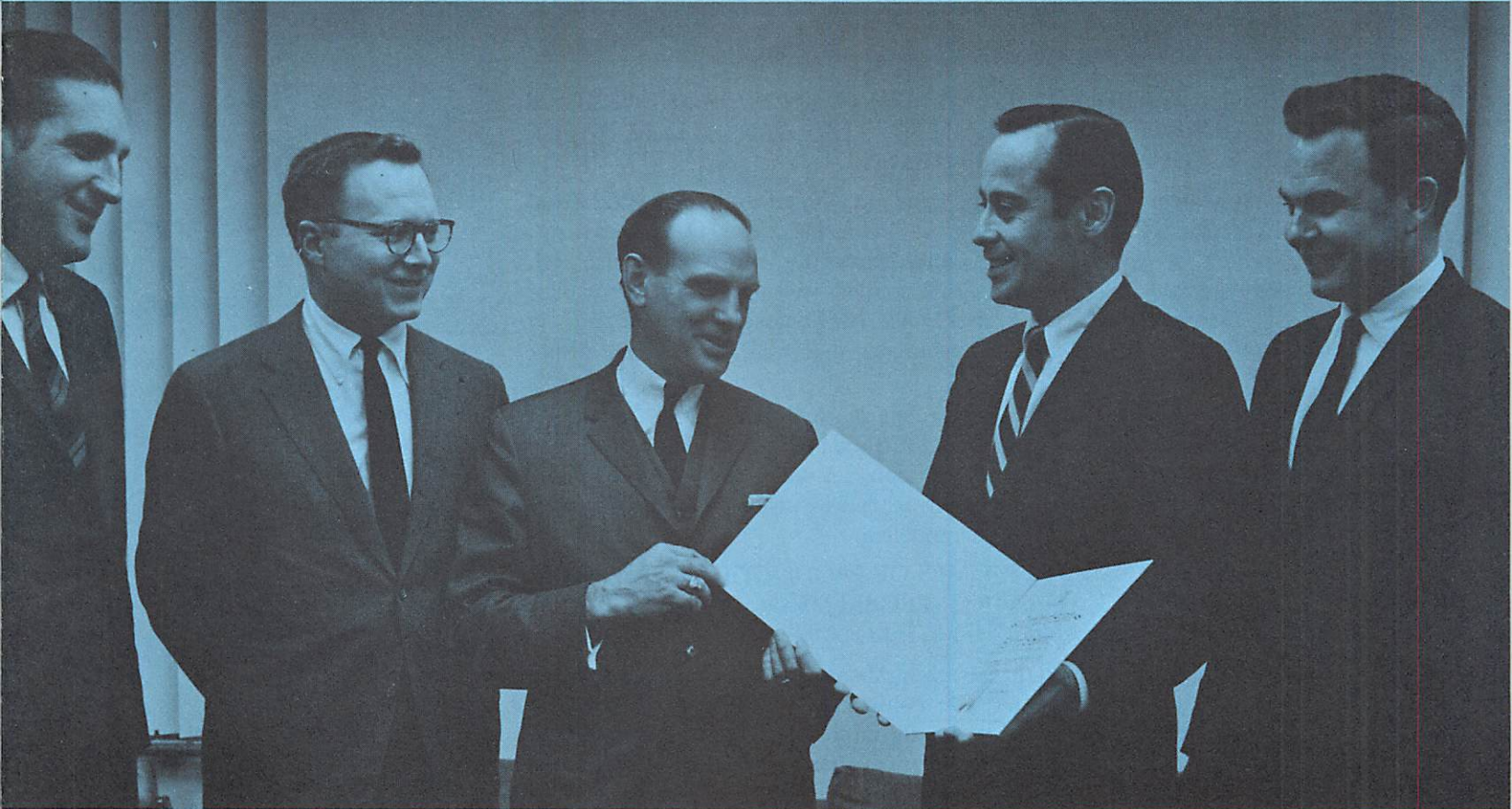


INTERCOM

NEWSLETTER FOR MEMOREX EMPLOYEES

VOLUME 6, NUMBER 2

FEBRUARY - MARCH, 1969



ED SEAMAN--SELECTED YEAR'S TOP MARKETING EXECUTIVE

How do we follow a year like 1968? For starters, we surprise Marketing Vice President Ed Seaman with the news that he has just been named "Marketing Man of the Year" by International Marketing Magazine.

