

## Chemical and Coating Skills Position Company for '80s

Basic strengths in photographic and chemical technologies will enable Kodak to meet the changing needs of many diverse markets during the 1980s, says Walter Fallon, chairman and chief executive officer.

He pointed to several areas as evidence of this commitment during the EK annual meeting in May. The examples are:

- long-range efforts to develop improved photographic systems that will enhance amateurs' access to "photographic space";
- work with organic photoconductors to eliminate the need for silver in certain imaging applications, and
- new analytical applications for dry chemistry slides.

"With 100 years of experience in imaging, Kodak is uniquely capable of expanding the consumer's access to photographic space," Fallon said. "And there is no way to do the job better than with silver halide technology. In terms of sensitivity to light and image amplification during development, there is simply nothing like it."

"Photographic space comprises the continuous visual field and all the light within it that begins before your eyes and ends at the limits of your vision," Fallon explained. "For someone at the beach, it may stop suddenly at the top of a brightly colored umbrella and, moments later, grow to a distant horizon in the blazing sun."

### Everything a Picture

Potentially, everything in this photographic space is a picture. Professional photographers and advanced amateurs can gain access to virtually all the pictures in this space with sophisticated and costly cameras, lenses and lighting.

Fallon noted that typical snapshooters, however, have less skill than professionals and advanced amateurs. In addition, they prefer reliable, uncomplicated cameras and films. Yet they care just as much about their pictures as professionals and they would like greater access to more photographic space.

To illustrate this point, Fallon pointed out that a spectator at a night baseball game can clearly see the players and field. That same spectator may think he can use an inexpensive camera to take a picture of what he sees. But often he cannot because the camera and film combination does not have the needed capability. Additionally, human factors—a finger in front of the flash, for example—may cause snapshooters to lose some pictures that are within the photographic space available to them even with inexpensive cameras.

"All these factors—light, distance, camera, film, processing, printing, human control, and more—enter into every photographic situation," Fallon said. He noted that Kodak has developed a mathematical model that records the circumstances of the photographic scene and traces a record of success and failures. It shows the distances and light levels where people

today take most photographs as peaks, while valleys represent areas of photographic space currently unavailable to snapshooters.

"In the 1980s, we will market conventional and instant cameras and films that let people expand their success in peak regions and give better results in those valleys where fewer photos can be taken today," Fallon said. "These products, now in development, will be balanced in terms of optimum systems performance, ease of use, reliability and cost."

### Non-Silver Imaging

Kodak's 25-year-long search for a silver substitute for some applications has led to several products that rely on organic photoconductors to capture an image and do so with remarkable sharpness and detail when an intense light source is present. Fallon predicted that the use of such photoconductors will grow dramatically during the 1980s.

"For example, the graphic arts industry might welcome silverless phototypesetting papers, copy preparation systems and color proofing materials—if the equipment and film were priced right," Fallon said. "In the future, the segments of this market will take on new definitions in terms of the way office copiers, duplicators and printing presses serve. The whole will continue to grow, but within it, there will be substantial change as technology evolves and systems productivity improves."

The future also could see color uses of organic photoconductors. Fallon noted that present technology permits the use of color to accent important information on photoconductive films.

Kodak now uses organic photoconductors in the Ektaprint copiers and in three Ektavolt specialty films, one for printing or duplicating aerial photographs and two others for recording data from scientific instruments.

Fallon said that Kodak's organic photoconductive films offer remarkably high-image resolution, as well as other advantages. "The process is fast and dry," he said. "The information on photoconductive films can be updated—unexposed areas can be recharged and toned without affecting previously recorded information."

Additionally, they can be handled in room light before being charged and the same piece of film or paper easily could be developed as either a positive or a negative. The image contrast also is easily controlled during the process.

An organic photoconductive film is a silverless material that records light in a pattern of electric charges. The pattern can be developed and transferred to another medium, as the film belt on the Ektaprint copier transfers toner particles to paper. Or, as in the case of the special recording films, the photoconductive film itself becomes the final image.

However, organic photoconductors have their limits, limits that Kodak believes may restrict their use to commercial, scientific and industrial products.



EK Chairman Walter Fallon answered many questions during and after the company's annual meeting.

### Health Sciences

Kodak was selling x-ray film before the turn of the century, yet the company's future in health sciences may be greatly influenced by silverless products that are based on Kodak's chemicals and coating technology.

"The Ektachem products we introduced in 1978 suggest a potential for dozens of analytical applications across the biological and physical sciences," Fallon said. "Someday, dry chemistry systems could yield precise, reliable analyzers right in the doctor's office, as well as the hospital."

