

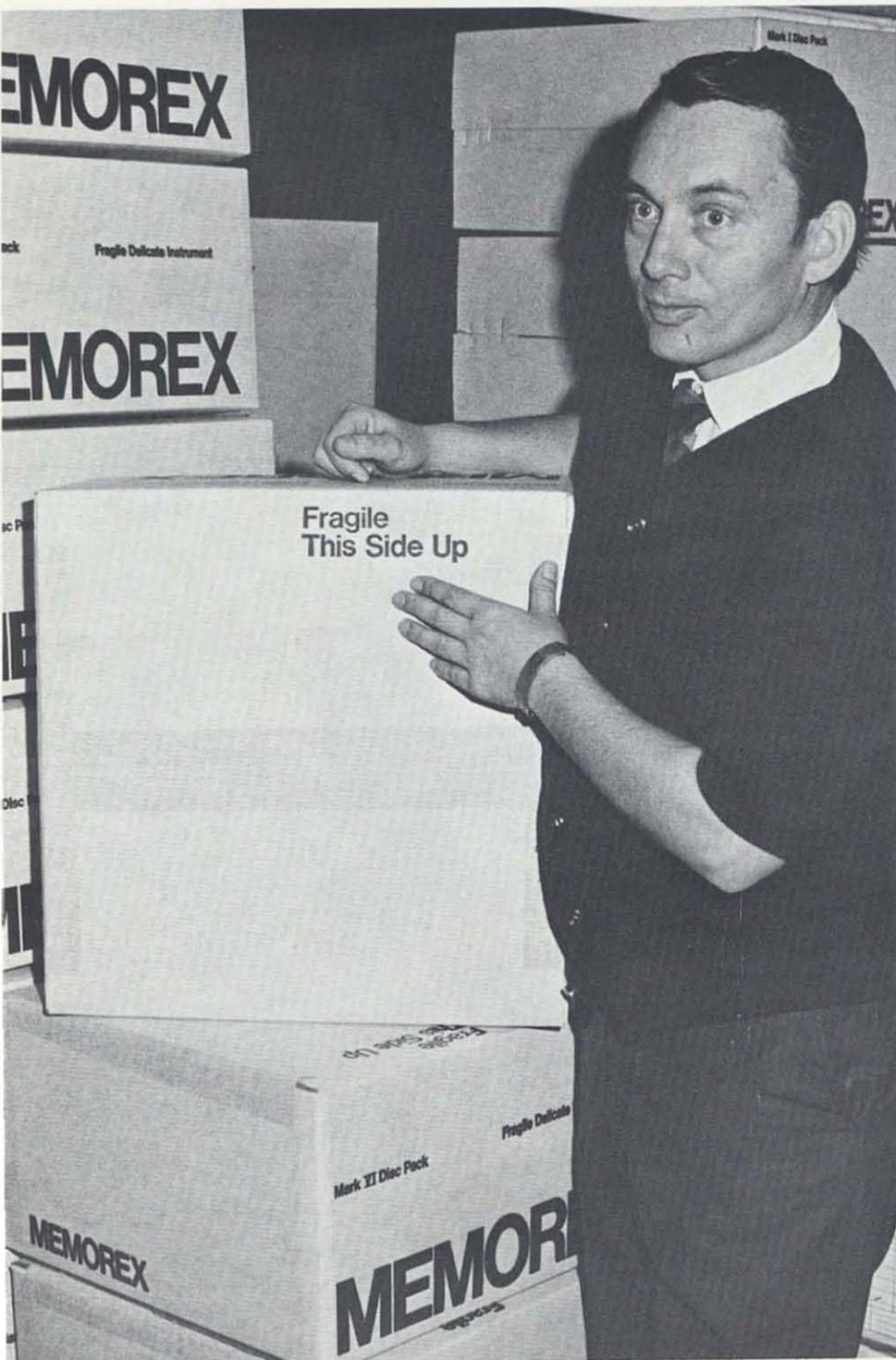
MEMOREX INTER



# INTERROOM

# Teamwork at Disc Pack Will Save Company \$800,000

Pointing out a warning printed on disc pack carton is Jim Robertson, who is on the cost saving team which came up with an idea involving "Fragile" stickers.



A better way to say "Fragile" is just one of the ideas that's saving money in our Santa Clara Disc Pack operation.

