

INTERCOM

A newsmagazine for Memorex people everywhere

Volume 15

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November 1978



**Chairman Wilson
announces formation
of credit union at
employe meetings.**

Credit union payroll savings begin Jan. 12; loan program expected to begin in February

The Memorex Employees' Federal Credit Union, located in the San Tomas cafeteria, will begin accepting deposits from members on Jan. 2. It is expected that the first loans to members will be made the following month. The first payroll savings deductions will begin Jan. 12.

The credit union will be staffed by Credit Union Manager Hal Biggs, his secretary, Karen Peterson, and an accountant, Julie F. Polito. Business hours will be 9 a.m. to 4 p.m. Monday through Friday.

During a membership drive to be launched in late December, Biggs will meet with Santa Clara area employees at San Tomas, Memorex Drive and Cupertino sites to explain the credit union's operations. Membership cards and payroll deduction forms will be available at the meetings, and they also will be sent to each employee by mail or through company distribution. Loan applications will be available in January.

Persons joining the credit union will be required to pay a \$1 membership fee and to make a minimum initial deposit of \$5. They also will have to maintain a minimum balance of \$5 in their accounts.

"The success of the credit union depends largely on membership deposits," says Biggs. "The more deposits we have, the more we'll have to work with. This will mean more services, more loans, continued high dividends and competitive loan rates."

Membership, initially limited to

Santa Clara area employees, will be expanded to the continental U.S. as soon as possible. The program, at first, will be limited to one type of shareholder account and four loan types—new auto, used auto, share and unsecured. Dividends on deposits and interest on loans are set by the board of directors and depend on earnings and competitive banking rates. However, the credit union's present business plan calls for a 7% dividend on savings and provides for loans at less than bank rates.

The credit union is a cooperative non-profit organization owned by eligible persons who join. It is governed by a seven-person board of directors. Loans are approved by a five-person credit committee, three members and two alternates, and auditing is controlled by a three-person supervisory committee.

Interim directors and credit committee members were elected by employees during a Nov. 15 organization meeting (See page 8 for names of new officers).

Before assuming his new post, Biggs spent two years as standards and planning manager for Memorex's Corporate Information Systems Department. From 1974 to 1977, he was business manager for the San Jose Community College District. He has a bachelor's degree in math from Sacramento State University and a master's degree in finance from the University of Santa Clara.

Clean-up contest winners to get \$4,000 in prizes

Each of some 80 winners will receive a gift certificate worth approximately \$50 during Memorex's Annual Housekeeping Contest from Dec. 1 to 29.

Inspection teams will make three unannounced tours during December to select winning zones or areas. Each employee in zones selected as winners will receive a memo pad set bearing the Memorex logo. In addition, these employees will participate in a January drawing to determine the winners of the gift certificates.

"Besides being a safety measure, the clean-up improves the appearance of our facilities and provides a more pleasant environment for both employees and customers," says Eugene Gilman, Corporate Safety and Health manager.

INTERCOM



On the cover: Chairman Robert C. Wilson speaks from temporary podium erected outside San Tomas cafeteria. Beautiful bright blue autumn skies and warm sunny weather prevailed throughout the week-long program of outdoor employee meetings at San Tomas, Memorex Drive and Cupertino sites.

INTERCOM

Credit union will open for business on Jan. 2

2

Chairman Wilson: 1979 can be a very good year

3

V-P discusses 1978 EUMEA successes

5

New Technical Council elects its first officers

7

Employe Referral Marathon is off to fine start

7

Newsmakers pages

8

Service anniversaries

9

Quality section

10

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Peterson and Biggs prepare for credit union's January opening.

Credit union announcement brings cheers from employes

On Nov. 6, with the surrounding trees providing a backdrop of golden autumn foliage, nearly 2,800 day shift personnel gathered at tables set up on the lawn at the company's Santa Clara headquarters to hear Chairman Robert C. Wilson deliver his annual message to employes. The guests basked in the warm midday sun and munched fried chicken from box lunches as they listened to the chief executive's report.

Earlier in the day, all Santa Clara County third shift employees had attended a similar breakfast meeting in the San Tomas cafeteria. Later in the week, evening meal meetings were held for second shift employees, and separate picnic lunches were set up for day shift employees on Memorex Drive and at the Communications facility in Cupertino. A total of some 6,000 employees attended the meetings. The address also was video taped for presentation to employees outside Santa Clara.

Evoking the greatest response from the relaxed audience was the announcement of the formation of an employee credit union and the introduction of Credit Union Manager Hal Biggs. His listeners responded with cheers when Mr. Wilson said, "I am pleased to announce that, effective Jan. 1, we will begin operating a credit union. It will be financed initially through Memorex grants, but it will be owned by the eligible employees who join."

