

ONLINE

November
1968

DIGITAL EQUIPMENT CORPORATION

DEC Seeks Top Grads

Digital has begun an extensive college recruiting program designed to attract the top 1969 college graduates.

Over 30 members of DEC's management team, vice-presidents, marketing specialists, engineers, managers, sales and sales engineers, are visiting more than 50 of the nation's leading colleges and universities to interview job candidates. Men from programming and personnel are also contributing valuable time. This devotion of time to recruiting emphasizes their conviction of the importance of this effort to the Company's future.

Many executive "recruiters" visit colleges from which they graduated. Vice-President Nick Mazzaresse, for example, will interview students at Stevens Institute of Technology. Vice-President Ted Johnson is scheduled for California Institute of Technology and Harvard Business School.

In several cases, members of marketing and sales groups will recruit at colleges where Digital has computers installed. PDP-10 Marketing Manager Dave Cotton will conduct interviews at M.I.T. where he has established strong rapport with professors using DEC equipment. Sales Engineer, Dave Denniston has City College of New York (C.C.N.Y.) and Worcester Polytechnical Institute on his agenda.

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Stock Plan Underway

The Stock Purchase Plan, allowing DEC employees to purchase company stock at a discount from market price, has been launched.

The plan, known as the "1968 Employee Stock Purchase Plan", was first announced on July 30 and was approved by Digital's Stockholders at their October 29 annual meeting.

Stockholders' Meeting Highlights



Digital President Kenneth H. Olsen

STOCKHOLDER SPEECH

The following are excerpts from a speech given by President Ken Olsen at the Annual Stockholders' meeting, held October 29, at the Sheraton Boston Hotel.

Company Philosophy

"Our goal is to accomplish the job in the least expensive and most efficient way for the customer."

Digital's Future in the Computer - Module Market

"We feel very enthusiastic and confident about the future, both of our market and of our position in the market."

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Under the plan, eligible employees may authorize payroll deductions up to 10% of their regular base pay for the purchase of stock. The purchase price is set at 85% of the average market price of the stock on the first business day of each six-month payment period. The minimum payroll deduction is \$5.00 per week. The first payment period starts December 1, 1968 and ends May 31, 1969.

An employee is eligible if:

He has completed one year's employment with the Company.

He is a regular employee working more than 20 hours per week and for more than five months in any calendar year.

Details on the plan and payroll deduction authorization forms have been distributed to eligible employees by their supervisors. Additional information is available from the Personnel Department (Lee Callahan).

President Ken Olsen, in a letter announcing the plan to eligible employees, pointed out that there is a degree of risk in purchasing stocks.

"The decision to participate in this plan should be made by each individual, solely on the basis of his own financial conditions and his judgment on the value of the stock," Ken stated.

Changing Face of Management



Ronald Noonan



Philip Markell



Mark Nigberg



Phil Wood

APPOINTMENTS

Ronald P. Noonan is new Marketing Manager for Data Acquisition Systems. He comes to Digital from Honeywell where he served as Small Computer Marketing Manager. He is a physics graduate from Harvard and a native of Boston.

Philip Markell has joined Digital's Legal Department. He will work with General Counsel Ed Schwartz on the company's various legal matters. Phil graduated from Columbia College and Columbia Law School, and is a member of the Boston Bar Association. For the past five years, he has been associated with the Bos-

ton law firm of Synder, Tepper and Berlin.

Mark L. Nigberg has been assigned the responsibility for product publicity and product information in Advertising and Promotion Department.

Phil Wood recently became DEC's manager of its Puerto Rico plant. He came to DEC from Texas Instruments and was Production Control Manager for modules.

Ed Jaferian has been appointed Personnel Manager for the European Region. He joined Digital's Personnel Department two years ago and

has helped develop a successful technician and field service recruiting program.

Evelyn Dow, formerly Software Services Manager, has been appointed Sales Support Manager for the PDP-9 product line. She joined Digital in 1965 as a programmer and was responsible for organizing the Software Services Group.

Jean-Claude Peterschmitt recently assumed the duties of European Regional Manager. Messer. Peterschmitt is a veteran of the French Navy, and holds a master's degree in Industrial Management from M.I.T. He was Sales Manager for the Paris region.



Ed Jaferian



Evelyn Dow



Jean-Claude Peterschmitt

New DEC Sales Offices In U.S. And Abroad

Add Atlanta to the growing list of Digital's Sales and Service offices.

The new office will cover Georgia and South Carolina. The staff includes Branch Manager Ken Stevens,

Module Applications Engineer Ed Davidson, and Field Service Engineer Nelson Hendricks.

A new DEC Sales and Service office has opened in the Netherlands.

This office, Digital's sixth wholly owned subsidiary, will be responsible for sales and service activities in the Netherlands, Belgium and Luxemburg.