The magazine's publisher, Robert Heady, made a special trip from New York to make the award presentation at our national sales meeting in Palo Alto.

Industrial Marketing's panel of judges selected Mr. Seaman for the honor after reviewing the qualifications of industrial marketing executives throughout the United States. Said the magazine in its January issue, "Mr.

Seaman was chosen IM's top 'marketing' man because his shepherding of Memorex's total marketing effort last year resulted in an overall increase of 50% in market penetration for the company's five product lines."

Mr. Seaman came to Memorex in 1961, when the company was new and "he joined forces with a David destined to make things uncomfortable for the Goliaths of the billion-dollar electronic data processing industry," says the magazine.

Actually, the future was a little uncertain in 1961, since our first computer tape (which was our first product) wasn't ready to market.

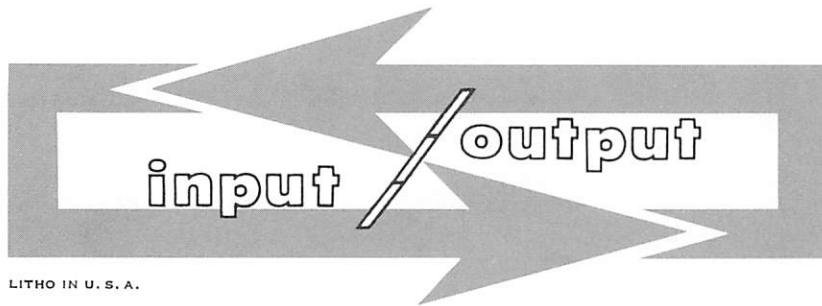
Mr. Seaman spent the major part of

that first year organizing a field sales force and lining up potential customers. He estimates he flew at least 150,000 miles during that first year and a question he heard frequently was "What's a Memorex?"

Last year our sales reached \$58 million and Memorex emerged as the world's largest manufacturer of certified computer tape, a dominant factor in closed-circuit video tape sales, the second largest producer of broadcast video tape, and a prime competitor in the disc pack field.

"What's a Memorex" used to irritate Mr. Seaman, but he doesn't hear the phrase anymore—the industry knows who we are.

PICTURED: EXEC. V. P. JOHN DEL FAVERO, PRES. LAURENCE SPITTERS, ED SEAMAN, ROBERT HEADY, V. P./FINANCE GORDON PILCHER.



INPUT/OUTPUT is an anonymous channel for employee questions, comments, complaints, or suggestions. INPUT/OUTPUT forms and locked boxes in which to put them are located throughout Memorex. Forms are collected by Employee Relations Supervisor Bill Ramsay, who then forwards the forms to top management for answers. Bill is the only person who ever sees the names of employees who submit INPUT/OUTPUTs and this is only so he can mail the answers to their homes. INPUT/OUTPUTs of general interest are selected for publication, unless the author requests otherwise.

WE IN VIDEO REWINDING WOULD LIKE TO KNOW IF THE WEIGHT OF REELS WOMEN LIFT IS LIMITED. ALSO, CAN THE AIR IN THE CLEAN ROOM BE BETTER VENTILATED?

Yes, there is a weight limit female operators are allowed to lift. The Industrial Welfare Commission Orders, issued by the California Labor Department, sets this limit, which for Memorex is 50 pounds. Presently, a two-hour video reel, our heaviest type, weighs approximately 28 pounds—well under the weight limit for women. However, we have asked Industrial Engineering to continue to evaluate new methods and handling techniques that would reduce the lifting requirements.