Because disc pack shipping cartons now have "Fragile" printed right on them, rather than having the warning pasted on with a gummed label, the company will save about \$8,000 in the next year.

Since mid-1969, when a Cost Improvement Program was established in the Information Media Group, special teams appointed by John Mandle, Disc Pack plant manager, have come up with more than \$800,000 worth of cost savings suggestions. Actually, all areas of the Information Media Group are involved in the Cost Improvement Program, but Disc Pack is an example of how well it's working.

When the overall program was started, John set up three five-man teams, and gave them responsibility for thinking up cost saving ideas in Santa Clara Disc Pack. All three teams are led by Disc Pack supervisors. They are the "Franc Team," headed by Don Mercer; the "Dollar Team," headed by Bob Harris; and the "Pound Team," headed by Larry Olsen. So far, the 15 men on these teams have accounted for a major portion of Disc Pack's impressive savings.

Bob Harris explains that the teams include representatives from all areas of Disc Pack Santa Clara, so "we have a wide range of experience and ideas." One reason for the three teams was to promote some friendly competition among them, but the team leaders admit that the real emphasis has been on cooperation rather than competition. "In fact, we sometimes work as one team," says Don Mercer, citing a December meeting when all three groups got together for a "brainstorming session." Don recalls that "we came up with 114 cost saving ideas in only 45 minutes, and we figure we'll have been successful if 10 per cent of those ideas are useable."

Bob's "Dollar Team" has already selected 22 of the 114 ideas for further study. The best ideas will be assigned to team members, who will then be responsible for determining the actual value of each idea, if it can be put into use, and how it can be accomplished.

The "Dollar Team," for example, found that a relatively simple modification on the machine which processes discs after they've been coated will save the company \$122,000 per year. Harry Kraft's Production Maintenance group is working on the modification right now and it should be in use soon.

**Franc, Pound and Dollar Team captains Don Mercer (from left), Larry Olsen and Bob Harris discuss some of the 114 savings suggestions their teams recently proposed.**

**On the phone is Bert Hills, a senior buyer, who has contributed substantially to reduced disc pack component costs.**

Another "Dollar Team" suggestion will save \$30,000. Team member Chuck Sanders felt that another modification would allow a machine to be better adjusted, thus eliminating a type of damage which frequently occurred to uncoated discs. He carried his idea through and it is now in use.

Each of the teams meets monthly, and tries to concentrate on cost problem areas. Don Mercer's "Franc Team" has suggested that a special conveyor be constructed in the Disc Pack clean room, to carry discs from one area to another. The conveyor will reduce the chance of damage done by handling the discs, as well as speed up their movement. Dick Cassidy made the suggestion and carried out the initial steps to put it into operation. When the conveyor is installed it will reduce costs by \$28,000 per year.

Larry Olsen's "Pound Team," like the others, has "pretty well completed its first projects."

"We're looking at the list of 114 ideas and we'll pick some new projects from there, or come up with a few of our own," says Larry. "The kind of project we like to find is like the one of ours which will reduce disc pack component costs to the company by \$88,000. Each pack has spacer rings between the discs. These rings were being specially processed by the vendor for aesthetic reasons, so we suggested how the special step could be eliminated without noticeably changing the appearance of the packs. It was then merely a matter of changing the specifications we give to the vendor who supplies the rings," explains Larry.

Some of the ideas and suggestions, like the conveyor system, can't be carried through by the teams, so they are written up and passed on to the departments which can carry them out.

The team leaders agree that "we've always looked for ways to reduce costs." As Larry Olsen says, "This is one of our responsibilities anyway, but the Profit Improvement Program has probably helped us think more about it." He mentions that "the guys were surprised at all of the ideas which came out of the big brainstorming session in December," and feels "it's probably because we are still learning and just beginning to understand how we can make the program really work."

The three men also agree that the next step in cost reduction efforts is to stimulate greater involvement on the part of all the people in the company, not just those who are on cost reduction teams.





**Why are there temperature variances in the air conditioning in the Disc Pack Clean Room?**

Temperature within the room is being monitored with recording devices in an effort to determine reasons for temperature variances. The capacity of the equipment was found to be adequate, and therefore, the problem must be in a malfunction of the system. Specific reasons have not been clearly defined (at press time—ed.), however, a suspect condition (malfunctioning control valves) will be eliminated when new valves are installed. These valves have been placed on order.