NOVEMBER ANNIVERSARIES

11 years

Gloria Porrazzo

10 years

Ellen Linda Brown

8 years

David Denniston
Norman Rhealt
Arthur Vartanian

7 years

Mary Bader
Ronald Cajoleit
Howard Colby
W. Gordon Graham
Erja Jarvi
Edward Simeone
Joseph Vaillancourt
Ruth Whitney

6 years

Gerald Moore
Thomas Stockebrand
George Vogelsang

5 years

Elsa Carlson
Marta Degerstrom
Alice Larkin
Ray Lindsay
Robert Silverman

4 years

Donald Baker
Tony Bartolucci
Fred Capone
Carmen Ciarletto
Clarence Cichon
Carroll DeLancey
Roger Handy
Ray Makala
Edward Reed
Raymond Schwegler
Charles Fred Welton

Writer, Movie Expert Lights, Sound, Action . . .

"Actually my less expensive cameras, which sell for no more than \$2,000 each will do almost everything that my \$5,000 one will." When Steve Kallis of Advertising said this, he spoke not as an extravagant (if amateur) shutterbug, but as a professional motion picture man.

The November 1968 edition of the Society of Motion Picture Technological Engineers (SMPTE) Journal carries his article on how to record stereo sound on 16 millimeter film. Steve expects to be elected to the SMPTE's New England Chapter Board of Directors shortly.

Steve has been interested in motion pictures since childhood, when the heavy movie attendance of pre-television days aroused his curiosity in this art.

As Steve matured, the interest subsided until he found himself working for aerospace companies where he saw a need for filmed records. Most of the industrial films he worked on were historical "quasi-documentaries," as he calls them. He filmed such projects as the Saturn IB Dynamic Test Program. This program consisted of constructing a mock-up of the rocket and subjecting it to various tests.

He also involved himself in analytical movies. One that he helped to produce filmed an "astronaut" using an implement (security prohibits details) in a simulated outer-space situation. The film was analyzed by scientists to determine how efficiently the implement would function in space.

As he became more deeply involved in film-making, he progressed through what he defines as the three



WATCH THE BIRDIE - Steve Kallis focuses one of his professional movie cameras on -- who knows what?

stages of the craft. The first of these is the "amateur" stage, someone pointing a camera at a subject and pressing the "on" button. He refers to the second stage as "serious film-making", i.e., acquiring an expertise in such areas as how audiences react, when to cut, how to pan, and how to frame your subject. From this, he entered the "technological" phase, becoming interested and knowledgeable in the inner mechanism of cameras and projectors, and methods of making them function more effectively. Men in this third stage, as Steve delineates it, invented three-dimensional movies and "talkies."

A corollary to his avid interest in movie-making is his mild interest in movie-collecting. Steve has accumulated about thirty-five 16 millimeter films, including a "Renfrew the Royal Mounted" series and assorted mysteries and cartoons. Most of them are entertainment movies; a few are industrial.

His enthusiasm for this avocation is sustained, says Steve, by "an interest in seeing good films turned out."

Affable Rhonda Blanchard and her interesting cartoon display grace the Advertising Department. →



← Ina Arno greets visitors to Plant Engineering with this pretty smile and unusual wall display.



Bob Decker, Publications, received this caricature of himself when he left General Electric. →

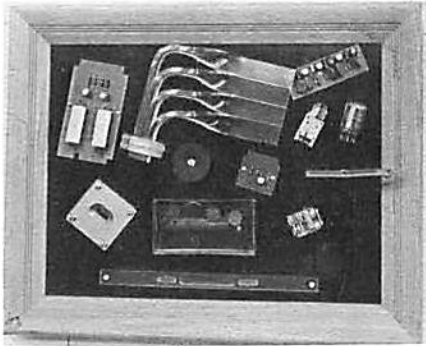


← These flags represent the fact that Brad Towle's managing of DEC's Export Department entails shipping around the world.

Photos by Bill Edmonds

Interior DECOrating

DEC may be a computer-special systems-module manufacturer, but judging from these pages, it employs quite a few interior decorators. Who needs a modern office building with indoor beauty like this?



Bill McNamara, Module Marketing Manager, displays a montage given him when he left Westinghouse Electric Corporation to join DEC. "It represents five years of successes and failures," he explains. One success is illustrated by the metal square with the slot cut in it, (lower left quadrant). It is part of a nuclear shield from a computer's quality control gauge used in a shipping port reactor core.

Steve Kallis's clever adaptation of DEC products to a stock photograph shows why he works in Advertising. →



John Temple's bulletin board features photos he took and an, er, in- →
 teresting calendar.



← John Jones, Product Line Manager for the PDP-9, combines this old photograph of the mills with a vine.

Bio-med Typifies Cross-Product Market

Mort Ruderman joined DEC approximately five years ago as a module salesman. Now, he's Biomedical Marketing Manager with cross-product responsibility for this burgeoning and extremely promising market. He also ranks as one of the most sought-after experts in this specialized field.