Fallon contends that the company's dry chemistry technology could potentially benefit medical researchers with uses in hematology and microbiology. Industrial process control testing and quality control monitoring now done in wet chemistry also conceivably might be done with dry films. Other potential uses for dry chemistry range from agricultural testing to animal toxicity analysis and cell identification.



EK President Colby Chandler, above, discusses the company's operations at the annual meeting. Norman Brick, left, EK vice-president and general manager, European Region, IPD, addresses meeting of financial analysts.

## Global View Has Led to International Growth

A global view of Kodak markets has enabled the company's international operations to grow and prosper in markets as diverse as Europe and Latin America.

That observation was made during Eastman Kodak Company's annual meeting and in a related presentation for financial analysts. During the sessions, company executives commented on their strategies that permitted Kodak to garner more than \$3.5 billion in sales outside the U.S. last year, while offering some insight into future international directions.

EK President Colby Chandler, president of Eastman Kodak Company said that global thinking and market segmentation enabled Kodak to sell more than two million cameras in the emerging markets of Latin America during 1979 alone. "In volatile markets such as Argentina, Brazil and Mexico, opportunities appear very quickly," Chandler said during the annual meeting.

"We no longer look at such markets solely in terms of cultural and regional preferences," Chandler added. "Instead we see common patterns of consumption emerging where there are similar socioeconomic levels. By viewing the highly developed

countries as one type of market and the emerging countries as another, we can match our strengths to people's real needs, as those needs evolve."

In Latin America, for example, Kodak markets cameras made in the United States, Argentina and Brazil. Film is made in Mexico and paper used for photographic prints is coated in Brazil.

As other developing nations come to enjoy greater prosperity, Chandler said, millions of people will acquire disposable income and want to use photographic products to enrich their lives. Kodak's global market approach will permit the company to best serve their needs.

"Our marketing people work to acquire a thorough knowledge of each market area so they may identify selected, profitable sales opportunities as well as major growth prospects," Chandler said. "Thus, international sales provide an important return for the company, and also represent some of our most attractive growth opportunities."

## Skow Heads African-Mideastern Area

Richard R. Skow, who had been general manager, Marketing Companies, Asian-Pacific Area, in the Asian, African and Australasian Region since early 1978, on June 1 changed responsibilities. He now is general manager, African-Middle Eastern Area, AA&A.

Dick, who joined Kodak as a trainee in 1957, has had overseas assignments at the Kodak companies today known as Kodak Caribbean, Foto Interamericana de Chile, Foto Interamericana de Colombia and Kodak Philippines, serving as manager of the last three.

Named director, Marketing, Latin American Region, in 1974, Dick held this position until 1976 when he became director, Marketing, Asian, African and Australasian Region. He filled this post until 1978.



Skow

## New Post in Latin American Region

The position of director, Manufacturing, Latin American Region, has been created.

Richard C. Portland, who was manager of Film Manufacturing at Industria Fotografica Interamericana in Mexico, was named to the new post, effective June 16.

Michael E. Graves, production supervisor, Motion Picture Film Div., Film Manufacturing Organization, Kodak Park Div., is moving from Rochester to Guadalajara to succeed Dick as manager, Film Manufacturing, at IFISA.

Dick, who joined Kodak Park's Industrial Engineering Div. in 1959 and spent from 1962 until 1974 in KP's Motion Picture Film Div., was assistant superintendent of KP's Roll Film Div. from 1974 until going to Mexico in 1977.

Mike, production supervisor since 1977, joined Kodak Park in 1963 as a quality control engineer.



Portland



Graves



## Francis Roy's Creations Win in Salon's Centennial Section

Four transparencies, including the one above, brought Francis Roy, above at right, of Kodak-Pathe, the top award among expert photographers competing in the 45th Kodak International Salon's EK Centennial section. Francis titled the entry "A 100 Year Start on Tomorrow," theme of the Centennial celebration. Each of the four pictures was made by projecting several trans-

parencies onto a transparent screen. When the compound image was to Francis' liking, he photographed it on Ektachrome slide duplicating film. A member of Kodak-Pathe's Audiovisual Dept., he produces AV shows for promotion and training programs.



## Customs Dept. Head Changes

Smoothing the way for IPDers has been a custom with Ed Lowitzer. The 23-year Kodaker, at left, retired May 1 as manager of EK's Customs Dept. This department obtains visas and working permits for Kodakers going from Rochester on overseas assignments. It also secures visas for accompanying family and proper documentation for admission of their furniture and even the family cat. Assistance with visas also is provided to IPDers who have come to the U.S. on assignment. Another major responsibility of the department is preparing documentation for all goods being imported into the U.S. by EK and paying any tariffs due on those imports. Ed and his successor, Robert Bushwood, formerly a customs analyst in the department, are pictured in front of a U.S. Customs Service flag.