As for your second question, the clean room air conditioning units have been studied by Plant Engineering, who found that warm areas occur within the clean room under certain atmospheric conditions. Another study is now underway to determine what effective improvements can be made. We hope you will bear with us as we attempt to solve this problem.

WHY CAN'T START AND STOP TIMES OF PRODUCTION PERSONNEL BE STAGGERED TO ALLEVIATE PROBLEMS OF CONGESTION IN TRAFFIC, PARKING, AND CHANGE ROOMS?

Most of the production operations within Memorex have staggered starting times to minimize the problems that you pointed out. The Finishing Departments, however, cannot be staggered optimally to prevent these occurrences, due to the requirements of providing a smooth production work flow. However, we recognize that our existing facilities have become overtaxed due to the increased employment levels, so we are now constructing a new change room and lunch room on the second floor of Building D, behind the Packaging Department. These expanded facilities should be ready for use sometime in April of this year.

In addition, we will continue to monitor the shift start times in order to minimize the inconveniences to our employees, created by traffic and parking problems.

Licensing Pact Will Lead To New Products

Memorex has entered into a licensing agreement with E. I. du Pont de Nemours & Company, Inc., concerning certain du Pont patents relating to high-energy Chromium Dioxide materials and their use in magnetic recording products.

Our company intends to produce commercial magnetic recording products employing these materials, but probably not before 1970.

The impact of Chromium Dioxide products upon markets for existing magnetic iron oxide products is expect-

ed to be limited in coming months, and Memorex's future large scale use will be dependent upon the success of our product development programs and the marketing of complementary recording equipment by equipment manufacturers.

NIGHT GAMES AT WILCOX

The Wilcox High School Gym is open to MAG members only every Wednesday evening from 7:30 to 10. Volleyball and basketball equipment is provided.

Consumers Warned, Beware of Contracts

A traditional area of trouble for consumers is the understanding and signing of contracts, particularly sales contracts. "Read before you sign" has become a part of the American idiom, but the Better Business Bureau reports that this advice is often forgotten.

Most of us — even the sophisticated in business ways — are guilty at times of accepting on faith the contract we sign without carefully reading the small print.

Occasionally a person feels he is insulting the integrity of the seller by carefully examining all the clauses. Usually, however, it is laziness that discourages a careful reading of the contract that may save the buyer a great deal of money, or at the very least, trouble.

Many people are surprised to find that once they commit their names to paper they cannot change their minds. If you sign for something, you are expected to keep your agreement. If you fail to do so, provided there is no fraud or misrepresentation involved, you are liable to legal action for breaking your contract.

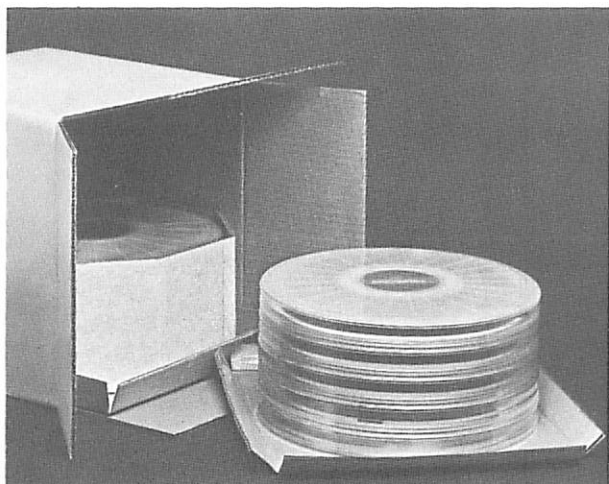
And please, *don't ever* sign because a salesman has given a verbal promise that the contract will be cancelled later if requested.

Other important DON'TS: Do not sign a blank contract that will be filled in later; do not sign a paper to get rid of a salesman. Do not sign any contract without getting a copy.

If a clause in the contract is not what you bargained for—cross it out on all copies if the seller will agree — otherwise do not sign. Never accept this explanation from a salesman: "Pay no attention to that clause because we never enforce it," or "This clause doesn't apply to you."