**Can monthly salaried employees be paid bi-weekly (alternate Fridays) as the hourly personnel are paid?**

Over the last several months we have talked with a sizeable number of employees in all pay schedules regarding possible changes in the frequency and methods of paycheck distribution.

While some employees would support your suggestion, we found enough varied opinions on paycheck frequency, that management concluded the situation does not warrant making changes in current payroll procedures at this time.

**Why are secretaries allowed to work seven to seven and one-half hour days?**

The Memorex salary schedules for non-exempt employees are based on an eight hour day, forty hours per work week schedule. If certain secretaries are only working seven to seven and one-half hours, their time cards should reflect this number of hours worked.

**Has any consideration been given to doing an employee attitude survey?**

Yes, we have considered surveys, because the attitudes of our employees are most important for the progress of our company. Instead of conducting companywide surveys, however, we have relied upon other means for keeping in touch with employees' ideas and concerns. We have stressed the basic necessity of good communications between each employee and his or her supervisor. We have developed the Input/Output program which people can use to offer suggestions or raise questions anonymously.

We print in the Intercom the Input/Output questions and answers that are likely to be of interest to the majority of our employees. The company, also, has always had an "open door" policy encouraging employees to talk with members of management at any time. This open door policy was reconfirmed in the meetings Company President Larry Spitters held with employees at the end of last summer.

We believe these current programs are suitable and do help us understand employees' feelings and attitudes. Larger firms such as Lockheed cannot employ the same informal communications methods as effectively as Memorex, simply because of their greater size. As a result, larger companies do sometimes employ attitude surveys.

You and your fellow employees are urged to continue using conversations with your supervisors and the Input/Output program to convey your ideas and frankly state any concerns that you may have. If you feel additional methods would be helpful, your suggestions will be appreciated.

Memorex Corporation  
Santa Clara, Calif. 95050  
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Memorex  
Intercom

**First Class  
Mail**

# Intercom Rings in 1970 With a New Design And a Sister Publication

The new year will be an exciting one at Memorex. We'll have new products, new buildings, and new people at Memorex locations all over the world.

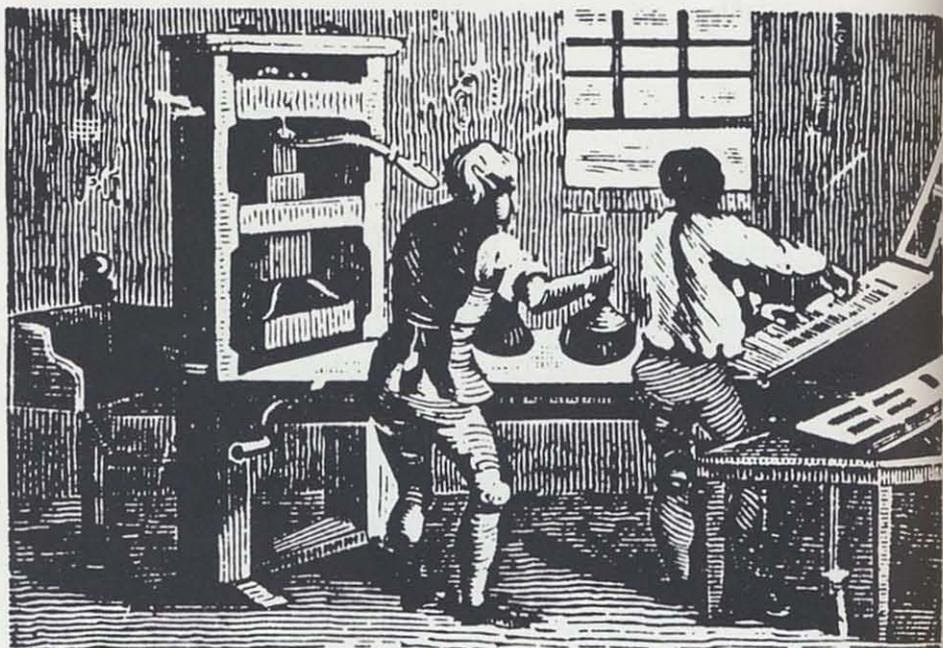
To meet the challenge of bringing company news to you and your 3,400 fellow employees, we've made some important improvements in the total employee communications program.