## Korean Firm Improves Its Frames

Stronger, more attractive sunglass frames are being produced by Kwang Hak Optical Co., Ltd., of Seoul, Korea.

The firm has substantially improved the strength and mold finish of its frames by switching to Tenite propionate, supplied by Eastman Chemical International Company.

The frames, with glass or acrylic lenses, are manufactured in a variety of sizes and colors for marketing primarily in Europe and the U.S.

A spokesman for the firm stressed that the Tenite propionate provides better resistance to plasticizer migration than the material previously used.

It's also easier to mold, he said, and, because of its strength, the previous problem of frame breakage during production has been reduced tremendously.



## Yogachandra Is Having a Great 1980

1980 already is a banner year for N. Yogachandra, advertising and public relations manager of Kodak Thailand.

Toastmasters International, U.S.A., awarded the prestigious Able Toastmaster title (ATM) to him for completing the communications and leadership program.

Past president of Laemthong Toastmasters Club, Yogachandra was presented the award at the club's weekly meeting. He has been an active toastmaster for more than five years.

Yogachandra, who is from Sri Lanka, has been with Kodak Thailand since 1970. In addition, he is known through Thai and foreign newspapers for articles on photography and for the pictures he takes.

Mar. 26, 1980, stands out as one of the best days of Yogachandra's life. He and his wife, Elena, became the parents of a son, Randall Camacho.



Yogachandra

**Step Up for Stepnes**—Steve Stepnes, general manager of Kodak Caribbean until spring 1979, when he returned to Rochester, has moved up from marketing director, Consumer Products-Traditional, Business Marketing Planning, to become director, Business Marketing Planning, U.S. and Canadian Photographic Div.

## Swede Serves Customers for 50 Years

Giving customers good service to meet their photographic needs is a long-established habit with Gunnar Nilsson.

Gunnar has just retired from Kodak Sweden in his 50th year of satisfying its customers and those of its predecessor, Hasselblads Fotografiska AB.

He joined the sales office of Hasselblads in Stockholm in early 1931, working with service and customer relations.

In the late 1940s and early 50s, when traveling outside one's country for instruction was a rarity, Gunnar went to Kodak Limited in London for training.

Named supervisor of Customer Services at the processing laboratory in Spanga, he moved with the lab to Jarfalla. Both are suburbs of Stockholm.

In recent years, Gunnar was responsible for the Non-Amateur Depts.' Customer Services.

Throughout Sweden, there are not many professional photographers and photographic dealers who do not know or haven't been in contact with Gunnar.

Now, he and his wife are at their summer cottage where Gunnar has been busy with neighbors arranging the Midsummer Party. Later in the year, he hopes to holiday in Greece and he's looking forward to using his leisure time to become reacquainted with Stockholm.



Nilsson

## Ferris Studies at Harvard University

Richard Ferris, general manager of Kodak South Africa, has just completed the 83rd Advanced Management Program at the Graduate School of Business at Harvard University in the U.S.

Dick was selected by EK to participate in the 13-week program which is considered to be one of the oldest and largest senior executive programs. Since 1943, when it was first conducted, there have been more than 10,000 graduates of the program.



Ferris

**Bill 'Armchair Travels' on Flight**—Flying from Spain to Rochester, Bill Fotheringham, chairman of Kodak Spain, had a vicarious trip to the section of the U.S. West where he spent his boyhood. The movie shown on the plane was "Electric Cowboy," shot in Las Vegas, Nev., and the area north to Cedar City, Utah. The final scene, where one wouldn't think there was a house within miles, was shot at the entrance to Zion Canyon, within 1,000 yards of his brother's home.



Yacoubian



Menon



Kohler



Grassi

## They Retire in June

**Haig A. Yacoubian**, distribution manager, Kodak Near East, Dubai, United Arab Emirates, 27 years

**M. Krishna Menon**, group leader, Customer Accounts, Kodak India, 26 years

**Margarete Kohler**, typist clerk, Kodak Austria, 23 years

**Cesare Grassi**, data processing clerk, Kodak Italy, 22 years

**John Nordin**, guard, Security, Kodak Sweden, 11 years



Nordin



Francis



Hook



Chow



Henningson



Peroni



Roballo



Baginski



Mitcham



Salardi



Clark



Kwan



Laidlaw

## 13 Mark Anniversaries

### 40 Years

**Graham H. Francis**, administration officer, Photochemicals, Manufacturing, Kodak Australasia, June 10

**John J. Hook**, marketing education coordinator, Marketing, Kodak Australasia, June 20

### 25 Years

**Chow Khai Yoong**, sales office coordinator, Marketing, Komal Sdn. Bhd., Malaysia, June 1

**Ingemar Henningson**, product sales supervisor, Photofinisher Sales, Kodak Sweden, June 1

**Baldo Peroni**, coordinator for Italian edition of the Encyclopedia of Practical Photography, Kodak Italy, June 1

**Fernando Roballo**, coordinator, Education Services, Marketing, Kodak Portuguesa, June 1

**Egon Baginski**, planning and scheduling coordinator, Roll/Movie Film Dept., Manufacturing, Kodak Australasia, June 3

**John F. Mitcham**, manager, Sensitizing Dept., Manufacturing, Kodak Australasia, June 6

**Nullo Salardi**, duplicating equipment operator, Office Services, Kodak Italy, June 6

**Peter Clark**, maintenance budgets and engineering reporting specialist, Facilities Planning and Supply Engineering, Kodak Australasia, June 7

