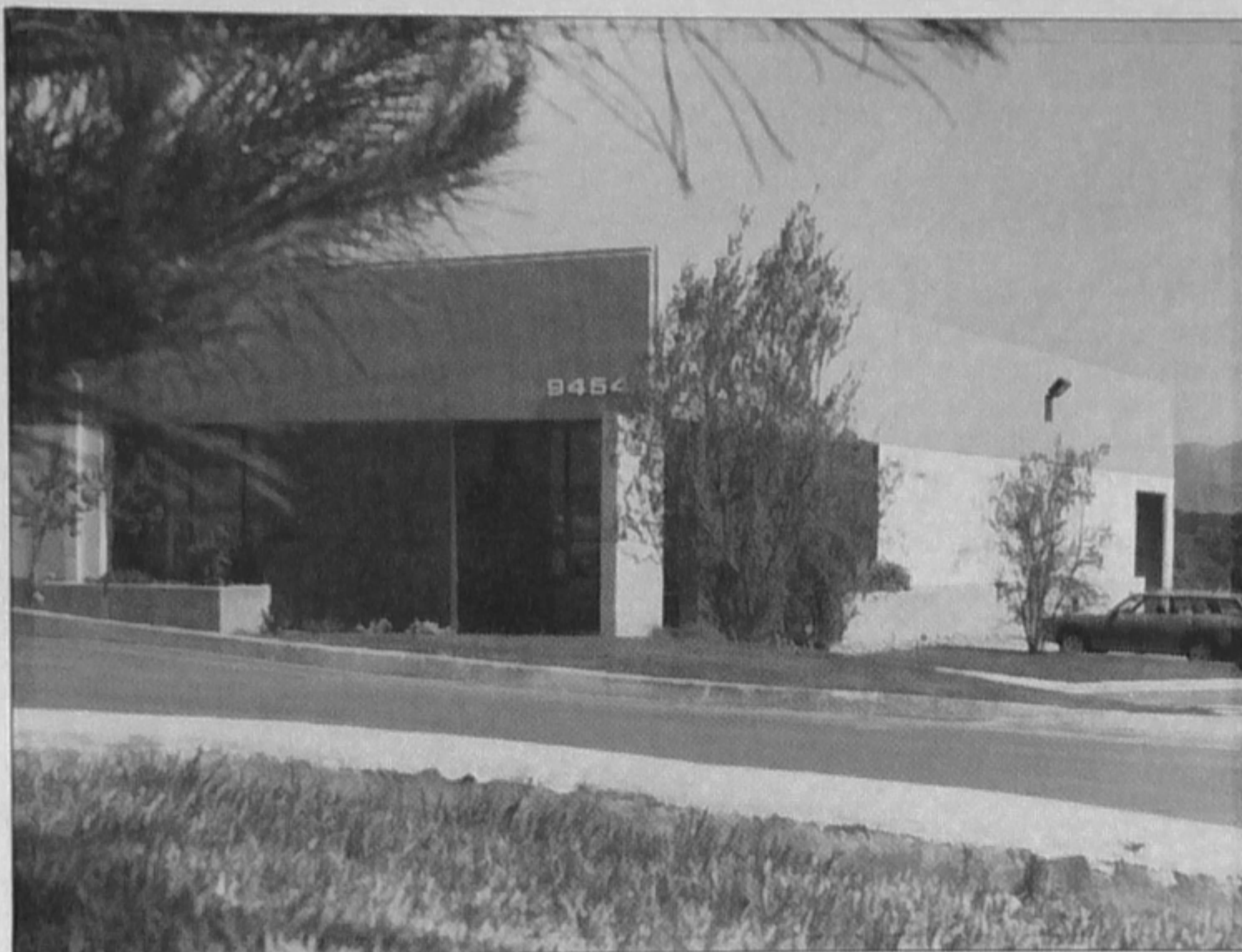


Gremlin

Phase 3

an employee newsletter May, 1980



Gremlin adds new plant


Nestling up against the wild chaparral bushes in northeast Kearny Mesa is Gremlin's Plant 2. From the outside, the new building looks like the others in the industrial park around it. There aren't any signs saying Gremlin on it anywhere, yet.