**Intercom** has been the company's only regular in-house publication since it was first started in 1963. However, this month we've added a second publication, a twice monthly newspaper named **Update**, which will serve the Information Media and Equipment Groups in the Santa Clara Area.

**Intercom** will continue as a monthly publication, but, as you can see, it has evolved into more of a magazine than a newspaper. As such, **Intercom** will carry more in-depth features on people, products, and places than it was ever able to before. We've matched its new content with an informal magazine-type style, that lends itself to slightly longer articles and easier reading.

We've also switched to a modern sans serif type face (Helvetica, 8 on 10 point) and all of the columns will be set in what is called a "ragged right" style. "Ragged right" means that the margins on the right side of each column of type will be uneven. This is done because it's easier to read than justified (or even) margins; and because it looks nice.

These changes and the new design on the front page were done by Unimark International, an industrial design firm which has been working on a corporate identity program for Memorex. The purpose of the program is to show our customers and potential customers that we are no longer a small Santa Clara company, but instead, we have grown into a major corporation with products in the computer media and equipment areas.



Jane Lockwood, who came to the company from Philco-Ford in October of 1969, will edit **Update**. The new paper will be circulated through managers, supervisors and foremen in Sunnyvale and Santa Clara facilities.

**Update** will contain many types of articles which we weren't able to include in **Intercom** because of lack of space; items such as service awards, personnel notices, a more complete listing of promotions, and many other important topics. Because **Update** will be published twice a month, it will also be more timely than the monthly **Intercom**. Many important news items will be announced

first in **Update**; then explained in more detail in **Intercom**. In this way, with the two publications working together, we hope to bring you the kind of information you want and need to know, in more detail and faster than ever before.

As always, your comments and suggestions for both publications are welcomed. We also need your help to obtain a constant supply of interesting topics for articles and announcements. You can contact **Update** Editor Jane Lockwood and **Intercom** Editor Gary Williams by calling extensions 853 or 632.

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## INTERCOM

An official publication for employees of Memorex Corporation, 1180 Shulman Ave., Santa Clara, Calif. 95050

Editor: Gary Williams

### ABOUT THE COVER:

Jovita Lopez, an instructor in the electronic assembly training area of Opportunities Industrialization Center, watches while one of the students practices with a wire wrap tool.

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# MAG Reconstituted: Dues Eliminated and All Employees are Members

In this day of spiraling prices, it's refreshing when the cost of belonging to a group you enjoy actually goes down, while its services are expanded.

This type of change doesn't happen very often. That's why we're especially pleased to tell you that MAG is now free—there are no membership dues—and every Memorex employee is automatically a member.

Until January 1, 1970, there were three official activity groups for employees (MAG, PAC, SCAG) and together they represented something less than 70% of the company's employees in the Information Media Group, the Equipment Group, and the Los Angeles subsidiaries.

As the result of a series of meetings between activity group officers and management representatives, there is now a new constitution that combines all three employee activity groups and covers groups which may form at any Memorex location. The new constitution is basically the same as the old ones; however, there are a few differences.

As before, the prime objectives of MAG are to "promote and conduct recreational and social activities that are in the best interests of all members . . ." These activities, as well as discount buying opportunities, will continue to be sponsored through MAG. Though the activities will not change, some will undoubtedly benefit from the new organization.

An important change is the way the corporate-wide MAG group will be funded. Memorex has always provided a fixed amount of money per month for each member of the activity groups. This practice will continue, and now that all employees are members, the company's contribution (of \$1 per month per employee) will just about offset the lost income from dues. Bill Ramsay, management representative to MAG, explains that profits from vending machines in the company will also contribute to MAG's budget, but it may also be necessary to obtain additional revenue by charging nominal fees for those attending major activities, like Christmas dances and company picnics.

There are many advantages to the new MAG organization, not the least of which is an easing of the administrative burden placed on the activity groups' officers, who all serve without pay. In Santa Clara, MAG and PAC have combined to form one large group. Instead of having two eight-man Boards of Directors, there will be one 12-man Board. Six officers will be elected each six months, to ensure continuity of ongoing activities.

At the time this story was written balloting was underway to elect six new Board members for the Santa Clara area. Because there are eight Board members (four each from MAG and PAC) who still have six months to serve in office, the first Board of Directors under the new constitution will have 14 members. Six more new members will be elected July 1, 1970 and the eight interim Board members will retire, bringing the Board to 12 members.