He said the credit union is part of a benefits package that continues to improve. "During this past year, we have established stock ownership programs which will make all employees shareholders at no cost to themselves providing they meet length-of-service requirements. The first full year of the program will be completed Jan. 1. Participants will receive a status report.

"In addition, beginning Jan. 1, Memorex will improve coverage in its medical/dental plan. The principal new feature will be to pay 80 percent of preventive dental care coverage with no deductible requirement.

"Also beginning Jan. 1, employees with 15 or more years of Memorex service will be entitled to four weeks vacation. Through these and other programs, we intend to make Memorex an attractive place to work."

While describing the home video joint venture the company recently entered into with Bell & Howell, he said home video tape will be available in the Memorex employee discount store for Christmas 1979 "if we adhere to our present time table."

In discussing the future, Mr. Wilson said, "There are an increasing number of indications that the United States may suffer a recession in 1979. Much will depend on the actions taken by our government. However, the markets that Memorex serves are growth markets. They have increased every

year in our history despite economic cycles.

"In addition, nearly one-half of our revenues come from outside the United States and are not directly affected by our economy. One indicator that supports the premise of market growth next year is the large industry backlog for CPUs. Our revenues will be determined more by our competitive capabilities than by the size of the available market.

"Competition will be stronger in 1979 However, Memorex will also be stronger. Thus, despite the increased competition, the combination of strong markets and increased Memorex capabilities should enable us to at least maintain our long-term revenue increase of 25 percent.

"Although the revenue outlook is strong, there will be severe profit pressures in 1979. These include a wide range of forces from lower prices to inflation. The present, intense competition for people will continue. Interest rates and energy costs will climb.

"Fortunately, there are also a number of favorable factors. Revenues will be higher. The costs of the IBM litigation and the Telex integration are behind us. Cost improvements from investments like our new printed circuit board plant will be fully effective—and we should realize modest residuals from the lease base.

"The sum of all the forces at work on our profitability should enable us to overcome the adversities and increase our profits at least as rapidly as revenues. 1979 can be another very good year."

In recapping what Memorex people have accomplished in 1978, Mr. Wilson said, "Although our accomplishments have been substantial, they have not been reflected in the recent price of our stock. To put that in perspective, however, the price of our stock a year ago was about 26½. Today it is 30. This means that it has gone up since a year ago. However, it is more than 40 percent below its recent high. The two major factors for the recent fall in the price appear to be the weakness of the total market and our third quarter profitability, which was disappointing to us and below the expectations of security analysts.

"The stock market is going through a turbulent phase, but the long-term trend of our stock will continue upward as long as we continue to deliver solid increases in profitability."

(Continued on page 4)



Mr. Wilson addresses employes at Memorex Drive site.

Employee meetings

(Continued from page 3)

He said one of the chief accomplishments of the past year was a continued growth "rate of more than 30 percent per year. In the first three quarters of this year our revenue was as great as it was for the total year of 1977—\$450 million."

Continuing, he said, "Profit is the key to future growth and opportunity. Although our profit has increased, it has not grown as rapidly as revenue." He said the good reasons for this "include investments in our future. The not so good reasons include such things as inefficiencies, waste and manufacturing variances. During the coming year we need to capitalize on the futures investments and to re-



Employees ask questions of Mr. Wilson during San Tomas meeting.

duce inefficiencies and waste."

In discussing cash, he said, "We could not have financed our growth had it not been for the excellent performance on the part of our finance staff. They borrowed \$50 million for long-term debt from two leading insurance companies, Prudential and Equitable. In addition, they conducted a public stock offering which gave us over \$40 million of cash. The timing and execution of these financing programs were excellent. Thanks to them, we are today in a strong financial position."

As a corporate citizen, Mr. Wilson reported, Memorex contributed to society by creating nearly 2,000 new jobs during the past year. He said another major contribution in this area "is export sales. One of the principal reasons for the weakness in the dollar is the fact that our imports exceed our exports. Memorex contrib-



utes to a strong dollar."

Turning his attention to the company's employees, he said, "Our most important progress in the past year has been people progress . . . There have been more than 1,065 internal promotions, not including upgrades. In addition, so far this year more than 2,500 Memorex people have taken internal training programs—and over 600 have taken external courses."

He said another significant accomplishment in 1978 was the work done within the company's organization structure to establish product business teams and geographic business teams. "These building blocks provide assurance of continuity of leadership for Memorex. In addition, they provide an unusual opportunity for individuals to grow and develop as part of a business team.

"It will be my objective to complete the strategic planning for Memorex and to encourage self-sufficiency in every profit center. These actions, together with the selection of an outstanding successor, will enable me to retire as planned in early 1980 with complete confidence that Memorex is in good hands."