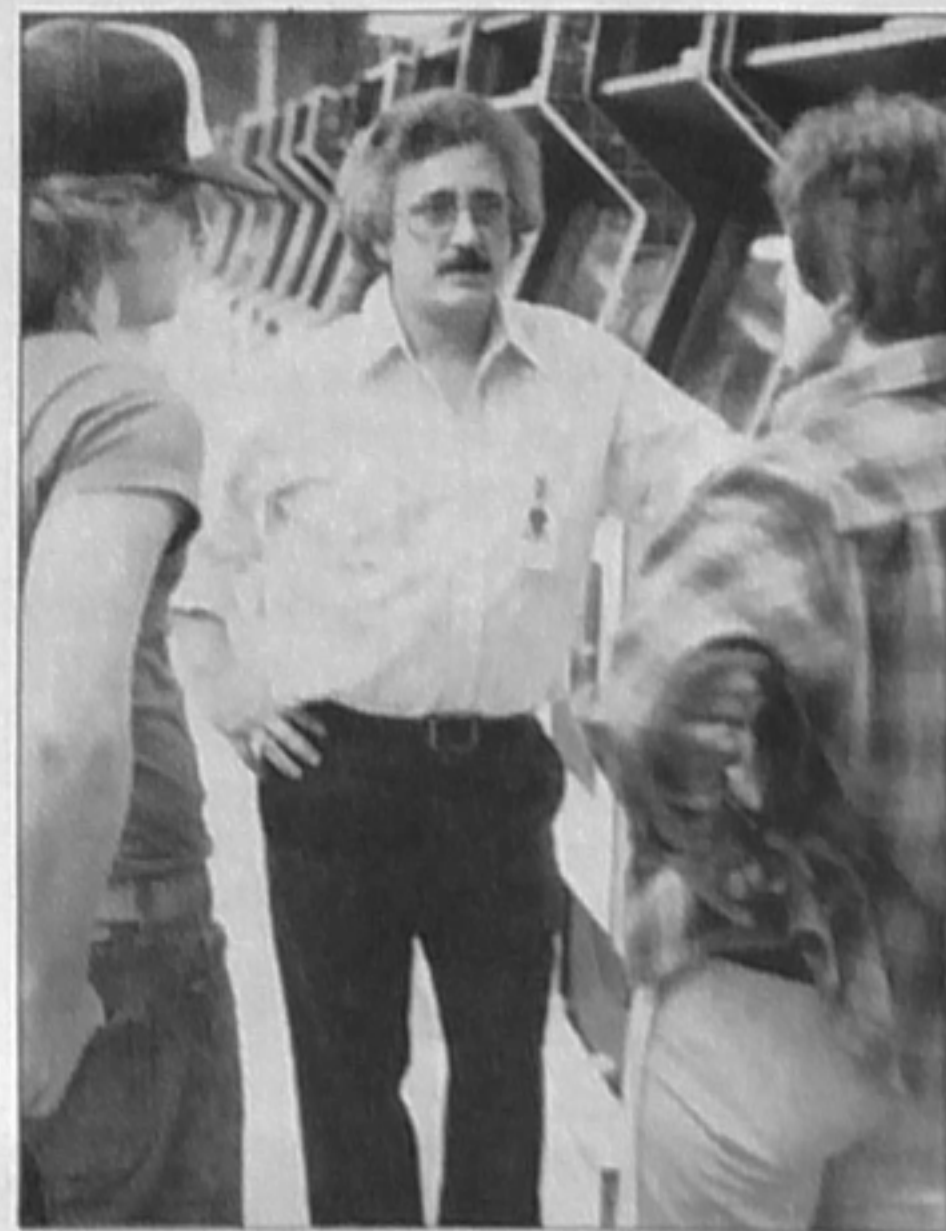
But, the inside is teeming with Gremlin activities. When you see 18,000 square feet of dual upright games and Monaco GP cockpits in neat rows being either assembled, tested or stored, you know the quiet atmosphere outside was a deception as to what the real activities within the building are.