Of course there are some terms and conditions that must be written into a contract to make it a legal and binding instrument, but be sure and *understand* what they mean.

Last, but not least in importance, deal only with a reputable firm. It is unlikely that an established concern which values its customers will have any gimmicks or tricky terms in a contract to trap the unwary. And remember, no ethical businessman will begrudge you the time it takes you to carefully read each line of a contract that makes you responsible for the payment of services or goods.



QUANTUM -- OUR NEWEST TAPE

Quantum — our newest product — is an advanced breed of computer tape, designed especially for the needs of modern information storage and retrieval systems.

It was developed because our management correctly foresaw that the advent of disc packs would change the role of computer tape. Frequently used information would be stored on disc packs, while tapes would be used for system back up and permanent record retention.

A Product Development Team, headed by Jerry Youngstrom, set to work on a new tape that would meet today's requirements and, in the process, confirmed an old suspicion — when tape is used less frequently, its overall quality must be improved. This is because tremendous stresses are placed on tapes that are stored for long periods of time, especially on the tape edges where strains are greatest. Long storage can even cause the coating to flake off the edges of some tapes.

This aging can alter the information recorded on a tape, resulting in disaster when the tape is replayed.

EACH REEL of Quantum tape is packaged in a plastic canister with safety lock; then the reels are stacked in groups of five and sealed in easy open plastic bags. Our exclusive, space-saving Quantum Cube Pack, to be available shortly, is 20% smaller than any other 10-reel carton on the market. Bruce Bush and Jim Milne, from Industrial Engineering, did most of the design work on the packaging of Quantum.

EMPLOYEES ON THE MOVE

By JUDY BONINO

Jim Keenan has been named to the new position of traffic supervisor. Jim was previously a traffic analyst in the same department.

Office Services has a new multilith operator, **Pat Tumey**, who was promoted from her job as a finishing operator in Production.

Richard Beckwith and **George Roberts** were both promoted to slitter operator, in Production. They were previously in Contamination Control as heavy duty cleaners.

Video Production lost two of their test operators due to promotions. **Larry Chernitsky** went to Disc Pack as a production set-up operator, and **Dale Parket** is now a slitter operator.

J. B. Edwards also received a promotion and is now a facilities technician in Maintenance, moving from his previous job as a coating operator.

Joe Smith received a promotion from maintenance helper to electro-mechanical maintenance technician.

James Taylor has been promoted from his job in Slitting to inspector in Test and Inspection.

John Robie, a designer in Drafting, was promoted to design specialist in the same department.

Marketing has a new applications engineer, **Richard Fodor**, who was a field engineer in the Technical Service Center.

Jack Monahan has been promoted to associate engineer, in the Technical

Service Center. Before his promotion, Jack was a recording specialist in the Quality Control Test Lab.

Harry Tekawa, area specialist in International Marketing, Santa Clara, has been promoted to supervisor, Export Services, in the same department.



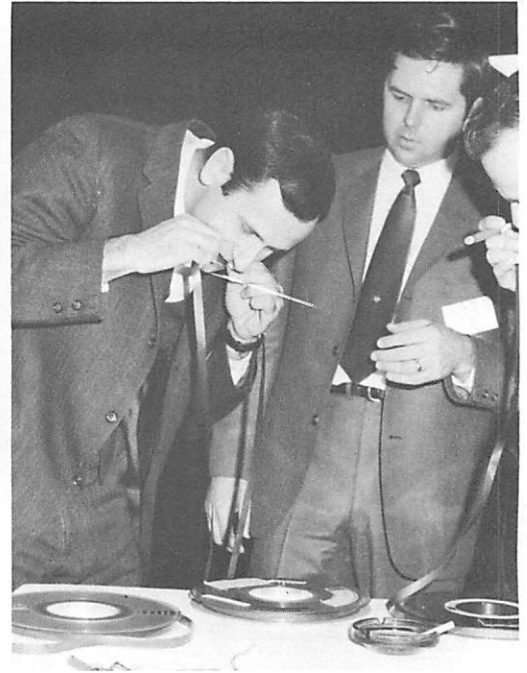
AMERICAN SOCIETY for Quality Control (San Francisco chapter) members toured the tape plant last month at the invitation of Memorex Quality Control Director Carl Moyer. Our Quality Control and Manufacturing Test and Inspection Departments hosted our guests and served as tour guides. Here our guests are leaving the Packaging area, after viewing the certifier machines through the clean room windows. Our visitors stated they were "impressed by the sophisticated Quality Control techniques used at Memorex."