The Los Angeles area MAG (formerly SCAG) will continue to operate with an eight-person Board. The Los Angeles and Santa Clara groups will differ only in their operating procedures, or by-laws, since their constitution is the same.

Another change removes the scholarship program, which was established by MAG voters just recently, from the MAG constitution. A similar program will be offered by the company for dependents of Memorex employees, and the scholarships will be funded by Memorex Foundation.

## MAG Elects New Officers

(Last Minute Election Results)



**Bill Fullendorf,  
President**



**Roger Elmstrand,  
Vice President**



**John Bachick**



**Bill Budisch**



**Sharon Koger**



**Pat Tumey**



**Judy O'Brien,  
Treasurer**



**Sue Smith,  
Secretary**



**Irene Yerger**



**Woody Smith**



**Frank Haney**



**Darlene Williams**



**Bill Anderson**



**Linda Workman**

# Tavrow Becomes a V.P., Supplies Gets a New Name, In Organizational Changes

The Supplies Division has a new name and a new organizational structure, announces Executive Vice President John Del Favero. Its new name is the **Information Media Group**, and there will be four divisions within that Group, all reporting to Mr. Del Favero.

The first division — the **Precision Magnetic Products Division** — will encompass all manufacturing and technical activity relating to computer tape, video tape and disc packs. Dick Boucher, formerly vice president of Manufacturing, has been promoted to vice president and general manager of the new division. Dick will report to Mr. Del Favero. Former Tape Plant Manager Hig Tavrow has been elected vice president of Manufacturing in the new division, reporting to Dick Boucher.

The second new division is **Information Media Marketing**, which was previously Supplies Division Marketing. Jim McNabb

continues as vice president of Marketing, reporting to Mr. Del Favero.

**Consumer Products** is the third division, and its general manager is Roland Jang. This division will be responsible for all technical and manufacturing activity related to consumer products, as well as the marketing activity related to educational and Original Equipment Manufacturer (OEM) audio tape products.

The Micrographics Launch Group is designated the **Micrographics Division**, and Jack Hounslow has been promoted to general manager.

In December, the Memorex Board of Directors approved a plan to enter the micrographics business in support of our recently announced microfilm printer program. The Micrographics Division will handle all manufacturing and technical

activity for micrographics products, and marketing for its products will be done by the Information Media Marketing Division.

Mr. Del Favero says that Finance and Personnel activities which were part of the Supplies Division will continue to report to him. He explains that the changes have come about because of "the growth and expansion of the scope of operations of the former Supplies Division."

Other organizational changes resulting from this realignment will be carried in **Intercom** and **Update** as they occur.

## Profit Sharing Pointers

Last month this column featured a Profit Sharing Quiz which primarily emphasized the mechanics and administration of the Plan. This information is important to know, but the real significance of our Profit Sharing Plan is *how* we respond to the explicit goal of increasing the year-end Company contribution to the Plan Trust.

In the Quiz, question 10 aimed singularly at that point:

"Your efforts to increase Profit Sharing in 1969 have been:

- Minor
- Moderate
- Considerable"

As an aid to you in answering question 10, we are focusing our attention on the relationship each of our jobs has to profits. Look

at the following chart and choose one of the descriptions which best suits your job. Then ask yourself what you have recently done in this area to improve Profit-Making:

INCREASE PRODUCT SALES through:

1. Improved Product Quality,
2. Added Marketing Strength,

and simultaneously

DECREASE EXPENSES through:

1. Greater Production Efficiencies,
2. Reduction of Excessive General and Administrative Expenses.

Although our individual roles have substantial impact on profitability, the overall success of Profit-Making depends upon everybody's response. It is a joint venture where everyone must participate. The results can easily be predicted. Very simply, the bigger the difference between product sales and expenses, the larger profits become.

The first fundamental point which I learn about Profit-Making from the above illustration is that sales and expense are equally important factors. The other basic point is that I, myself, do relate to the Profit-Making process.

Working in my particular administrative function, I have little influence in bringing about "improved product quality," "added

marketing strength," or "greater production efficiencies." But I can do something about reducing unnecessary administrative expenses.

As an example, recently my department reviewed its procedure for mailing out large numbers of letters and decided to substitute the use of window envelopes for individually typed envelopes. This labor saving move cut down operating costs and in turn increased profits.