He said company facilities were expanded in 1978 "with leased buildings, additions to our Disc Pack, Audio and flexible disc plants, expanded operations in Nogales and a new printed circuit board plant in Eau Claire. The most significant single facilities move was that of establishing our new Communications Group in Cupertino . . . During 1979 our principal facilities growth will be outside California."

Mr. Wilson said he was proud that the company had generally been able to maintain the quality of its outgoing products despite the pressures of growth and complexity. "We have one of the finest product lines in our industry. The quality of our products is the best assurance of a successful future."



The atmosphere was a relaxed one.

Company reports 3rd quarter earnings

The company has reported third quarter net income of \$9.9 million, or \$1.30 per share, compared to \$8.3 million, or \$1.26 per share, before extraordinary credit in third quarter 1977. This is an increase of 19 percent in income and three percent in earnings per share.

Earnings per share increased by the smaller percentage above 1977 because of the increase in the number of common stock shares and equivalents outstanding during the quarter and the higher dividend requirements on preferred stock.

There was no extraordinary credit benefit available in third quarter 1978. Net income for the comparable period of 1977 was \$14 million, or \$2.16 per share, which included an extraordinary credit of \$5.7 million, or 90 cents per share, from utilizing tax loss carryforwards.

Third quarter revenue totaled \$152.6 million, a gain of 34 percent, or \$38.5 million more than 1977 third quarter revenue of \$114.1 million.

In his third quarter report, Chairman Robert C. Wilson said, "Although quarterly income before extraordinary credit was above the comparable 1977 quarter, it was disappointing in view of the higher revenue, the one-time benefit from the sale of the company's holdings of Computer Communications Inc. stock, a lower effective tax rate and reduced costs of the IBM litigation. Profit pressures included manufacturing cost variances, costs associated with new products, our rapid growth and decentralization of operations.

"The fourth quarter has traditionally been our best quarter, and profits should benefit accordingly."

HQ move is one of many EUMEA accomplishments

The company's Europe, Middle East and Africa Group (EUMEA) recently completed the relocation of its headquarters staff to new offices in Hounslow, England, near London Airport. The approximately 100 persons involved in the move previously were located in Windsor, central London or Liege, Belgium.

"This successful consolidation of headquarters functions is the latest in a long list of accomplishments which have made 1978 a truly remarkable year for Memorex Europe," says Reto Braun, vice-president for the EUMEA Group.

The new headquarters serve as the nerve center for EUMEA operations. These operations include the activities of 14 wholly-owned subsidiaries, a distribution and refurbishing center in Liege, refurbishing centers in London and Frankfurt, Germany, and more than 30 sales and service offices in the 14 countries where the subsidiaries are located. The company also has 40 distributors and agents serving its customers in EUMEA countries where Memorex has no operations of its own.

The address for the new headquarters is: Memorex Europe Limited, Hounslow House, 730 London Road, Hounslow, Middlesex, TW31PH, Telephone 01-5727391, Telex 938795.

"The past year has provided exceptional challenges and opportunities," says Braun. "I don't know of another



"The past year has provided exceptional challenges," says Braun, shown outside new headquarters in Hounslow, England.

single company which has undertaken as much. In 1978 we introduced more products in Europe than in the previous three years combined. We have opened a subsidiary in a new country, the Republic of Ireland, and we are adding an engineering center in West Germany, which will increase the engineering capability we now have in Liege and London.

"Also, equipment refurbishing and printed circuit board repair capabilities have been added in all major countries, and in-house electronic data processing systems have been set up in the United Kingdom, Germany, France and Italy.

"The integration of Telex Europe operations, acquired earlier this year, has made us by far the largest independent in the EUMEA area. The acquisition added 430 people to our number, bringing the total to more than 1,400. It also added 200 experienced field engineers to our staff, increased the number of our installed tape drives by nearly 2,000 and brought us 600 more equipment customers.

"The integration, almost completed, has gone extremely well. More than 90 percent of the former Telex employees have remained with us. Product labels and building signs have been changed from Telex to Memorex. Former Telex customers have accepted Memorex as a new partner and are increasing their busi-

ness with us to include Memorex computer media products and products such as the 1270 telecommunications control unit.

"Our consumer products operation has gone through a successful launch phase and is now established as a division within EUMEA. The only factor limiting the division's future success is product availability."

Braun says EUMEA's variety of computer equipment and media products is now the greatest of any independent supplier in Europe. It even exceeds the range of products offered by Memorex in the U.S.

"We will be extending our package leasing business. This is the leasing of a whole system including a purchased central processing unit plus peripheral equipment. And we've just installed our first 2,000-line-per-minute 4771 printers in Italy and Germany. Also in Germany, our Business Systems Department has installed our first 3644 disc drives.

