For Building 10

Building 10 has a new guard post at the cafeteria entrance to monitor personnel entering the building. Use of this entrance has increased and it was being difficult to keep unauthorized individuals from entering the building, according to **Ernie Tydell**, manager of security and plant protection.

"The new building 10 guard post is also the central guard office for the San Tomas complex in order to make it as functional as possible," said Tydell.

Presenting their employee badges to security guard Louis Garcia at the newly established guard post in building 10, are Monica Alvarez (l) and Mary Eyerman of accounts payable.



Paper Costs Savings

Outboard Marine Reduces 5,600 Page Report To Three Memorex COM Cassettes

Outboard Marine Corporation, a leading manufacturer of power recreational equipment as well as chain saws and power mowers, has reduced their biweekly 5,600-page inventory report on fan-fold paper—weighing 50 pounds—to only three eight-ounce cassettes produced by Memorex 1600 COM (Computer-Output-Microfilm) system.

Outboard Marine estimates it is saving approximately \$12,800 annually in paper costs alone with the COM system, plus an additional \$8,450 saving in reducing by 90% the 370/155 computer time consumed by previous hard-copy printers. Outboard Marine previously generated a 5,600-page hard-copy report of the inventory status of more than 100,000 different parts every two weeks and, because it required eight copies of the report, had to purchase expensive eight-copy carbon paper.

Now, according to Tom Turwall, EDP operations manager for Outboard Marine, the firm generates the same report on the Memorex COM cassettes, makes 18 copies easily at no added cost over fan-fold printout, and can store a year's worth of reports for archival purposes instead of having to dispose of each report due to sheer bulk and storage space restrictions.

Outboard Marine has manufacturing plants in Belgium and Australia and also require access to several copies of each inventory report, Turwall said. To achieve this most economically, the firm reproduces the reports needed here and then slips the silver halide film roll containing the page images directly to the overseas sites, where each plant reproduces its own reports.

"Imagine wading through a 5,600 report to find the part you're looking for," Turwall said. "Now, the Memorex COM system lets us pick the exact page we need, look at the item and the data pertaining to it, and have all our information in seconds and at far less cost in time, materials and space requirements."

"When you manufacture as many different products as Outboard Marine, you need the fastest, yet least expensive, method of generating stock status reports in order to know what the requirements will be for the next two-week purchasing cycle," said Turwall.

Turwall said the biweekly manufacturing control system cycle permits all departments to predict future short-term activity. In particular, he said, manufacturing can optimize its production rate by never being caught short of critical parts.



Demonstrating the significant paper savings and ease of handling derived from use of the Memorex 1600 series Computer-Output-Microfilm system, Tom Turwall (l), EDP operations manager for Outboard Marine Corporation, holds three microfilm cassettes containing an inventory status report for more than 100,000 separate parts. J. P. Caccamo displays on a handcart the equivalent hardcopy printout on fanfold computer paper.

The Corporate Technical Library

The Memorex Corporate Technical Library offers a large variety of books, magazines, periodicals, journals, technical publications, indexes and reference books, available to all Memorex employees on a two week check-out basis, according to **Loren Smith**, corporate technical librarian.

The library contains technical books, periodicals, journals, NASA and U.S. Government R&D Reports and Indexes, and a comprehensive collection of publications on hardware and software systems.

The library is expected to have a terminal based retrieval system, using a 1240 Communications Terminal, available in the near

future to handle the library's technical publications.

"Books are available on numerous subjects such as chemistry, electronics, logic, psychology of management, communications, ecology, physics, math, economics and business," said Smith.



Books such as these are available to all Memorex employees on a two week check-out basis at the Corporate Technical Library located in the west wing of building 10.



The Memorex Technical Library has Memorex product specifications, OPSY I Programming Documentation, the IBM Systems Reference Library, and Tymshare Manuals available to Memorex employees.

The Corporate Technical Library, which is located in the Information Systems Department in the west wing of Building 10, is open Monday through Friday from 9-11:30 a.m. and 1:30-4:30 p.m.

Memorex employees who would like to contribute surplus literature to the library, should call Loren Smith, Ext. 7-3336.

New MAG Directors Elected in Santa Clara

Eight employees have been elected to the Memorex Activity Group (MAG) Board of Directors in a recent election in Santa Clara. The new directors are: **Bob Ashford, Dan Coker, John Dick, Helen Henard, Chuck Michielsen, Paul Ochoa, Jerline Scheibli and Otto Ziemendorf.** These new directors will be joining four incumbents from the Memorex Drive Complex who are: **Frank Halgas, Kay Riker, Ed Souza and Ed Sutter.**

At the first meeting of the 1973 MAG Board, new officers were elected. The results are: **Ed Souza**, president; **Kay Riker**, vice president; **Paul Ochoa**, treasurer; and **Jerline Scheibli**, secretary. Ed Souza was also the recipient of a newly introduced award, "Outstanding MAG Director," for the Fall 1972 term of office.

In the event of a vacancy on the Board,

there are five alternates who would become MAG Directors as needed. They are: **John Bannon, Clara Clark, Alex Nodopaka and Gerald Spiers.**

The MAG Board of Directors is responsible for planning all the social and recreational activities of Memorex Activities Group. In order to do the best job possible, the Board members would like your suggestions.