Additional examples from personnel in other areas would help each of us to understand better how they too were affecting Profit-Making. To carry this out, I would like to include several short commentaries next month in this column about Profit-Making. But in order to do this, I need information from you.

Just jot down what you or your department has done in this direction and slip them marked to my attention into an Input/Output box.

—Ron Casentini,  
Profit Sharing Administrator

# Important Details Offered On Savings, Investment Plan

After the Savings and Investment Plan was introduced in November, the Executive Committee held a series of meetings to define more clearly those Plan features which required further explanation as well as to determine other provisions which were not earlier covered. Although the full text of the expanded Plan is available to you in pamphlet form at your Personnel Department Office, the following summarizes sections that are most important to you:

## Enrollment

The Plan now allows new employees to participate once they have completed three full months' service at Memorex. As an example, if you joined Memorex on October 15, 1969, you now can make your initial Deposits on February 1, 1970.

However, if you were eligible to participate in the Plan on January 1, but waived entry, your next entry date remains July 1. Similarly, new employees who do not enroll for participation at the time they are first eligible must wait until a succeeding July 1 or January 1 before signing up.

## Change of Percentages and Investment Choice

Your payroll Deposits ranging from 2% to 5% can be changed every January 1 and July 1.

Your investment choice—Memorex Stock, U.S. Government Securities or an equal combination of the two—can be changed at the beginning of each Class Year on January 1.

## Suspension

Your Deposits to the Plan can be voluntarily suspended (that is, no contributions will be made from your paycheck) for a minimum period of three full months. Although there will be no Company contributions made on your behalf while your Deposits are suspended, vesting of Company contributions for previously made Deposits is not affected.

Your Deposits to the Plan will be automatically suspended if you temporarily leave the Company on a granted leave of absence or withdraw your Deposit for which the Company's contributions have been vested. In the latter case, your Deposits can be resumed twelve full months following the effective date of withdrawal.

## Ordinary Withdrawals

For reasons other than financial emergency, death, disability or retirement, you may withdraw your own contribution once every year at any time.

If you withdraw amounts on or prior to the December 31 of the second year following the Year of Formation of an annual class, you forfeit the corresponding Company contributions. Yet you may continue to make Deposits to the Plan without interruption.

If you withdraw amounts after the December 31 of the second year following the Year of Formation of an annual class, the Company's contribution remains vested for you, but you will not be eligible to participate

for the twelve months following your withdrawal.

Distributions of amounts withdrawn will be made on a last-in, first-out basis; that is the amount attributable to the most recent Deposits will be distributed first.

## Participation Statement

Statements of Account will be furnished to Participants quarterly. The Statement will indicate your Deposits, the Company's contribution and the market value of each investment by Class Year.

## Forms for Application of Changes

For those who have already completed enrollment cards for the Plan you may wish to change your participation status at some future date. Forms can be obtained from your Personnel Office.

The above changes are effective immediately.

If you originally waived entry into the Plan and would now like to join, the Plan will accept additional enrollments until January 31. Sign-up cards can be obtained at your Personnel Office. If you have further questions, contact your supervisor, or Ron Casentini, Savings and Investment Administrator, Extension 350.



# OIC is Winning Battles In the War on Poverty

In Organizational Changes

Laetitia Carmack, wife of Memorex employee Lindy Carmack, teaches an OIC class which prepares the students for further training in the welding or machine shops. A second instructor, Jaime DeSoto, is at the blackboard teaching English to Spanish speaking San Joseans.



"Why does Memorex support OIC? Because it's an investment that really pays off — for the people OIC trains, for the community, and for us."

Don Newton, Information Media Group Personnel Director, was explaining why Memorex (through Memorex Foundation) has given \$4,500 to Opportunities Industrialization Center over the past two years. "OIC in Santa Clara County has been phenomenally effective in training unemployed or marginally employed men and women for meaningful jobs in industry," says Larry Johnson. Larry is from Pacific Telephone and is chairman of OIC's Industrial Advisory Board.

OIC is one of about 80 such centers throughout the country, and in only 2 years, the San Jose center has trained and placed 260 "poverty cycled" adults into jobs as welders, machine operators, assemblers, and similar positions.