The EUMEA executive says the recent growth of his organization, including the Telex acquisition, has been accompanied by a 70-percent increase in group revenue from 1977 figures. "With roughly 1,500 of the company's more than 10,000 employees, we'll be contributing nearly a third of its revenue."

Geographically, the EUMEA Group
(Continued on page 6)



Senior Engineer Martin Harris, left, discusses 4771 printer with Braun at London engineering center.

New high-quality Cubic HD tape makes its debut

Memorex has introduced a new high-performance computer tape product, called Cubic_{TM} HD (High Density), which is specifically designed for use in high-speed, 6250-bit-per-inch tape drives such as the company's 3220 magnetic tape subsystem. The new product, introduced this month, was made possible by the development of a proprietary coating oxide which provides optimum signal recovery on the user's system.

Art Anderson, new business development manager for the Computer Tape Division, says the improved performance results from the greater length-to-width ratio of the ferric oxide particles used in the coating of the new Cubic HD tape (See accompanying photos).

"We're the first manufacturer to produce a computer tape optimized for 6250-bpi operations," says Anderson. "This definitely contributes to Memorex's role as a technological leader as well as a market leader in the computer tape industry."

"Cubic HD will be our number one computer tape in 1979. Roughly one third of all existing tape drives utilize 6250-bpi recording, and this number will be increasing in the next few years."

The word "cubic" stems from the effect an increase in basefilm thickness has on a tape's strength. The increase cubed equals the increase in strength. Cubic HD's thicker basefilm increases the tape's resistance to de-



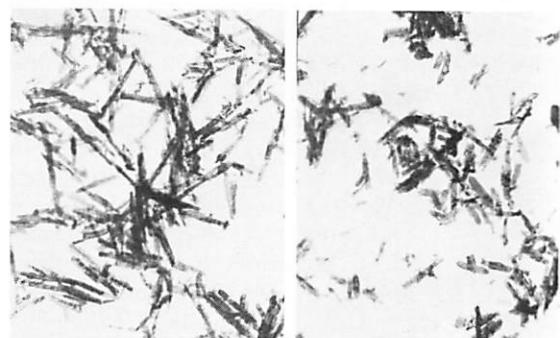
To ensure optimum performance, every reel of Cubic HD tape is tested 100 percent. Surrounding tape tester in Recording Performance Lab, clockwise from Villanueva, in lab coat, are: Clark, Nussbaum, Holm, Ching and Patel.

formation and, thus, to edge damage, says Anderson. Other advantages include more rigidity for spanning gaps in autoload transports and additional stability for tape handling.

Though basefilm thickness was increased, use of the proprietary oxide coating allowed a reduction in coating thickness. "The result is that the overall thickness of Cubic HD meets all existing industry specifications," says Anderson.

The new product is wound onto Memorex's SuperReel_{TM}, which is almost twice as strong as conventional reels and thus reduces the probability of damage to reel and tape.

Work on the Cubic HD tape line involved the efforts of a number of Computer Media personnel. Anderson says key contributors to the project's success include: Jitendra Patel and Ross Clark, senior staff development engineers; Rich Villanueva, technical



Photomicrographs of oxide particles before processing show greater length-to-width ratio of particles in Cubic HD oxide, left, compared to oxide used in current computer tapes.

associate; Howard Geddie, senior technician; Joe Nussbaum, product development manager; Jim Holm, electronics engineer; and Al Ching, manager of recording performance engineering.

'The spirit among EUMEA employees is a winning one'

(Continued from page 5) is divided into six areas: the United Kingdom, Italy, France, Germany, Scandinavia and Brussels. The last area, which is managed from Brussels, Belgium, includes the Benelux countries, Switzerland, Austria, Spain, Eastern Europe, the Middle East and Africa. Braun says the 430 additional employees resulting from the Telex acquisition were added to the following six countries within the six-area system: Switzerland, Belgium, Italy, France, Germany and the United Kingdom. "In

the last three countries, the expansion meant a doubling of our personnel from 100 to 200 in each country.

"Apart from getting to know one another, with our various languages and national backgrounds, the integration involved a lot of cross training for sales and service personnel. Finance people had to learn the different accounting systems in each country. On top of this, new personnel had to familiarize themselves with new Memorex products as well as those of our vendors such as ISS/Sperry Univac, Control Data Corporation,

Telex, Intel, Intersil and Nippon Peripherals Limited.

"We're continuing to emphasize field engineering, sales and management training, and we believe it will be a key factor in attaining our ambitious profit goals for 1979."

Braun believes his group is in a very good position to attain those goals. "The spirit among EUMEA employees is a winning one. I view 1979 as the year to capitalize on the investments we have made in people and organization so that we will continue to be a major contributor to corporate profits."