Quantum was especially developed to combat the problems caused by infrequent use and long periods of storage. Its stress resistant coating, the result of a breakthrough in polymer chemistry, gives Quantum unusual chemical stability and strength. It does its job so well that we now offer computer tape users a full five year warranty, two years more than we offered previously.

Quantum was first introduced at our January National Sales Meeting, to more than 80 enthusiastic salesmen. Jerry Youngstrom, product development manager/computer tape, presented the technical features of Quantum to the group, while Bob Erdman, product manager/computer tape, told about its selling features and advantages.

Advertising/Promotion Manager Jerry Kelly then presented the 1969 advertising campaign, which includes a four-color brochure and 14 other sales items. Jim Milne, product engineering supervisor, told about Quantum's packaging innovations.

NEXT MONTH:
More about Quantum
and the people who
developed it.
Also, the Profit Sharing
Point Value Contest winners.



NATIONAL SALES CONF.
BRINGS FIELD FORCE
TO SANTA CLARA AREA
FOR ANNUAL MEETING



Memorex Has Bit Part In S.F. Based Movie

An exciting new movie, filmed on location in San Francisco, begins with a camera slowly panning a large computer center.

The star, Steve McQueen, is nowhere in sight, but when the camera stops and focuses on a tape drive in the room our favorite bit player is clearly visible and so is its name, Memorex.

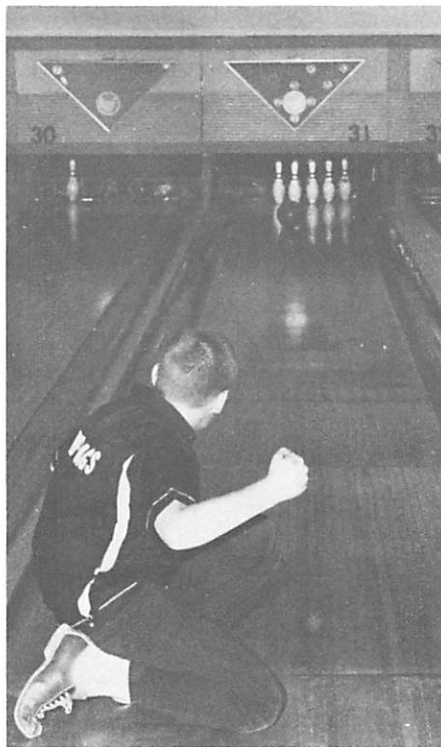
The movie, Bullit, is well worth seeing, especially if you enjoy action, suspense, one of the best chase scenes ever made, and the sight of Memorex tape on the screen of your local theater.

SNOOPY'S GANG LEADS MIXED LEAGUE BOWLERS

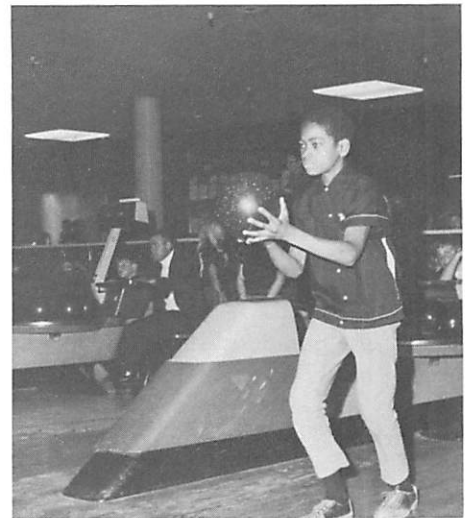
We could hardly believe our eyes when the latest Memorex Mixed Scratch bowling results showed Snoopy's Gang was leading the league—until we learned the group had merely borrowed the name of our favorite WWI flying ace.