"We're definitely in a growth mode," says Bob Contine, production manager. In addition to 18,000 square feet, they have added an additional 4,000 square feet in the rear of the building. By taking advantage of a high roof, Contine explains, they added a metal grated flooring to supports and created a unique work/storage area out of what would have been wasted space otherwise. This mezzanine not only has a view of the production floor in front and below, but access to the storage area directly beneath can be controlled, visually, by the use of the see-through grating.

The front entrance area is walled off into several offices and a reception room. The rest of the building is for final assembly and supportive activities. An internal loading dock permits truck trailers to be loaded and unloaded inside the building and on a level equal with the floor. This means much less difficulty with moving large bulky objects around and storing them, as well as not being rained on while doing it, Contine explains.

"We're trying to get another 16,000 square feet over there," Contine says, pointing to an adjacent building across the parking lot. At the present time, the thirty-five or so employees working here are building units with assemblies from the Aero Drive facilities. The additional 16,000 square feet of usable work space Contine pointed to would enable Gremlin to group related activities into a single area large enough to accommodate our present and foreseeable future needs, for a while, anyway. The move in 1976 to the Aero Drive facilities served the same purpose. But now, Aero Drive is no longer capable of containing the growth Gremlin has had since then.

... In a growth mode? Ask any Gremlin employee at 9454 Chesapeake Drive, he or she will tell you how their new space is already beginning to shrink at Plant 2. It isn't crowded, yet, and they sure seem to enjoy the new roominess. But, the question arises, how long will it be before we outgrow this, too? 



Bob Contine

The management of Gremlin Industries wants the Company to be a good place to work. It makes policies and procedures with this in mind. The Company, however, must make a profit to pay for supplies, to pay competitive wages and to give our stockholders dividends for their investment capital.

The Personnel Department is responsible for the people part of a triad of ideas, products and people. The engineering department conceives the games. Manufacturing produces the products and Marketing sells them, but interwoven through all of them are people—our employees—you and me. There are people who dream the dreams that evolve into a new game. And people buy the parts. They combine and build them into games.

It is not too difficult to find people who have the particular talents to fill the needs of the Company. A tiny ad in the local newspaper draws numerous responses. The secret is to find the right person and the correct combination of people who will work together for the good of the Company, and, ultimately for their own good.

Is this company a better place because of you? I hope so. Because

of you the Company builds a quality product which is well accepted in our industry. If our company is no better because of you, then you do not belong here. If you are going through the motions and doing only enough to get by, you are cheating yourself of realizing life's greatest opportunities.

Life is worthwhile only because of the joys you get in achievement. The winner knows that he is the best.

Interface

The participant has the satisfaction of knowing that he has done his best. He wishes that he could have won, but he is happy that he entered the race and has finished. There is pride in his achievement. The onlooker basks in reflected glory, dreams of vicarious participation, and envies those who dared to try.

What is your role in the Company? We have all kinds of people, different kinds of people. Each makes his contribution. You are judged regularly, not only by management, but by those with whom you work. How do you rate? We feel that we are misjudged, but

over a period of time the judgement of your peers tend to become accurate.

There are three A's in business life. These are: Ability, Ambition, and Attitude.

Ability establishes what you do.

Ambition determines how much you do.

Attitude guarantees how well you do.

Ability will get you a job.

Ambition will bring you a paycheck.

Attitude will lead to success.

What is this "attitude" that seems so important? It is the "you" in your job. When ability and ambition are about equal it is attitude that sets the two apart. Attitude is defined as a little plus—that something extra that is given willingly, although not required.

We who are in the people business deal with three kinds of people—the Fits, the Misfits and the Counterfeits.

The Fits are no problem. The Misfits pose some problem, but with a little extra understanding and some juggling there is a chance that they will find a place in our Company. The Counterfeits can do nothing right by our standards and nothing we do seems to please them.

The intriguing thing is that all of these people are trying to find a place for themselves. How well they succeed defies the ingenuity of every level of management.

This evening in the privacy of your home, look in the mirror and ask the person you see this question: "Is Gremlin a better place because of me?"

If the answer is "yes" ... welcome aboard.