Technical Council elects Campbell president

Bryant Campbell, Communications engineering manager, has been elected president of the recently formed Memorex Technical Council. Campbell won the office in a runoff election after tying Tom Gardner, engineering manager for Large Storage Systems.

"The council brings company engineering managers together to work on professional development, to recognize key contributors, to establish engineering standards and to promote engineering excellence throughout Memorex," says Campbell.

In a good natured response to his loss, Gardner says, "Despite the outcome of the runoff, I look forward to participating on the council. I see this as an opportunity for our engineering managers to collectively review engineering issues and make recommendations to corporate management."

Steve Puthuff, Engineering vice-

president, reports that elections for the council's vice-president and treasurer also resulted in ties. In a runoff for vice-president, John English, research and development manager for Consumer & Business Media's Word Processing, nosed out Frank Sordello, Recording Technology Center manager for LSS. Winning another runoff for treasurer was John Scott, advanced development project manager for General Systems. Ward Ellis, corporate staff technologist for Engineering, was elected program/activity chairperson.

"The council will provide a strong voice in support of our technical community," says Puthuff. "Members will meet monthly, and recommendations will be made on a scheduled basis to the Corporate Operating Committee."

Specific issues the council will consider include: engineering contributions to business; professional

development; recognition for key contributors; uniform awards for contributors, including patents and publications; membership and attendance procedures for conferences and technical societies; engineering standards review; and Memorex product leadership matters.

Besides Puthuff, Gardner, Sordello and the officers, engineering managers on the council include:

- General Systems—Joe Bauer, Chuck Carey and Ron Compton.
- Consumer & Business Media—Eric Daniel, Leroy Hester, Dale Humphriss, Fred Sischka and RCD's (Recording Components Division) yet to be appointed engineering manager.

• Engineering—Mike Shebanow.

"RCD's Bill Sousa and General Systems' Tony LaPine also actively supported the council in their former roles as acting engineering managers," says Puthuff.

Referral Marathon's first month nets 425 referrals and 78 hires

The Memorex Employee Referral Marathon has been so successful the company is considering conducting a second phase of the program in 1979. The current phase, which began Oct. 16, ends on Dec. 31.

"The degree of participation and the number of hires has been remarkable," says Tony Heptig, manager for Human Resource Development and Services. "The success of the program confirms that employees are concerned with helping the company fill jobs with qualified people. It also indicates they have confidence in Memorex. A person has to feel pretty good about the place

where he works before he talks his friends into applying for jobs there."

During the first month of the program, employees made a total of 425 qualified referrals. Of these referrals, 78 had been hired as of Nov. 15.

Participating employees receive cash bonuses for each referral who becomes a permanent fulltime employee. Persons whose referrals result in hires between Oct. 16 and Dec. 31 will participate in a March drawing to choose the winner of the contest's grand prize.

The prize is a trip for two to London, Paris or anywhere else \$2,000 will take them. Time spent on the trip, up to two weeks, will not be counted against vacation time.

For each qualified referral, hired or not, the employee making the referral receives his choice of a T-shirt, jogging shorts or visor bearing the red, white and blue Memorex Marathon logo.

There is no limit to the number of referrals an employee may make or the number of times his name may be entered for the grand prize drawing. A list of hard-to-fill jobs has been posted on bulletin boards. A successful referral for one of these jobs, called "sprint specials," earns an employee double the normal cash bonus for that job and two chances in the drawing for the grand prize.

The three categories, the bonus for each and total hires for the first



Carl Ackerman, Word Processing senior product designer, is first Santa Clara qualifier to pick up running shorts, shirt or visor from Arlene Levy, job opportunity coordinator.

month, including sprint hires, are:

- Manufacturing/clerical, \$75, 55 hires, five sprint specials.
- Technician, \$150, nine hires.
- Professional/management, \$250, 14 hires, two sprint specials.

The referral program includes all U.S. locations, explains Heptig. "Memorex employees outside Santa Clara can refer prospects for jobs in their areas or at other locations. For example, an employee in Chicago may know an engineer who qualifies for an opening in Santa Clara. The referral application is sent to Santa Clara and reviewed. If the engineer is hired and moves to Santa Clara, the Chicago employee making the referral becomes eligible for the appropriate cash bonus."



Susan Cherron, right, LSS order correspondent, is first employee referral to begin work in Santa Clara. With her is Mary Benner, Consumer Products credit correspondent, who made the referral.

Newsmakers

Two years of study and preparation have paid off for **David Stackhouse**, production control scheduler for the Recording Components Division (formerly called Disc Pack). He recently passed the tests required for his certification by the American Production and Inventory Control Society in Washington, D.C.



Stackhouse displays proficiency certificate.

"Production control is primarily setting schedules and making sure those schedules are met," says Stackhouse. "One of the APICS's purposes is to focus attention on the importance of production control. The group's certified practitioner award is a way of recognizing persons who demonstrate a certain level of proficiency in their work."