The Memorex version of Snoopy's Gang (Duke Mafort, Bob and Rita Wallin, and Paul Waterman) has a slim one-game lead over second place Abstracts (Hazel Himan, Clara and Mel McPherson, and Larry Leech).

MINI-MAGS ENJOY SATURDAY OF BOWLING



SINCE THE END of last year 24 youngsters have been bowling every Saturday morning, thanks to the MAG-sponsored Mini-MAG League set up by Mel McPherson. There are presently six full teams, but there will be room for more young bowlers when new teams are formed this summer. Pictured here are Bill Rickard (above); Craig Anderson (above right); and Kathy EveLand and Bud Oliver.



A Guide For The Person Who Knows Everyone -- But Can't Find Where Anyone Has Moved

If you've gone looking for any one of several departments in the Santa Clara plant, you already know that they aren't where they used to be. For those who don't know who has moved, or who will be moving, here's a list of major changes:

- Construction now in progress at the back of Building D (behind the Computer Tape Certification area) is for a new Electronic Maintenance center, a large new change room and a new lunch room. The latter two rooms will be on a second floor, which will have an entrance opposite the guard house by Building D. The change room will feature individual lockers, a women's make-up room, and restrooms.

- The Engineering and Drafting groups are temporarily located in rented office buildings on DiGiulio Ave., near the Red Zone parking lot. Engineering and Drafting are scheduled to move back to new offices in an extension of the third floor over Buildings D and F, which should be completed in September.

- Production offices (housing Hig Tavrow, Jack Hounslow, Keith Gerry, Bill Christie and a number of others) are now located on the second floor of Building A, where Engineering used to be.

- The Corporate office area has expanded to include the office space vacated by the Production management people.

- The 16,000 square foot space on the second floor of the Disc Pack Building is now occupied by the Information Services Division (which includes computer and keypunch operations) and the Accounting Department.

- The Disc Pack lunch room is scheduled to be relocated in late March, in a large area behind the computer room.

- Offices occupied by Information Services, on the third floor of Building C, will be taken over by Quality Control.

- The space vacated by Accounting on the second floor of Building C will become the Contract Administration section of Marketing. Marketing will make some other office changes, as it expands into the old Contract Administration area.

- Ken Taylor's Special Projects Department is moving into a newly purchased building at 1125 Shulman (Building W), opposite the main cafeteria. In March, Purchasing will also be housed in Building W, on the first floor.

- The Advertising/Promotion Department and Reproduction Services are scheduled to move into our Ronald Street Building in March.

- Research will expand into the areas formerly occupied by Purchasing and Advertising/Promotion. When International Marketing moves to the old Drafting room on the second floor of Building C, Research will then expand into the space vacated by International Marketing on the second floor of Building K.



PROFIT SHARING POINTERS

By JOHN MORSE



PROFIT SHARING PARTICIPATION STATEMENTS RAISE QUESTIONS

Many Profit Sharers have asked questions about the Participation Statements for the quarter ended December 31, 1968. The questions and their answers are repeated here for the benefit of other Profit Sharing members.

QUESTION: I have been at Memorex since October 1967. Why haven't I received a Profit Sharing Statement?

ANSWER: Those who came to work at Memorex on or after September 2, 1967, did not become members of the Profit Sharing Plan until 1968. Their share of the Profit Sharing contribution for 1968 is being computed now, and their first Participation Statement showing their share will be dated March 31, 1969, and be mailed to them in April.

QUESTION: My last Quarter's Participation Statement showed a decrease in my share. How can that be?

