

Clark building will be Tek's largest

Jim Towne, Vice President, Instruments Division manager

The Clark County building is a very prominent building on the corner of 164th and Mill Plain, in the far eastern end of the county. The building is close to 490,000 square feet, easily the largest building Tektronix has ever built. It is more than twice the size of Building 16 or 19; if you add Buildings 39, 47 and 50 together it would be about the same size.

The property is 270 acres, by comparison, the Beaverton site is 280 acres. I think we are going to be very conservative in occupying the site and fill it up as gradually as we can. Other companies in the electronics business are preferring to go to smaller sites, because, frankly, they are easier to manage. I think we're looking at that, too.

A little history of how we got where we are is appropriate:

Three-and-a-half years ago negotiations to buy the site were begun by Earl Wantland, Bert Gredvig of Facilities, and the people who owned the property. Eventually the sellers agreed to sell the land to us.

We bought the property not knowing what was going to go there. We held the land as part of our land banking strategy for the whole company. We have bought parcels of 100-300 acres throughout the area. This is a very safe, low-risk kind of investment. If we had to sell it, we knew we could most likely get at least what we paid for out of it, but mostly we got it because we knew we would eventually need the land to expand onto. The company was, and is, growing.

About two years ago the corporate group held a meeting to devise a plan for our expansion off of Beaverton. It was very clear that Beaverton was going to be full and that some strong decisions needed to be made in order to alleviate that problem. They decided the Oscilloscopes and Accessories groups would go to Clark County and I would be site manager.

No one in the company had experienced moving such a large body of people before. At Wilsonville, for example, a relatively small body of people originally moved down there, and they grew in place. What we were discussing in terms of Clark County was to take a very large body of people and move them 28 miles to the northeast. This is a difficult thing to do.

The first thing I did was hire someone to help me coordinate this. That was Will Hott, project manager in charge of the Clark County move. A project manager has virtually a thankless job trying to make sure all the pieces are fitting together. Will has to make sure that people deliver things on time; he has to make sure the site strategy is put together. He had to see that transportation issues, local public relations, announcements in *Tekweek*, etc., were all taken care of. It's a big job.

It was quickly determined that the building should be a "state-of-the-art" manufacturing building. When we decided to do that neither Will nor I knew exactly what to do. We investigated the market for consultants and decided on a company called Systecon from Atlanta, Georgia. This company has consulted with such cream of the crop corporations as Xerox, Texas Instruments, and other large electronics firms. They had dealt with the best manufacturing companies the country has, and were integral in developing site and

manufacturing strategies for them. We are confident we've been talking to the best we can get. We hope that the proof will be evident when we start operation next January.

We kept the details of the move very quiet at first because you can't announce to an organization they are going to move when you can't be specific about when, and what they are going to do when they get there, etc. We waited until the process was



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Guest Speaker

more planned out beforehand. It was clear that since I was Division manager of SID (Service Instruments Division) it would be easier for us to move the Portable Scopes Unit first. They were initially scheduled to move starting in June, and would spend six to eight months moving. Then we were going to start the Accessories groups moving and later the Lab Scopes Manufacturing organization.

As you may know, Tek is having a tough time, both capacity and business-wise, and we're not out of the woods yet. Because of that, we are trying to save any money we can. We felt that if we postponed the move even six months we would get two benefits: One, we will save a lot of money; and two, we would increase the probability that all the new manufacturing systems would be up and running properly by then. Many of the manufacturing processes in the new building are going to be computer controlled. So, as I said, we postponed the move of the Portables group for six months.

We haven't postponed the ordering and moving of the equipment though. That way we can get the stuff up and running before production begins.

Some folks want to know how they can be sure we aren't going to postpone it again. My answer is that although nothing is every 100 per cent sure, we are 99 per cent confident we will move by next January. We are moving the computers, equipment and a small group of technicians in earlier in order to make sure the equipment will be ready. We are clearly serious about moving in by January 1.

The questions remain as to whether engineering and marketing will be going over there. We plan to move the manufacturing organizations first. I would prefer the site be essentially a manufacturing machine and keep the organization from becoming too complex. I want to give people a single purpose and make the site feel like a very productive and efficient manufacturing site. At the same time, it is my preference to keep the engineering areas within Instruments Division in Beaverton. Frankly, however, it will be three to five years before we have to confront the issue.

We also developed a hiring strategy right away. We knew from the start a lot of people in Beaverton did not intend to go to Clark County. Our strategy is to move the jobs over there with as many people as would like to go; however, we expect full well that most of the employees in Beaverton will not want to do a 60-mile round-trip each day. Our expectations are that people living in Clark County and east Portland will be working there.

Our strategy has been to hire people into a temporary building in Clark County called the Yearout Industrial Park. There are about 300 employees there who have been working for upwards of a year, learning about our products and processes. When they move over to the Clark County building they will already be an experienced work force.

Another aspect I would like to highlight

is that we are anticipating a new sense of discipline at the site. Some of our expected changes are the following:

The building doesn't have as many entrances as we do here in Beaverton. We don't want to find high school kids, vendors, and others running through the buildings.

The only people in the buildings should be Tektronix employees who are supposed to be there. We are going to have a new name tag system, which will feature picture badges.

We are now planning the second and third buildings on the site, which will be called C2 and C3. C2 will most likely be a material staging, material handling type of building; and C3 will likely be the building we move Lab Scopes into.

Questions from the floor for Jim Towne

Does Tek get a tax advantage by having Oregon employees work in Washington?

As Earl says, "Never move anywhere for tax savings." Tektronix doesn't get many tax advantages from the move. Property taxes are higher here than there but Washington has a sales tax which Oregon doesn't have, so there aren't any real tax advantages. We aren't going over there for the tax situation, we are going over there because it is a large, undeveloped area with a quality work force available where we aren't creating a lot of industrialization problems.

Are you considering the roads and traffic flow as you lay out the Clark County site?

Yes. I am on the Clark County Overall Economic Development Commission, and we proposed to the federal government that they give money to Clark County to make 164th wider; currently it is just two lanes. It is clear to Clark County that they need better roads. We will be participating in the improvements of the roads, in fact we had to agree to that before Clark County would agree to rezone the area for industrial purposes.

Will Tek absorb the people in the Beaverton area who don't want to go to Clark County?

Yes, our plan is to try to find similar range jobs with similar shifts for employees who don't want to go there. The Personnel Operations department will be compiling lists and counseling with those who are trying to find jobs. We can't guarantee jobs though: Some people won't find exactly the job here as the one that is moving. We'll find them similar jobs. If someone keeps turning down opportunities there has to be a limit as to how many jobs we are going to try to find for them.

What will be left here when you move?

All the organizations at Tek are growing. There are always groups needing space for their operations. The space we leave behind will quickly be re-assigned.

Are you going to use "group technology?"

"Group technology" is a term used to designate parts that, although not exactly alike, can be made through common manufacturing operations. It has recently become a very popular subject. It is being tried in the Technology Group and appears capable of saving a great deal of money. I imagine there will be some form of it in Clark County.

What do you expect the average room temperature to be with all the energy efficient measures being taken?

Within federal guidelines, between 68 and 78.

How will people know what new jobs are coming up and how far ahead of time will they be announced?

We intend to post all jobs that are made available in Clark County. We intend to see to it that any employees who are on the list of people living in Washington know that positions are available and have a chance at them. I don't know how far ahead of time they will be announced.



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Conference Chairperson