In preparation for the four exams he took to qualify for certification, Stackhouse completed a private study program comprised of homework assignments plus a list of suggested readings.

About 150 employees attended a Nov. 15 organization meeting to elect officers for the new Memorex Employees' Federal Credit Union. The interim officers will serve until fullterm officers are elected in the first quarter of 1979. Seven directors were elected, who then elected four officers from among themselves. They are: **John Aubuchon**, corporate purchasing manager for Manufacturing, president; **Benedict Paulicka**, *Intercom* editor, vice-president; **Hal Biggs**, credit union manager, treasurer; **Sharon Maiden**, administrative services supervisor for Communications, secretary; **Claire Henderson**, maintenance billing supervisor for Field Operations; **Gary Andrews**, Industrial Relations manager for Large Storage Systems Manufacturing; and **Valerie Gillen**, cost accounting supervisor, Computer Media.

Employees elected to the credit committee are: **William Yee**, General Systems, chairman; **Pat Zimmerman**, Americas & Asia, secretary; **Jim Crowther**, Media; and two alternates **Aileen Amabisca**, Americas & Asia, and **Hal Malone**, Field Operations.

Supervisory committee members appointed by the new directors are: **Duncan McCormack**, Media, chair-

man; **Robert Hubbard**, Large Storage Systems, secretary; and **Randy Lane**, Communications.

* * * * *

Tim Scholz, Field Engineering service planning representative, was selected the outstanding individual contributor to his profession during



Scholz, left, receives plaque from AFSM President George Harmon.

the 1978 National Convention for the Association of Field Service Managers held in October in Arlington Park, Ill.

Scholz received the award for his work as president of the organization's Central Pacific Chapter. He also was presented with the association's most improved chapter award. Under Scholz' leadership, the local chapter was activated, and its membership grew from about 30 to more than 100 persons.

More than 400 persons attended the convention, representing about 150 companies.



Henry Tinker, LSS Manufacturing manager, second from right in last photo, served as meandering host during Oct. 19 Recognition Day festivities in building 10 in Santa Clara. Cake was one of dozens provided during buffet luncheons



for some 1,600 workers on three shifts. "This is our way of thanking the entire LSS Manufacturing organization for the outstanding job they've done. We're looking forward to a booming fourth quarter," said Tinker.



Ten receive service awards



Margaret Wong—schedule handler, Computer Media, 10 years



Bucky Buckley—senior sales representative, Computer Tape, 10 years



Marian Bohman—lab technician, LSS Quality Assurance, 10 years



Saul Flores—senior coating operator, Video, 10 years



Al Endter—test equipment services manager, LSS, 10 years



Doug Campbell—magnetic head production manager, LSS, 10 years



Sally Johnson—audit specialist, Finance, 10 years



Dick Burris—staff quality engineer, LSS, 10 years



Ray S. Cook—regional manager, Computer Tape, 10 years.



Agnes Alexander—finishing operator, Flexible Disc, is congratulated on 15th anniversary by James Simpson, Computer Media vice-president.



From left, Martinez, Campbell and Hart serve customers at new MAG employe discount store.

Kathleen Campbell and Kim Hart of the Memorex Activities Group staff have a protégé this fall—Mike Martinez, a recreation administration major from Illinois State University in Normal. Martinez, who is serving as a MAG intern, hopes to begin a career in California as an athletic director or recreation administrator after graduation in December.

Earlier this year, San Jose State University intern Jeff Henard completed a similar MAG program. Henard is the son of Helen Henard, engineering aide for LSS Manufacturing.

Interns receive 15 units of college credit, the equivalent of a semester's work, for their on-the-job experience at Memorex. The credit is applied

towards a bachelor's degree in recreation administration.

* * *

Representing Memorex at the annual Tyler Cup run for corporate executives in Dallas were Executive Vice-President James Dobbie, LSS Vice-President Marcelo Gumucio and Corporate Development Vice-President George Bragg.

The three were among 170 executives from 17 states and Europe



Promoting physical fitness at Tyler Cup, are, from left, Bragg, Gumucio and Dobbie.

who attended the seventh annual run, which is held to help promote physical fitness. It is the fifth time Memorex executives have participated.

Bryan Nocera memorial award program established

Memorex employees, joined by family friends, have contributed funds to establish an annual award program in memory of Bryan Nocera, 21, a Communications technician, who drowned Oct. 7 while skin diving at Half Moon Bay. The program, administered by the Central California Diving Association, will present an award each year to an outstanding young skin diver.

Bryan, a graduate of Westmont High School in Campbell who joined Memorex in 1976, worked on 1380

communications processors at the Communications facility in Cupertino.

