

'Fellows' challenged to tie technology to customer needs

We need to link technology development directly with customer needs.

One step being taken to improve that process is to restructure and refocus the role of Tektronix Chief Engineer — and to change the title of the position to align it with industry standards.

Chief Engineers are the engineering "gurus" within Tektronix. They are on the highest rung of the engineering career path, and achieved this distinction by making major technological contributions to Tektronix. They are highly regarded by peers both inside and



Dick Knight
VP, Technology

outside Tektronix. In their current roles, they serve as technology consultants to other engineers throughout the company on an as-needed basis, in addition to working on assigned projects.

Sounds good, so why change?

In announcing the change this week, Technology VP Dick Knight explained that although technology has always been important to Tektronix, too often it got separated from the main focus of the business. "Technology for the sake of technology has left us rich in capability but slow in addressing key market opportunities.

"This was not such a serious roadblock when markets everywhere were expanding; when markets were hungry for technology no matter what the form; and when relatively few suppliers were available to satisfy the then insatiable appetites for products.

"But markets have changed. Customers view new technology as an added expense unless it satisfies specific needs and adds real value. And today they have the luxury of shopping around. Competition is intense, and innovative

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Fellows —

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solutions are continuously being introduced by old and new suppliers.

"So at Tektronix, we need to change our underlying beliefs about the role of technology. We are not in business to create technology. We're in business to satisfy customer requirements through the application of technology. The shift in thinking is a big one. We're firm believers at Tektronix in the importance of innovation. Now, we're being challenged to be more focused; to better align our innovations with specific market needs.

"Our most senior engineers must be agents of change in addressing these market realities. Their most important challenge is to help Tektronix better align our technological innovations with emerging market trends and with meeting specific customer needs. Ultimately, our senior engineers need to ensure that Tektronix has technological leadership where it counts the most."

Here is an outline of changes relating to the new role:

- The role of Chief is being replaced with the new role of "Fellow" for two reasons. 1) This title is the industry norm for a comparable position in the engineering career path, and 2) it signals to everyone within Tektronix that a change has occurred.

- Tektronix Fellows will specialize either as Business/Technology Leaders or as Applied Technology Leaders. In both cases, Tektronix Fellows will play a key role in innovatively applying technology to address market needs.

- The connection between business strategy and technology is being tightened. Group Vice Presidents will be actively involved in sponsoring the activities of the Fellows to assure higher overall effectiveness of their efforts.

- A standardized process for appointing Tektronix Fellows will include formal nomination by a Group Vice President using specific nomination criteria standardized across the corporation. Nominations will be reviewed and approved or disapproved by a review team of three people: the Vice President of Technology, the Vice President of Human Resources, and the Vice President submitting the nomination.

- The assignment to Fellow will be for two years. Assignments can be renewed depending on the continuing strategic need for the role and the continuing match with the incumbent's skill. "It's our intent to respond to con-

Here's what Tektronix Fellows will do

A Fellow may operate as an Applied Technology Leader or Business/Technology Leader. In either position, Fellows will serve as role models to the Tektronix engineering community and will have extensive outside contacts. They will be accountable for building effective communications with customers and suppliers outside Tektronix.

Business/Technology Leaders will be market and customer focused.

Responsibilities:

- Marry technical vision with business strategy.
- Communicate opportunities and enroll others in a future vision.
- Coach other engineers.
- Advise management in technology-specific areas.
- Assess technical competence of others.
- Provide expertise relative to spe-

tinuous change in the markets we serve," Dick said. "Therefore, we expect that migration into and out of the role will occur naturally as conditions change." The number of Fellows will vary in accordance with business and market requirements.

- An added-incentive program will be included because of the strategic nature of the Fellows' role, and because of the high expectation for results. Fellows will be eligible for the executive bonus plan known as APIP (Annual Performance Improvement Plan).

Existing Chiefs are being appointed as Fellows with an initial assignment of

cific line of business products and technologies.

- Innovate and challenge existing paradigms.

- Link technological pursuits to external market requirements.

Applied Technology Leaders will concentrate on developing world-class capabilities in areas of technology identified as critical to our future success.

Responsibilities:

- Lead premier research or development in a strategic area of technology.
- Create technological breakthroughs and innovations.
- Respond to outside interests as a world-class authority.
- Serve as an internal technology expert.
- Serve as a "magnet" for funding and talent.

one year. They will be eligible for reassignment to the Fellow position where the strategic need and their skills continue to match. Engineers who leave the Fellow role will typically continue to contribute as Principal Engineers.

"This new role is not one to which all engineers will aspire," Dick says. "Perhaps only the 'hardest' of engineers will be willing to accept this high visibility, high-risk job. For those who accept the challenge, the opportunity to contribute to Tektronix' future and their own careers will be greater than ever."

Fiscal year results (continued from page one)

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|-----------------------------|---|---|--|--|
| | Fourth Quarter Ended (12 Weeks) 5/30/92 | Fourth Quarter Ended (12 weeks) 5/25/91 | Fiscal Year Ended (53 Weeks) 5/30/92 | Fiscal Year Ended (52 Weeks) 5/25/91 |
| <u>Sales</u> | | | | |
| U.S. | \$169,041 | \$163,214 | \$670,291 | \$668,812 |
| International | 141,622 | 158,114 | 626,952 | 662,123 |
| Test & Measurement | 170,750 | 184,828 | 724,802 | 754,789 |
| Television Systems | 62,843 | 65,137 | 270,935 | 293,579 |
| Computer Graphics | 77,070 | 71,363 | 301,506 | 282,567 |
| Employees at Quarter-end | 11,334 | 11,947 | | |

Note to employees: Similar to the way we calculated profit share payouts, results share calculations in FY300 will be made on the basis of what operating income would be *before* deduction of results share and incentives. Financial statements issued to our shareholders will report operating income *after* results share and incentives payments are deducted. Future financial reports published in Tekweek will show both numbers.

Profit share payouts in FY200 totaled \$22,598,000 for the year and \$2,719,000 for the fourth quarter, making operating income before profit share \$74,504,000 and \$13,016,000 respectively. If we had implemented results share in FY200, payouts would have been made on the basis of the operating income before profit share.