If the answer is "no" ... what are you going to do about it?



Bert 西村

Bert Nishimura is Manager of Personnel.

What's it all about?

Phase 3 is a monthly newsletter where you will read about Gremlin Industries and the people who work here.

You will, also, see articles on new games, trade shows, and other information about Gremlin and the outside world we depend on to buy the games we work so hard to produce.

The name, **Phase 3**, was selected because it signifies the transitions Gremlin, and its employees, have been through since it first incorporated in 1970.

Phase 1 can be seen as the first five years of wall games, such as TRAP SHOOT and PLAY BALL.

Phase 2 may have begun with the move to the Aero Drive facilities. Actually, 1976 and the introduction of our first video game marked a breakthrough for us.

Phase 3 was entered with our affiliation with SEGA Enterprises and the resulting expansion into the international market. The combined

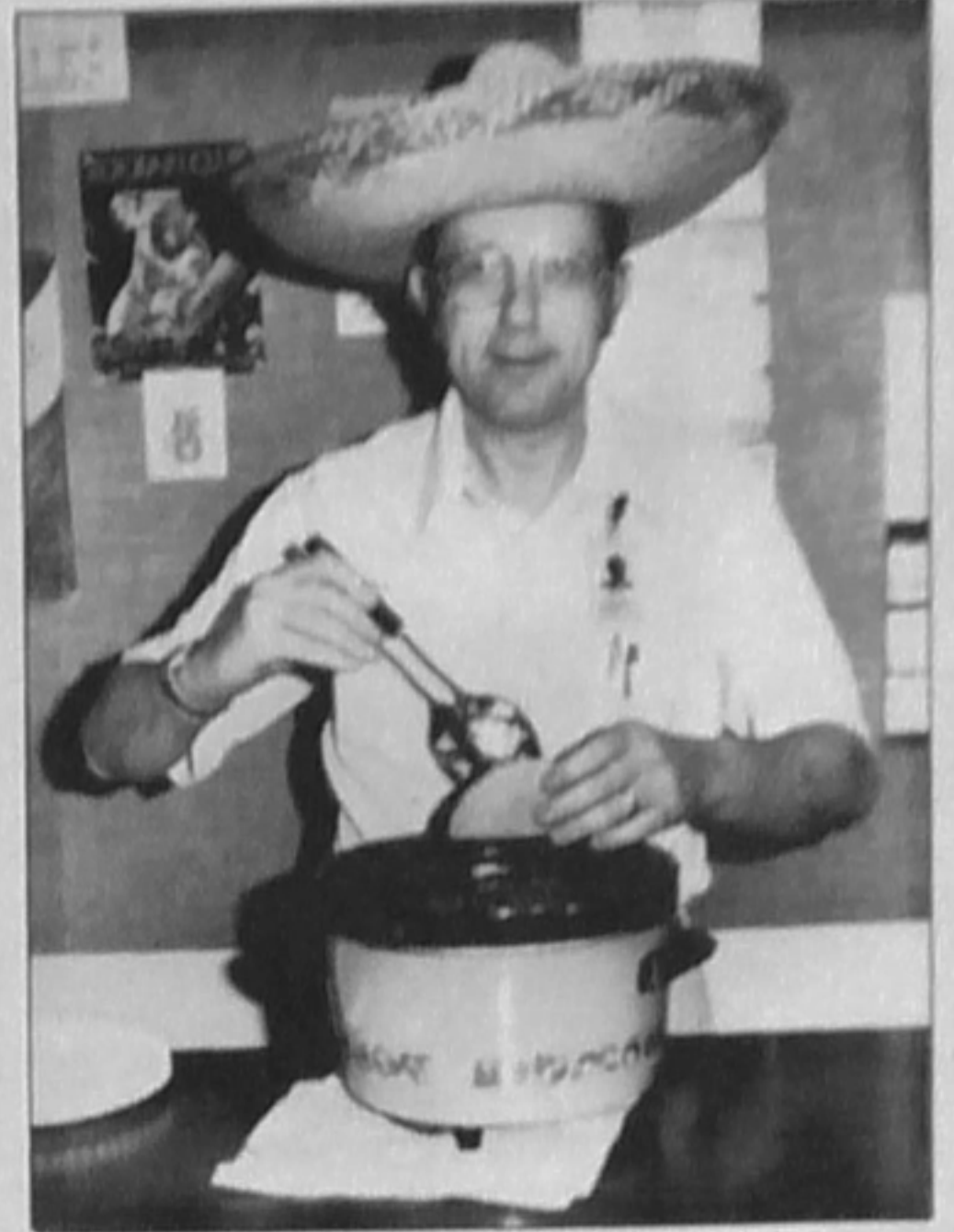
strength and ingenuity in this endeavor has launched a new and more aggressive Gremlin into the forefront of the entire world market/industry. (Technically speaking, we are Gremlin/SEGA.)