His mother, Dolores Nocera, is a wirewrap technician for LSS Manufacturing, and a brother, Chris, is a Communications subassembler in Cupertino. Other survivors include his father, Sam, and another brother, Terry.

"I wish to thank those who contributed to Bryan's memorial fund," says his mother. "It is our hope that this program will keep his memory alive."



Ed Theis, left, explains how information provided by field sources can be valuable in solving quality problems. During



workshop, Leon Sarringhaus, right, explains how his group reduced Acme Widget's quality-cost-to-revenue ratio.

QA managers share quality tips during all-day meeting

One way to significantly reduce quality related problems resulting from vendor supplied hardware is to switch to a Memorex source instead of an external one whenever possible.

This was the gist of a presentation by Jim Key, Corporate Materials manager, during an Oct. 3 meeting of the company's Quality Council, comprised of Quality Assurance managers and staff members.

Other speakers in the all-day program included Ed Theis, Communications Quality Assurance manager, who explained how sources of information in the field can provide valuable data for use in product upgrading.

"We should pay more attention to getting answers back to people who send us questions," said Theis. "And this information handoff should be

within regular channels, but documented."

In discussing the handling of discrepant materials, Charles Crawshaw, Corporate Industrial Engineering manager, said source inspection, vendor certification and process control should be strengthened to prevent discrepancies and this should be coupled with timely dispositioning of material found discrepant in spite of prevention efforts.

A guest speaker, John Mulkern of John Foster Associates, told the group source inspections should be conducted to minimize surprises on large complex purchased products or high cost items. "It pays to have good eyes and ears in vendor locations where high risk is present," he said.

During an afternoon workshop session, the managers formed small groups to thoroughly examine and revise the quality cost budget of old Acme Widget Co., that hypothetical firm so familiar to anyone who has ever cracked a finance, management or accounting text.

Ed LaChance, acting Quality Assurance manager for Large Storage Systems, who presided at the meeting, explained that sharing approaches and solutions to the hypothetical Widget problem sharpens skills which the managers have to use every day to tackle Memorex quality problems.



DALMADGE



MOTICHKA



NUNEZ



LAPPE



WIEMERT

Final Quality Performers of the Month selected

The year-long Quality Performers of the Month program ended when the final employees selected for recognition, along with winners for three previous months, were guests of honor at a special September luncheon at the San Tomas cafeteria.

Throughout the year, five persons were chosen each month and awarded certificates in recognition of the outstanding quality of their work. Per-

sons honored were chosen from Large Storage Systems, General Systems and Communications.

Final winners for the month of August, were: Harvey Dalmadge, staff electrical engineer; Cy Motichka, senior technical instructor; Karen Nunez, senior final assembler; Dave Lappe, senior industrial engineer; and Kathy Wiemert, process control analyst.

Winners receive \$2,250 in tape handling contest

Winners of Audio Division's recently completed tape handling suggestion contest are \$2,250 richer for submitting suggestions which will reduce waste in the handling of both unslit tape webs and pancakes of slit tape (The latter gets its name from the pancake-like appearance of the flat rolls of narrow tape).

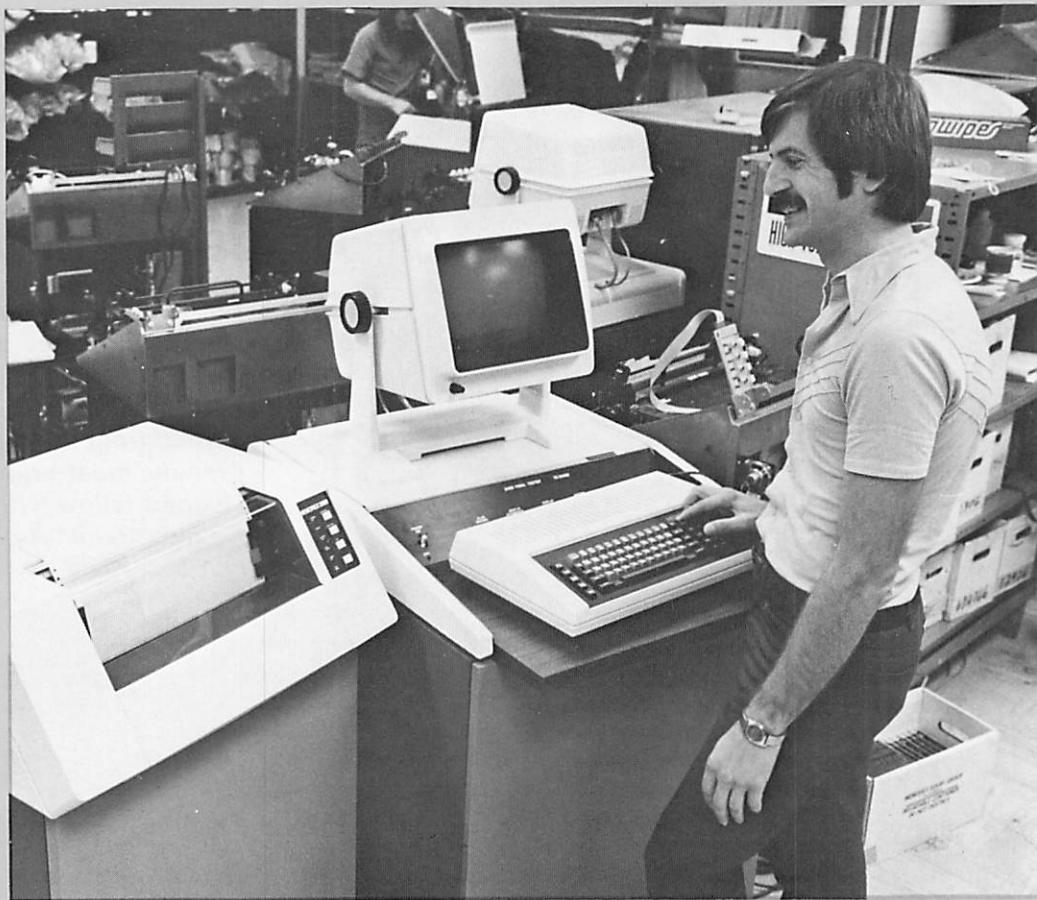
"Once the suggestions are implemented, it's estimated that savings for the company in the reduction of waste during the manufacturing process will approach \$200,000 a year," says contest coordinator Mike Field.