ANSWER: The Participation Statements sent out every three months (with the exception of the March 31 Statement which reports shares of the annual Profit Sharing contribution) show only the change in value of each share due to changes in the market value of our Profit Sharing investments. *These changes have nothing to do with the annual Profit Sharing contribution by the Company.* If the value of our Profit Sharing investments increases, the Statements show the increase in each members' share; if the market value of the investments decreases, the Statements report the corresponding decrease in each members' share. Last quarter there was a slight decrease in the value of our investments which resulted in the decrease in shares reported on the Statement.

QUESTION: Why are our Profit Sharing funds invested in things which can go down in value?

ANSWER: We invest a portion of the Profit Sharing funds in common stocks because the opportunity for the Fund to increase in value is much greater than if we placed all the funds in savings accounts or other fixed income investments. Common stock investments can fluctuate in value and occasionally their market value may decrease, but investments in the common stock of well-managed companies in growing industries have historical records of appreciation substantially above fixed income investments.

The Memorex Profit Sharing Plan, investing in such common stocks, has experienced through the end of 1968 an average increase in value of 11% per year—substantially above what we would have received placing our funds in savings accounts.

INPUT/OUTPUT QUESTION: Why does the Profit Sharing Committee allow such a poor investment performance record?

ANSWER: The Profit Sharing Executive Committee chose an investment manager for the Profit Sharing Trust after an extensive analysis of a number of possible investment

managers. The firm chosen, Brokaw, Schaenen, Clancy & Company of New York City, has an outstanding record of managing common stock portfolios worth several hundred million dollars, many of which are profit sharing and pension funds.

The goals set by the Profit Sharing Executive Committee and our investment manager for the management of our profit sharing funds are to achieve substantial appreciation in the market valuation of funds under management through investment in common stocks. The achievement of such a goal requires investment in the common stocks of growing industries. Such common stocks often have more volatile price movements than the stocks of companies with lower growth rates. Therefore, the risk of price volatility from time to time in the market valuation of our profit sharing portfolio must be assumed if we hope to achieve above average growth in the long term.

In 1968, the performance record of the Profit Sharing Fund was below that of the market averages. This performance is of concern to the Profit Sharing Executive Committee, as it is to each member of the Plan. Therefore, the Profit Sharing Executive Committee reviewed the management of the Profit Sharing Fund with Brokaw, Schaenen, Clancy & Company. Based on the review, the Committee determined that the Profit Sharing funds were invested in the common stocks of well-managed growth companies situated in industries that are growing at rates substantially above that of the economy as a whole. As a result, the Committee felt it should not judge the performance of our investment manager based upon a history of only nine months. (Brokaw, Schaenen, Clancy & Company became our investment manager on April 1, 1968.) Accordingly, the Committee has reaffirmed its confidence in our investment manager. Be assured that we will continue to monitor the situation carefully to insure that our Profit Sharing Plan's interests are safeguarded.

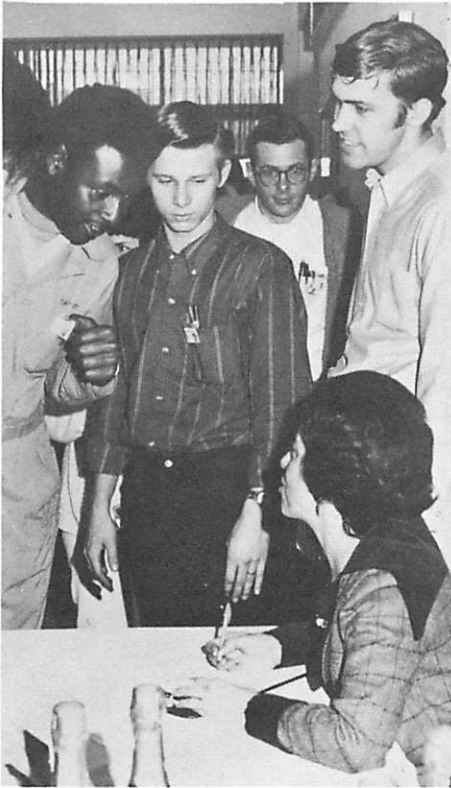
Plant Changes Phone Number

The Santa Clara plant will have a new phone number, 247-1000, beginning in mid-March, and the old number will no longer be in service, reports Office Services Supervisor Don Minke.