Phase 3 can be seen as the present phase. Nothing is static in Gremlin's changing environment, but by grouping major changes into phases, it may be easier to see where we have been, where we are now, and where we would like to go in the future.

Please address all correspondence for **Phase 3** to Gary McKay, Technical Publications. Or, bring material to the publications office, located in the Customer Service Department.



PHASE 3 is a monthly employee newsletter published by Gremlin/SEGA Industries, Inc., 8401 Aero Drive, San Diego, CA 92123.



Employee Recreation Association

Teei Lujan

Most of you are probably aware that Gremlin has a recreation committee that meets periodically to plan various events within the company. But, do you know that each, and every, one of you is a member of the Recreation Association?

Since it isn't possible for all employees to meet each month, each year we ask for volunteers to represent their fellow employees on a committee. This in no way means that you do not have a say in what the committee does. Just the opposite, we welcome new ideas and suggestions, and urge all of you to voice your opinions. You can do this by contacting one of your representatives on the committee, or by visiting us at one of the meetings. If you aren't sure who your representative is, or if you don't have a representative in your department, please contact me at ext. 218.

Throughout the year we plan fund raising events to be held at Gremlin, and all proceeds benefit the employees. Only through these events are we able to offer you annual picnics, Christmas parties, and hopefully in the future, softball, bowling, and various other team sports.

Last year, the committee raised enough money to pay for most of your employee picnic. Although the original cost was \$8.00 per person,

thanks to those of you who donated to the various events and the hard work of the 1979 committee, we were able to pay \$7.00 of each \$8.00 ticket. This made the cost to you a nominal \$1.00 per person. Hopefully, we will be able to do this again this year, and be able to subsidize the Christmas Party a little more as well. But, we need your help! Remember, we're all in this together.

Now, the fun news! We need a title for the Recreation Association's monthly column in this paper. Just write your idea, along with your name and department number on a slip of paper and put it in the contest box in the lunch room. Enter as often as you like. A prize will be given to the winner. Entries will be judged on originality and must be entered no later than May 15.

Each month, through this column, I will be giving you an update on what we have accomplished in the past month, and what we have planned for the next month.

I would like to close this first column by extending a special thanks from all of us to Gremlin's executive staff and to Gary McKay, who is in charge of our Publications Department for opening up this new line of communication between the committee and its fellow employees. I'm sure I speak for all of us when I say, "We thank you!"

Time Passages



Gene Candelore 4-3-70 10 Years
Gerald Hansen 4-3-70 10 Years

Service Awards for April, 1980

Linda Cheverette	4-24-78	2 yrs
Susan Berry	4-17-78	2 yrs
Jeryl Beacon	4-17-78	2 yrs
Samphanh Wangviseth	4-03-78	2 yrs

Service Awards for May, 1980

Herb Jackel, Jr.	5-10-76	4 yrs
Mourad Nicola	5-09-77	3 yrs
David Evans	5-16-77	3 yrs
Scott Cameron	5-07-79	1 yr
Bob Klinefelter	5-21-79	1 yr
Ninian Myles	5-21-79	1 yr
Ramiro Moreno	5-21-79	1 yr
George Berry	5-07-79	1 yr
Marty Martinson	5-21-79	1 yr

