

Tektronix Expands With Rocket Speed

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When Howard Vollum tucked his first oscilloscope under his arm and went calling on some engineer friends with: "Look—here's a new type of oscilloscope," he found a buyer at the University of Oregon Medical School.

Today, Tektronix salesmen in the company's 33 offices in the United States and Canada are doing much the same thing and they too are finding buyers.

Nobody at Tektronix will tell you specifically how many buyers, but Jack Day, a Tektronix executive whose job covers "communications," says of the company's market: "We know there is a limit to the market for oscilloscopes. We just haven't been able to find where it is."

Pressed for round numbers, Day would only say of the company's yearly production: "It's in the tens of thousands. It used to be that I knew—but the numbers that go out now —?" and he left the sentence with a shake of his head.

This much Tektronix will tell you, partly directly and partly with the evidence they present on their growth.

As recently as two years ago the company had doubled its size in one year.

Dollar growth even in this year of mild recession is moving at a quicker pace than it did in 1959, though the percentage of growth is down.

The fall off in percentage growth is understandable. When you have a \$50,000 business it isn't too much to expect to double your volume to \$100,000 for instance. But the best estimates of outsiders are that Tektronix is doing something in the vicinity of \$40 million a year and to double that is another question.

One securities analyst said recently that a projection of Tektronix's growth taken several years ago, showed that if the company had maintained its rate of growth through 1975 its volume would have matched the gross national product.

This is whimsy of course. Even the most optimistic at Tektronix don't expect the company to match its percentage growth of the past.

It is enough to hope that the company keep pace with the general growth of the electronics industry as a growth objective. "We figure," said one company official, "that if we just keep pace with the growth of the rest of the electronics industry through the next 10 years (and Tektronix has been doing much more than this) we will triple our business."

He said this after telling one reporter that the company's payroll today is about 3,600. And when questioned about the payroll in another decade with this rate of growth, he replied: "10,000."

It's too much to hope that Oregon can hold all of that employment. Already Tektronix has built a new manufacturing plant on the Isle of Guernsey which employs something over 100 people.

This began as an assembly plant to serve the European market. But today, said Day, it is a fullfledged manufacturing facility.

Still there is no sign that Tektronix is planning on cutting back in Oregon. On the outskirts of Beaverton in the half-section meadow that the company occupies, there are two huge new manufacturing plants under construction now. They are part of a more-



JACK DAY

than \$3 million expansion the company has gone into there to keep pace with the demands on its manufacturing.

Touring the plants now in operation in the Tektronix complex, is a job of shouldering your way through crowded machines and equipment and people in the hallways, in the manufacturing rooms and even in the offices.

It is so crowded that Day, when asked if the company was "still hiring today," replied "no, not right now. In fact we are not replacing some of the people who are leaving as a result of turnover. This," he added, "is more because of our space problem than anything else."

The two new plants, each with 120,000 square feet of floor space, are expected to be completed this winter and will house some 1,400 Tektronix employes on the job.

Not all of Tektronix's phenomenal growth has been without headaches and without competition, though Day admits with factual precision: "We are possibly the most experienced firm in the world in the field." And that fact doesn't go unrecognized by the people who use oscilloscopes.

This experience, reputation,

quality control, call it what you may, is possibly the only major protection the company has against competitors. "If we relied on patents to protect us, we would be lost," Day claimed.

As a result, competition, that Day terms "unfair competition" has often taken a bite out of the Tektronix market.

Day was frank in discussing this practice and in pointing his finger at the government in putting the blame.

It happens, he said, when the government decides it wants some Tektronix style machines: They lay out the specifications from a Tektronix instrument and call for bids. The result, some competitor, who has not invested the money in research and development that has made the Tektronix equipment possible, can come along and bid the machine at a much lower price than the original designer and manufacturer.

"This is happening all through the electronics industry," Day claims and he referred to several contracts for "several millions of dollars" for Tektronix machines that went to another manufacturer. "His bid," said Day, was "one third under our price."