Persons calling the old number (248-3344) after the change will get a Telephone Company operator, who will tell them the new number.

Don explains the change in numbers will enable the Telephone Company to install more incoming phone lines than was possible before, thus relieving incoming phone call congestion.

ALL OF MEMOREX CELEBRATES
OUR FIRST YEAR OF SALES
OVER 50 MILLION DOLLARS



AND, IN THE SAME MONTH,
DISC PACK HAS ITS FIRST
ANNIVERSARY IN SANTA CLARA

RETURN REQUESTED



WE COULDN'T RESIST using this picture taken at a Palo Alto hotel the morning after elections, as a sample of what might be submitted in the MAG Photo Contest. We're not sure which category this should go in—human interest, nature, or general—but please bear in mind that it is only a sample photo, not a social comment.

STILL TIME TO ENTER MAG'S PHOTO CONTEST

Who's Eligible? All MAG members and/or spouses who are amateur photographers. Professional photographers and officials of the contest may not enter.

What kind of photos: Original photographs, accompanied by their negatives. Please, no Polaroids or slides (transparencies).

Categories:

1. Human Interest	(black and white only)
2. Nature	(black and white only)
3. General	(black and white only)
4. General	(Color)

ONLY ONE ENTRY PER CATEGORY
PER PERSON

Deadline: Photos and negatives must be submitted to Mel McPherson or Gary Toms no later than March 15, 1969. Please put negatives in separate preservers.

Prizes: Each category will have . . .
1st Place—\$50 Savings Bond
2nd Place—\$25 Savings Bond
3rd Place—Honorable Mention

Entries must be accompanied by a separate sheet of paper stating: Name, department, MAG number, category entered, size you would enlarge subject area. You must cut or mark (with a grease pencil) your print to show only the area you choose. Each photo will then be judged according to the content of that designated area.

The winning photos will be enlarged to the size chosen from the following table, so they may be placed on exhibit:

1. $3\frac{1}{2}''$ x $3\frac{1}{2}''$
2. $3\frac{1}{2}''$ x $4\frac{1}{2}''$
3. $4\frac{1}{2}''$ x $4\frac{1}{2}''$
4. $4\frac{1}{2}''$ x $6\frac{1}{2}''$
5. $7\frac{1}{2}''$ x $9\frac{1}{2}''$

Winning photographs will be announced on March 22, 1969. **Don't forget! ! The first prize in each category is worth a \$50 Savings Bond.** All photographs and negatives that are entered can be picked up at the Employee Relations Office after March 22.

Miniature-Golf Winners Take Home Trophies

Golfland U. S. A. was the site of the first miniature golf tournament ever sponsored by MAG.

Originally scheduled for January 25, rain delayed the tourney until February 8, when an enthusiastic group of MAG members braved the chilly evening air to vie for the tournament championship.

Kit Weaver took home a large trophy for finishing first in the Men's Division. J. B. Edwards also earned a trophy for finishing second.

Clara McPherson and Lynn Weaver won trophies for coming in first and second, respectively, in the Women's Division.

SOFTBALL PRACTICE

The MAG-sponsored fast and slow-pitch softball teams are still looking for players interested in good B-League competition. Call Bob Mathews, ext. 208, days, for the time and date of the next practice session.

Beginning Bridge Class Opening

MAG members can still sign up for a six-week Beginning Bridge class, which will start on Thursday, March 13th.

Classes, taught by Contamination Control Supervisor Larry Mullins, will be held in the Training Building, beginning at 7 on consecutive Thursday evenings.

Sign-up sheets are on the bulletin boards. For information call Larry Mullins, extensions 552 or 467.