First, second and third prizes of \$500, \$300 and \$200 were awarded in each of two categories—web handling and pancake handling. In addition, a lottery prize of \$50 was awarded to each of five persons whose names were drawn from among all those submitting suggestions.

Web winners and their suggestions are: Alice Boros, first, improved design of wood crates for web tape; Dan Flavin and Jerry Hendrickson, second for joint entry, a special cart for moving spools of web tape; John Welsh, third, improved method of moving webs on wood pallets.

Pancake winners and their suggestions are: Joe Grasso, first, foam plastic carton spacer to prevent package shifting and handling damage; tie for second and third, \$250 each, Wally Nakagami, an improved axis system for holding pancakes as they come off slitter, Jim Swift, an axis storage system including a protective sleeve to cover pancakes.

Lottery winners are: Steve Belgin, Red O'Laughlin, Malcolm Gray, Steve Marks and Larry McAlister.



Pirkle demonstrates how new testing of 2089 line printer provides printed record of some 30 different tests.

Improved testing provides customers with higher quality 1377s and 2089s

"Super! That's how I'd describe the work he's done," says Paul Moore, test engineering manager for the Communications Group. He is describing the work Senior Test Engineer Larry Pirkle has done in developing test equipment used in checking Memorex 1377 CRTs (cathode ray tubes) and 2089 line printers.

"This equipment provides better tests in less time and for less money," continues Moore. "This results in higher quality products at a lower cost. His equipment has provided the prototype for all Communications testers for terminal type products."

Pirkle says his work with the 1377 tester began more than two years ago. His 2089 tester, which evolved from his work with the 1377 tester, went on-line in June.

Previously, 1377s and 2089s were tested by plugging them into a CPU (central processing unit) system similar to customer systems. By using a microprocessor, Pirkle developed a tester which eliminated the costly and time-consuming CPU tests.

"Much more extensive testing for the 1377 can be done in five minutes than was done previously in 20," says Pirkle. "Some 50 to 60 tests can be run. With the 2089, about 30 different tests are run, and a printout records the date and pass-fail information for each test."

"Also, with the 1377, from experience in the field we know that customer software had included sequences which had not been included in earlier testing. By including these sequences, and others, the new tests eliminate the possibility of having to bring equipment back from the customer site. Thus, any problems occurring under these conditions are now detected and corrected before the equipment leaves Memorex."

"You could compare the tests to the road testing of a new car to see how braking, accelerating and other systems work under actual customer conditions. We do the same thing with a 1377's circuitry and component systems. The end result is that the improved testing provides the customer with a higher quality 1377 and 2089."



From left, Field presents first-place checks to Boros and Grasso.



Ghouls, ghosts and comic book characters show up for employe Halloween luncheons

A host of unusual creatures ranging from a moustachioed bride to a giant peacock mingle with Memorex employees during Halloween luncheons at various Santa Clara facilities. At lower left, winners of building 10's costume contest, from left, are: scariest, Kim Haddy as Countess Dracula; most original, Kathleen Campbell as the short-legged fellow with the long eyelashes; and prettiest, Linda Benenato as Witch Hazel.