The striking aspect of his story is that it is not unique. He is one of many DEC men whose initiative and pioneering of new products have elevated them quickly into responsible positions.

Mort had worked at Digital only two weeks when a half-million dollar sale of modules launched him on his career with biomedical computers. These modules were used in a laboratory computer that MIT was designing and building for the National Institutes of Health. Mort quickly recognized the potential of biomedical computers. He persuaded the Company to enter this

field in 1964 when MIT's Laboratory Instrument Computer (LINC) moved into the public domain.



Morton Ruderman

Mort's responsibility in the biomedical market developed as the Company explored applications in this

field. He was named Product Line Manager for the LINC-8. As DEC's involvement in the biomedical computer field deepened, more and more of its products were adapted to it. The PDP-8, PDP-9 and PDP-10 proved useful in biomedical research or applied medicine. Mort's responsibility widened to encompass marketing for all DEC products in this market with which he had become so familiar.

DEC's sales in the biomedical field increased to the point that it now accounts for about 17% of the Company's installation, (550 of 3,400 total). Mort estimates that Digital's share of the biomedical research computer installations is 80-90%.

Whatever the exact figure, it's impressive. Mort deserves much of the credit. Mort now has complete responsibility for our marketing efforts in this area.

Anniversary Celebration



RECEIVING THANKS from DEC President Ken Olsen (fourth from left) for 10 years employment with the company are (left to right) Linda Brown, Bob Hughes, Hazel Patterson, Ken Olsen, George Lord, and Bob Reed. Also celebrating tenth anniversaries but unable to attend were Sales Vice-President Ted Johnson and Jack Smith. The gathering honoring employees in their fifth and tenth years with the company was held at the Sheraton Boston Hotel.

DEC Denver Office Helps Local Youth

"It will be 16 bits, fully parallel, using integrated circuits which I'm experimenting with now." This computer jargon, common to many of us, sounds unusual coming from a 14-year-old sophomore at Denver's George Washington High School.



Bruce Ray

Bruce Ray, son of Mr. and Mrs. Howard L. Ray, who made the statement, is designing and building a computer. He works for a Denver florist before classes in the morning to finance this effort, but saves 20% of his earnings for anticipated college expenses.

When he encountered problems to which he could not find solutions in library books, Bruce turned to the computer-manufacturing industry for assistance. "I sent him everything I could get a hold of," said Joni Jaffee of Digital's Denver office. She gave Bruce the Digital Logic Handbook, Industrial Handbook and Small Computer Handbook. That began a close relationship between Digital's Denver staff and Bruce. He worked in the company's booth at the Rocky Mountain Industrial Show.

When his high school vocations class required the students to interview members of a profession which were interested in pursuing after school, Bruce once again approached the company that had helped him. He and his father went to Digital's Denver office and discussed with the men there the educational requirements of the computer industry.

It's little wonder that his high school counselor referred to him as an "extraordinary boy."

New Look In Fab Shop

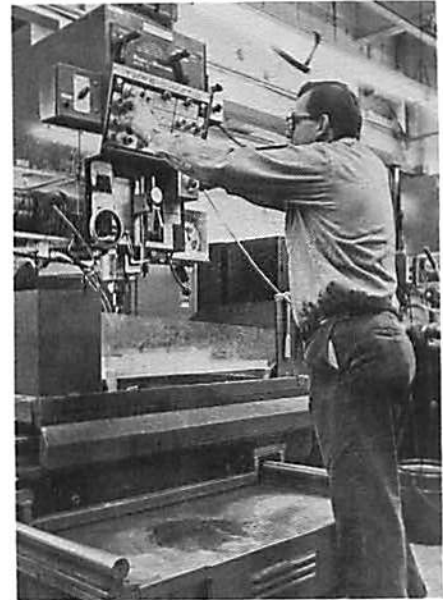
"Anything you can conceive" is how John Trebendis, Shop Supervisor of the Fabrication Shop describes what the men there are capable of producing.

Metal, mostly aluminum and steel, and wood flow into Fabrication Manager Dan Sullivan's area. They emerge as anything from 1/4 square inch retainers, for holding computer dials in place, to complete computer cabinets.

The Fabrication Shop recently underwent augmentations of men and equipment. Last January, 44 men worked there; that number now exceeds 80. New equipment includes three Pratt & Whitney Tapeomatic Milling Machines. "Tapeomatic" refers to the machines' ability to cut designs transferred from printed sheets to paper tape into a sheet of metal. The shop also has a vertical-horizontal milling machine and three Bridgeports.

These increases have necessitated reorganization and area expansion. By April 1, 1969, Sullivan anticipates being relocated to 69,000 square feet of floor space from his current 28,000 square feet.

