

# Company spinoffs put their optimism on display

Signs of success among Tek's newest spinoffs were reported by presidents of the repositioned companies at Monday's Area Rep Conference.

"The future looks promising," says Multicomp's Larry Clem.

"The only problem is how much business we can handle at a given time."

Multicomp, started independently by several ex-Tek employees two years ago, has most of Tek's former magnetics business—power and high efficiency transformers, capacitors, resistors, coils, and pot cores.

"They're financially viable and growing," says Larry Welte (IG/Group Operations Controller and repositioning project leader) "and they received no special assistance from Tek."

High hopes also prevail at TriQuest, Tek's former Plastics unit sold to employees in September. "We're on the road to success," says Peter Troccoli, whose customers, besides Tek, include Hewlett-Packard, Epson and Bell-Howell.

Larry Welte says Tek is working closely with TriQuest to firm up a partnership. "They have a motivated work force dedicated to providing very high quality parts." More success signs: They're busy and profitable.

TriQuest has 133 employees, occupying some 80,000 square feet in Bldg. 08, Vancouver. It designs and makes plastic parts, models, and molds along with a marking and stamping operation.

The new company is approaching its ownership goals—45 percent by officers and 55 percent by employees. Benefits include a profit sharing system.

Metals, scheduled for repositioning in early FY900, is already looking to a successful start. "There's a lot of business out there and we hope to get our share," says Gale Kingsbury.

"We're still on the journey," he said, and must deal with many changes before it all happens. "But we have the most complete metals facility on a single site in the Pacific Northwest, with multiple capabilities, key players and lots of support."

Plans call for Metals to remain in Bldg. 16, based on a long-term strategic facilities plan developed by Tek. "It will be mutually advantageous for both parties

to join in a long-term lease for Bldg. 16," Gale said.

Larry Welte said Tek intends to sell Metals as an entire unit (similar to Plastics), if viable, to management and employees, with Tek assisting in formation of the new company. Recommendations are under way with Metals on management changes, resizing, internal systems, and procedures.

Metals is Tek's only current repositioning activity, Larry says. In response to a question, he said there are no plans to reposition the Liquid Crystal Strategic Program Unit.

In addition to Magnetics, Plastics and Metals, past Tek spinoffs include the Portable Patient Monitor business (sold to Squibb). Gallium Arsenide SPU was placed in Tek Development Corporation as TriQuint (still owned 100 percent by Tek) and Anthro Corporation was formed by several ex-Teks within TDC.

Larry said units are repositioned outside when there's no technical advantage or strategic linkage to Tek, when there's aggressive low-cost competition, and when there's questionable financial performance compared to other alternatives.

The decision whether to reposition or not is made by top management after extensive evaluation.

"Repositioning provides opportunities for a smaller, more focused, less overhead burdened enterprise to succeed by being placed in partnership with a ring of key suppliers," Larry says. □



Larry Welte



Judy Sipes  
led conference

ible Time Off (FTO), a plan to combine vacation and some amount of sick time into one account. Earlier this month the HRC recommended against an FTO plan, and asked a subgroup to examine possible changes to the sick pay plan, to see if it can be made simpler and more flexible. Their recommendations, if any, will be considered by the full HRC and then passed on to senior management for its consideration by the end of the year.

**Why do you get penalized for being sick when the company says it gives you 3.08 hours a pay period or 10 days a year? Why don't they let you use it without penalizing you or if you don't use it, give you pay for unused portion at the end of the year?**

(Jane Barber, Corporate Benefits Manager) Sick pay protects employees against loss of income caused by unavoidable short-term absences due to illness or injury. It is not intended as a cash benefit. By allowing it to accrue over time, it can become significant salary protection against long-term illness or injury, or as a supplement to other disability programs such as worker's compensation.

Separate from the Tektronix sick pay plan, your division may have a policy of attendance goals for its employees. This is because your "availability for work" is critical to that business.

**Why can't Tek pay people equal salaries i.e., people in the stockroom should make equal pay. Calibrators, technicians, etc. If there was equal pay for equal jobs there would be less hard feelings. Other companies do this, why can't Tek?**

(Dick Baker, Corporate Compensation Manager) Tek pays for the work that is done and for the knowledge required to perform that work. Each employee, in a particular job or skill, has the same OPPORTUNITY to earn pay based on contribution and performance in that job. We have chosen "to pay for performance" because we believe it is appropriate to our values and beliefs around people, and it gives Tek the means to reward your performance and contribution.

Pay for performance can be difficult, and if not administered properly, can cause hard feelings. However, that is true of any pay scheme, (including flat-rate pay.)

**What effect, if any, has the recent stock market decline had on the Tektronix Retirement Fund?**

(Terry Clifford, Corporate Finance Treasurer) The market decline will affect the performance of the Basic Fund when measured from its value at fiscal year-end. We won't know how much until the mid-year evaluation is complete and the results reported to us by the Trustee. At the end of September, the Fund was 57% in stocks and 43% in assets that are not as volatile as the stock market such as cash, bonds, and real estate. The diversification of the fund's investments may partially offset the negative impact of loss in value of the stock portfolio.

The Income Fund will not be affected in the near-term. It is invested in insurance contracts that guarantee payment of both principal and interest. Its performance depends on the level of interest rates at the time investments are made.

## Q & A's

**What protection do employees have when they blow the whistle on waste of money and other bad decisions?**

(John Heilman, Corporate Personnel Relations Manager) The best "protection" you have is the trust you have in others here at Tek. Trust that your ideas, suggestions and involvement is wanted and critical to our mutual success.

The formal review process, as well as your initiating a discussion with people from your in-line management or the appropriate internal staff department personnel, are additional resources to provide you "protection" and to reinforce the trust that exists.

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