Birthdates — April & May

Gary McKay	4-1
Barbara Michalec	4-5
Marilyn Reed	4-5
Charles Jagou	4-8
Anastacia Bautista	4-15
Larry Gomez	4-15
Rebecca Soriano	4-21
Gail Oglesby	4-22
Les Brown	4-29
Diann L. Sherrillo	5-2
Marina De Alcala	5-5
Adrienne Aron	5-6
Kenneth Fowler	5-9
Phi Nguyen	5-10
Sy Souriya	5-12
Estalita Dayacap	5-14
Ruthetta Pizzaroz	5-19
Dang Hey	5-20
Honorato Estepa	5-21
Rosita Calienta	5-23
Phen Thai	5-28

On-The-Spot

Question:

How do you like working at the new plant?



Diane Barr 604

"I love it! The people are so together here, I mean, they work well together. Where I work I can see my stock and control it so much better than before. I know where everything is and my counts are accurate."



Jane Radovan Receptionist/Secretary

"It's fun! I like it here because everyone is much more cheerful. They get along better here."

Bobbie De Pauli 755

"Yes, I like it. Everyone is so friendly. They all help each other."



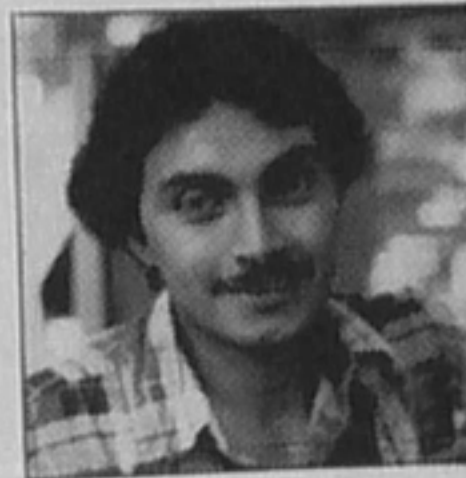
Beverly Dixon 611

"I like it because we're a closer group here. But, I miss not having the news about others. I get everything by second-hand knowledge now, all of the changes and events, but we are more of a family over here, it seems."



Mike Soldau 611

"I like it. It's a lot better than the old one, there's more room. We have more assembly lines and more work to do. It's easier to get to this plant from where I live, too."



George Rojas 611

"It's all right. It's bigger, but it's getting more crowded now. I think it is better because we're a smaller group."

Service school takes its show on the road

"You get everyone from the electronics whiz to the person totally new to electronics and the game industry," says Steve Margolin about the students he teaches at the Gremlin Service School.