The current organization divides Trebendis' area into four sections: machine shop, sheet metal and finishing section, mechanical assembly, and carpentry. Reporting directly to Sullivan is Ron Chestna, Production Control Supervisor. His responsibility includes "kitting" of production line units. Previously, the Fabrication Shop shipped thousands of parts in bulk to assembly lines. Now, the assembly lines receive boxes, each containing the parts needed for one component. Arthur Clockedile supervises the Scheduling Section. He is the man to whom requests to have something fabricated should be directed. Bruce Porter has charge of Quality Control.



NEW MACHINE SHOP TOOL - One of John Trebendis's men operates milling machine.

Although all these plans have yet to be fully implemented, improvements are already in evidence. Outside sources had been manufacturing Digital's standard 19 inch computer frames. They required six weeks notice before starting and then produced only 25 cabinets per week. Now, DEC's George Whipps churns out 50 cabinets per week.

This sweeping transformation of the Fabrication Shop is not without purpose. The goals, as defined by Sullivan, are: in-house production of as much hardware as possible, maintenance of top-quality workmanship, and reduced inventory by faster parts fabrication.

Timely production never interferes with safety, however. "I didn't have time for any precaution is never an excuse in here," states Trebendis.

With the men and machines that Dan Sullivan has under him, it looks as though he will be able to achieve the goals which he has set forth.

Ken Olsen Covers Many Topics In Stockholders' Speech

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"During the last year, we opened a plant for reassembling modules in Puerto Rico. We increased the size of our assembly plants in Canada severalfold, and are now manufacturing our PDP-8 and PDP-9 computers in Reading, England. We also added 11 sales and service offices.

"In the last period, we increased significantly our machine shop capability, making it possible for us to do more in the manufacture of mechanical peripherals. We have also converted a number of our manufacturing operations to numerical control."

Products

"We invest approximately 10% of gross income in the engineering of new products. In the last few months, we announced two new computers, the 9/L and 8/L. These are somewhat smaller versions of the PDP-9 and PDP-8. The 8/L is by far the smallest machine we have ever built. Its price is approximately \$8,000, a far cry from the prices we charged just a few years ago. When we made our first computer, the PDP-1, which was not significantly greater in capability than the 8/L, its price was \$120,000.

"We are also in the big computer business, with 20 PDP-6's and 28 PDP-10's in the field now. Most of them are doing time-sharing with our in-house-designed software. I believe this is the most sophisticated time-sharing now in the field.

"We may not be the only one, but at least we are one of the few who successfully sell computers for direct numerical control of machinery. This is an area in which we see a lot of interest and a great future.

"We have mixed feelings about being called a small-computer company because we have set the pace, and have been the leaders in the medium-to-large time-sharing computer business.

"During this fiscal year which ended in June, we spent a total of \$1.9 million capital investment, and we feel this is an indication of our confidence in the future.

"It might be somewhat presumptuous of me to say this, but we like to believe that we are the ones who are making the market competitive. We like to believe that we are the ones who are setting the pace in products and prices.

"We see, in the long run, a significant part of the national economy being influenced by DEC's type of equipment. We don't see saturation of the computer market for quite sometime."

"Now we have six or seven computers in various stages of development. Some are smaller than the ones we have in the market now, and at least one of them is bigger.

"The other major product we have is modules. These are the little pieces with which we make our computers. We have a dramatic new entry into the module business, and this is our industrial line of modules."

Involvement in Community Affairs

"Everywhere I go, people, sometimes subtly and sometimes directly, ask about the comments they have read in Business Week about my lack of interest in social activities.

"We come from the academic community, with all the propensity to join committees, causes, and social activities. Because of this, we try hard to make very clear what our responsibility is to business. So, we say, as clearly as we can, that our major responsibility is the running of this Company and its success. We feel this is a very serious, sacred, social obligation. With almost 3,000 employees and their families dependent on it, and even more stockholders' investment dependent on it, we have no excuse not to make this Company a success.

"Maybe we overstate this because we're a little self-conscious about our inclination the other way. After saying this, however, let me point out that we encourage our employees, on their own, to take part in social activities. I would be embarrassed to tell the stockholders all the educational, church, and government activities which I am involved in.

DEC Seeks Top Grads

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COLLEGE RECRUITERS' SEMINAR—Dennis Madigan (standing) instructs on the art of attracting top men to work at Digital. This was DEC's first such seminar.

The recruiting program is supported by posters, pamphlets and advertisements in campus newspapers before the men arrive. Digital has designed literature to tell its story specifically to college students.

Response at schools visited so far provides strong encouragement for the program's success. Thirty-three

students signed up for Digital interviews at C. C. N. Y. this year against nine last year. Rensselaer Polytechnic Institute produced 39 prospective applicants this year, exactly double last year's total.

The Digital story is being told on more campuses this year with more students listening and responding.