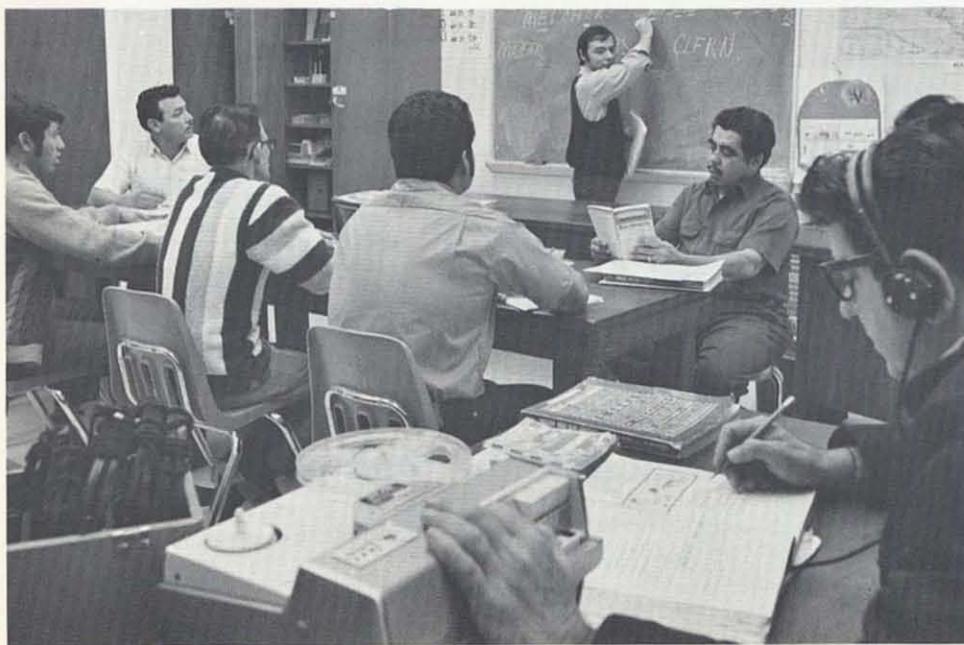
In addition to skills, the trainees are given basic remedial training and job counseling. Follow-up counseling after the trainees are employed has helped produce a 90% job retention rate.

The benefits to the people who complete OIC classes are obvious. As one graduate told an audience of representatives from some 50 local industries, he had been drifting "from fields to canneries and back . . . but not finding a steady job, because I had no education. I couldn't even pay my bills," he stated.

"When I went to welfare, they told me about OIC . . . and OIC said there were no classes yet because they were moving, but I could help them clean up and paint their new place . . . I finally took their feeder class in math and English, but wanted to give up . . . The counselor said, 'Don't give up. You can make it!' . . . Finally, they gave me the test and I passed it. Then I was in the machine shop for four months and learned how to operate a lathe, and a turret lathe . . . FMC hired me at \$2.95 an hour to operate a drill press. In two weeks they transferred me to an air drill; then to another machine . . . It was amazing how I moved up. Now I'm making about \$4.00 an hour."

"Anyway," the OIC graduate concluded, "I'm proud of it . . . of OIC . . . I helped build it, put in the heater and lights . . . I'm proud of it."

While this graduate was referred by a social service agency, many students are recruited by word of mouth, or sent by churches and community organizations.



Holding and working on a lathe are just two of the skills which students may learn after completing classes on communications, math and job attitudes.

Russell Tershey, OIC's executive director can list many benefits which the community reaps from the center's successful operations. Among them are:

- More than \$500,000 yearly savings to taxpayers in direct welfare payments.
- Sixty per cent of OIC's graduates had been on welfare.
- Twelve per cent drew unemployment insurance.
- Eighteen per cent had no income.
- Ten per cent were marginally employed.
- \$83,232 taxpayer savings in unemployment benefits.
- Nearly \$1¼ million annual OIC graduates' earnings, based on their entry-level pay.