Bob Ashford



Dan Coker



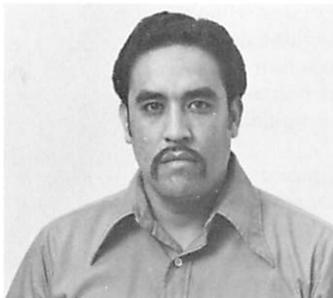
John Dick



Helen Henard



Chuck Michielsen



Paul Ochoa



Jerline Scheibli



Otto Ziemendorf

MAG Calendar

MARINE WORLD-AFRICA USA FAMILY DAYS

Memorex families will again be able to purchase discount rates at Marine World-Africa USA in Redwood City. This year, Memorex Family Days will be on Saturday, April 7 and Sunday, April 8. Tickets will be sold at Memorex starting March 26 for \$2.00 each. General admission is regularly \$4.50 for adults and \$2.75 for children. In addition to the creatures of the sea, there are hundreds of wild animals: many who perform, others to be touched, and some who can be ridden. You and your family can plan to be enter-

tained at least six hours by the numerous free shows and attractions. The park opens at 9:30 a.m. and closes at dusk. Watch your MAG bulletin boards for further ticket sales details. For more information call **Margie Whitnah**, Ext. 7-2357.

FASHION SHOW-LUNCHEON

MAG is planning a spring Fashion Show-Luncheon, tentatively scheduled April 28. The fashions will be presented by a selection of merchants from the Pruneyard in Campbell. Plans are being made to hold the Fashion Show-Luncheon in the San Tomas cafeteria.

Tickets will be sold in advance for a nominal fee. If anyone is interested in modeling or helping out, please call **Barbara Goldberg**, Ext. 7-2357.

TABLE TENNIS TEAM

MAG's team in the Cupertino Table Tennis Club has placed third in their industrial tournament. Participants on the five man team are **Albert Chou, Richard Chueh, Anthony La Pine, Andrew Leon and Bing Leong.**

INTERCOM COM-LINE

COM-LINE is an open and anonymous communications channel available to all Memorex employees. Every legitimate question received along with an authoritative answer will appear in INTERCOM every month.

Questions are limited to those regarding company policy and practices. Other questions of limited or special interest should be directed to INPUT/OUTPUT. INPUT/OUTPUT questions and answers of general interest may appear in COM-LINE. All INPUT/OUTPUT questions must be signed so that personal answers may be sent to your home.

To participate in COM-LINE, simply write or type your questions and send it via inter-office mail to Editor, INTERCOM, M/S 12-33. If you have any questions you may call the Editor at 987-2200.

Can the company adopt a policy of "NO SMOKING" in all conference rooms and in office meetings where non-smokers are required to attend?

Corporate policies could theoretically be so all-inclusive that personal prerogatives could be almost entirely taken away from the individual. Memorex's view is generally not to restrain the individual, but allow him a maximum latitude to act within broad confines under the presumption that individuals will act responsibly. It does not seem appropriate for the company to impinge upon the individual freedom of this sort.

If you find cigarette smoke to be particularly offensive, you might wish to make your feelings known to the person calling the meeting, and ask him to request that those in the meeting respect others concern about smoke filled rooms.

Is Memorex going to initiate a reward suggestion program?

Memorex has never had a formalized suggestion program with monetary awards. Though the idea has been considered in the past, it is not our intent to initiate such a program.

It is part of each Memorex employee's job responsibility to make suggestions to the appropriate person whenever he sees an opportunity for improvement. Where notable suggestions are made, the employee's "reward" will be reflected in his performance review and he should therefore be compensated accordingly.

In reviewing the experiences of other companies which have had reward suggestion programs, there are many instances in which the programs have proven to be more demotivating and demoralizing than motivating. The main drawback is that these programs are very difficult to administer. Even with a large full time staff, equitable administration is nearly impossible.

One of the most common administration problems is that there are very few ideas for which one employee can claim sole credit. Generally, new ideas are first discussed with a number of people before it is suggested. When a reward is given to one person, quite often there are other people who will be demotivated because they also thought of the idea or were instrumental in its development. Such inherent problems prevent us from initiating this type of suggestion program.

Can something be done to improve maintenance conditions in the plant, particularly in the manufacturing areas of Building 10?

During 1972 strict control of discretionary expenditures has been instituted as part of the company's program to return to profitability. In some cases this has resulted in extended intervals in cleaning and repair.

It is our program to monitor and improve janitorial performance. Recently weekend janitorial coverage was increased to adjust to the higher weekend occupancy. This surveillance will continue. You can help by notifying your supervisor or contacting Plant Operations Ext. 7-1174 regarding specific problems. We solicit all employees' help in maintaining the plant cleanliness and in protecting the facilities from damage.

Why are name plates no longer ordered for employees?

Signs, including name plates, are provided as needed and requested. They may be ordered via a memo from your department manager to the Silk Screen Department.

INTERCOM
MEMOREX CORPORATION
SAN TOMAS AT CENTRAL EXPRESSWAY
SANTA CLARA, CA 95052

First Class Mail