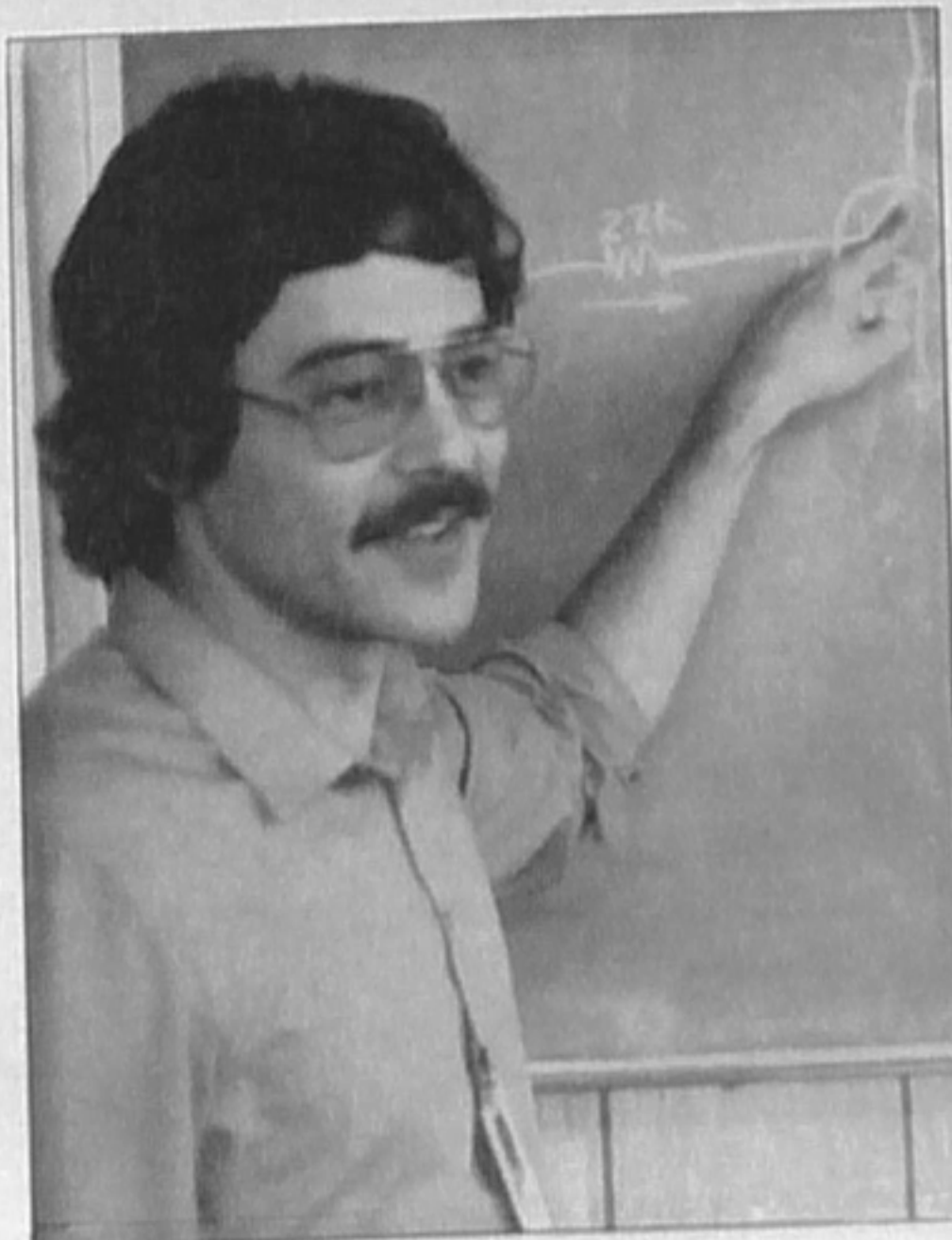
The service school is a concept that is capable of moving from city to city, state to state, even nation to nation. It consists of a knowledgeable instructor and a box of Gremlin schematics for the students to learn from and use later for repair, if necessary.

"I teach people with varied backgrounds, but they all seem to have the same two things in common, they are interested and willing to learn," says Margolin.

The most recent Gremlin Service School was conducted in Hawaii. Four game manufacturers held their schools at a conference sponsored by Advanced Automation Distributors of San Francisco. Other manufacturers, along with Gremlin, were Stern, Midway and Williams.

The students were very happy to have the schools in their area. "Hawaiian technicians are terribly isolated," says Margolin. To add some spice to the Gremlin school,

Margolin held the Great Gremlin Giveaway. A 12" Elston CRT monitor was given away in a drawing to one of the students. "They loved it!" Margolin says. Also, a certificate of completion was sent to all students as an added feature. The response to the entire Gremlin Service School was very positive, according to Margolin. Many said it was the best of its kind they had attended.



Steve Margolin

Margolin sees this as a growing need in an industry where all major manufacturers have service schools. Ideally, Margolin would like to see the school travel around to a couple of large cities per month. But finding the time for this type of program is, at best, not available as it stands now.

There is a marked need for an organized, traveling Gremlin Service School, Margolin feels. Many of the technicians in the field have good mechanical abilities, but are not up-to-date on microprocessors and other electronics circuitry. It is an educational effort on our part to help reduce any downtime, and the customer frustration that usually accompanies it. A more informed technician is a better one, and the easier Gremlin can make it for him, the better our rapport with the customer is, explains Margolin.

He sums up his efforts by saying, "Caring about your product goes well beyond just making a good machine and selling it. After-sales services is necessary to continue 'reselling' Gremlin and its products to operators all around the world." Steve Margolin is Customer Service Manager.