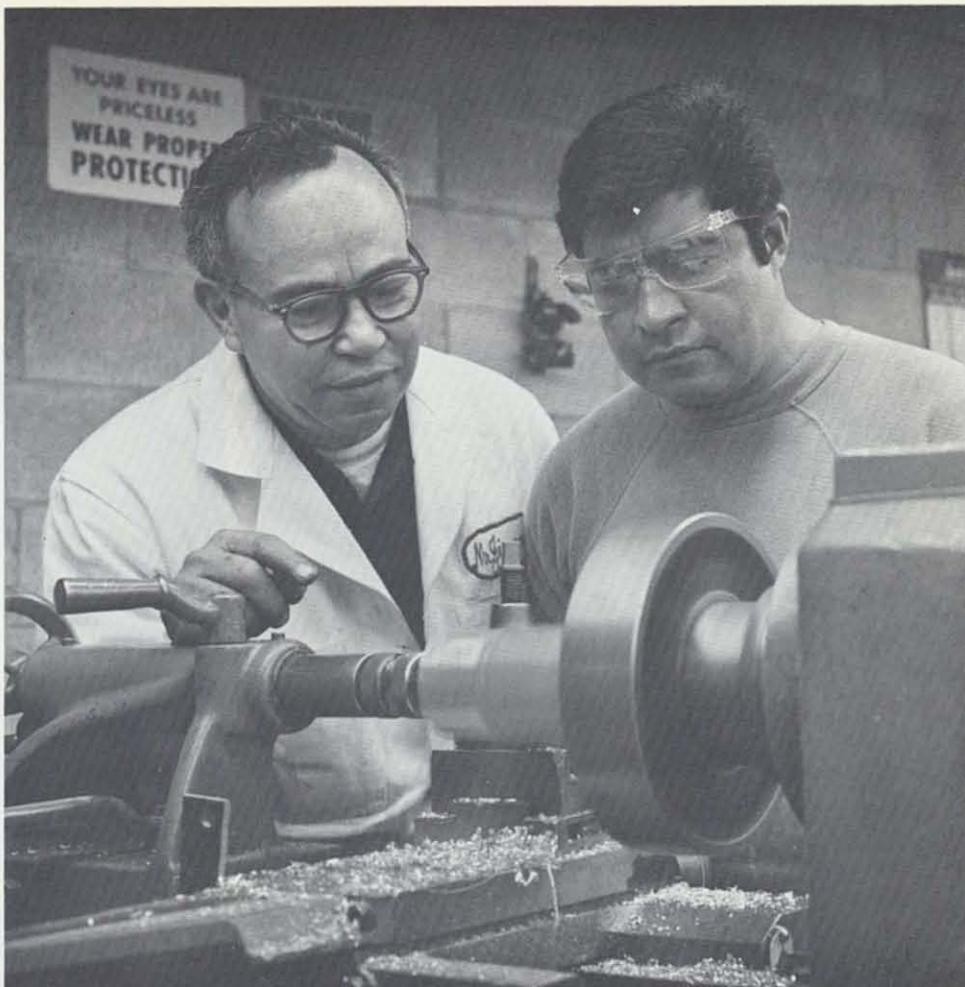
"What's more," Tershey notes, "these people are now paying taxes themselves, and some of them are even buying homes." Once unskilled and economically disadvantaged, they now have the vocational skills and personal counseling to enable them to find rewarding and stable careers.

The center is presently in the midst of a \$250,000 fund raising campaign, so it can expand its training capacity to between 400 and 500 graduates in 1970. Besides industrial and community financial support, the training center will continue to receive matching funds from the Economic Development Agency of the U.S. Department of Commerce.

Don Newton says Memorex is pleased with the growth and success of OIC, because we hire many of their graduates to work in the Information Media and Equipment Groups. To date, we have already hired 15, or slightly more than 5 per cent of the total graduating class. "With the anticipated growth of Memorex, we plan on hiring even more of their graduates in the future," states Don.

Most of the people from OIC have been hired by Pat Kostelnik, a personnel assistant in the Information Media Group. Pat uses the same standards to evaluate job applicants from OIC that she uses to evaluate others who are applying for the same jobs. And she notes, "We've been happy with the people who have come to work here after attending classes at the center. Some of them have never had experience working in industry before and they've adjusted very well. Two of the 15 have already been promoted to higher paying jobs."

It's no wonder that OIC has enthusiastic support in Santa Clara County. It has proven that a self-help philosophy, combined with a community-industry job training program can work—and in fact, be a valuable asset to the entire community.



# Dances, Childrens' Party Highlight Holiday Season At Memorex, Santa Clara



More than 2200 employees and their guests celebrated the holiday season at two company dances, one at the San Francisco Hilton and the other at Alpine Lodge in San Jose. Both were great successes, judging by the smiling faces of those in attendance. MAG also arranged for the children to see a Christmas play on a Saturday in December, and visit with Santa Claus, alias Jerry Miranda.