**Kwan Wing Sing**, stockkeeper, Warehouse, Kodak Hong Kong, June 7

**T. Robert Laidlaw**, manager, Industrial Engineering, Manufacturing, Kodak Australasia, June 23

**Felix Hernandez Jimenez**, stockkeeper, Warehouse, Kodak Mexicana, June 28



Hernandez

## Three Returning to U.S. Posts

**Richard L. Klotz**, business planner, European Region, is returning to the U.S. to become operations manager, Pacific Southern Region, Field Distribution, in Whittier, Calif., July 1.

**Thomas D. Korey**, senior estimator, Professional and Finisher Products, Estimating and Planning, Distribution, European Region, is relocating to Rochester to become supervising estimator, Copy Products, Estimating and Planning, Distribution Div., effective Aug. 11.

**Raymond J. Parker**, former resident distribution analyst, Asian-Pacific Area, has returned to Rochester and is financial analyst, Financial Services, Administrative Services, Distribution Div.

INTERNATIONAL  
**KODAKERY**

Ron Wiley Editor-in-Chief  
Kaye Lechleitner Editor  
Armando Guzman Spanish Translator

Address Correspondence to:  
Miss Kaye Lechleitner  
Eastman Kodak Company  
343 State Street  
Rochester, New York 14650 U.S.A.

Published monthly at Rochester, New York  
Printed at Kodak Park



## Print '80 Provides Opportunity To Promote Graphics Products in Rochester and Chicago

Emphasis was on technology at Kodak's exhibit at Print '80.

EK's new electronic quality control center, that offers precise exposure calculations, and a customized color program of the future were featured.

The exhibit also was the center for live demonstrations of the family of Kodak printing products which include the Kodak Polymatic S, M, LNL, LP and W litho plates along with Kodak Polymatic plate processors.

Visitors from outside the U.S. were received in a special international section of the booth where they could obtain assistance with printing-related questions.

Many inquired about the Kodak data center, Q-700, learning not only that it will provide precise exposure calculations but that it also will perform copy-scaling functions, provide camera and density-exposure adjustments, make filter selections and dot area/density conversions, and give correct measurements for mixing chemicals.

The visitors also expressed great interest in a demonstration of the customized color program, a computerized quality control system of the future.

Kodakers from the U.S. and Canadian Photographic Div. and IPD supplied information on products, publications, equipment services available to customers and silver recovery.



Genesio Leite of Graf Color, Sao Paulo, Brazil, was welcomed to Kodak's exhibit at Print '80 by Pablo Torres, Kodak Brasileira's sales supervisor for Graphics Markets in Sao Paulo, who also supplied him with literature on the new products.



Japanese printing executives at Print '80 look to the future with the Kodak customized color program. Professional presenter Kay Lorraine, right, describes the computerized color separation analysis system to, from left, H. Motomura of Nagase & Company; N. Sugisana and M. Suzuki of Ad Art Printing Company, and I. Takeuchi and Y. Kawano of Sakata Shokai. Motomura, who is Western Region sales manager, Graphics Markets, for Nagase, distributor of most Kodak products in Japan, and the representatives of the two printing houses were enthusiastic about the possible improvements in color reproduction quality and profitability promised by increased application of electronic and computer technologies to the printing industry.

## Finland's Repro Club Visits EK

When the Repro Club of Finland arranged a trip to Print '80 in Chicago, it planned a day's stopover in Rochester to see EK headquarters.

At the suggestion of Kodak Finland, Walt Manzek, senior product information specialist, IPD Customer Support Services, arranged for the 28-member group to tour both Kodak Park and the Marketing Education Center-Riverwood.

Seeing the Kodak data center Q-700 was one highlight of the MEC tour for the group, which included owners of printing plants, technical managers of trade houses and supervisors of camera departments. The new easy-to-use exposure computer enables users to solve graphic arts problems accurately and quickly.

In Chicago, the group again saw the data center. Together with new Kodak films and papers (see adjoining article), it was featured at the Kodak exhibit at Print '80.



Kodak Finland's Esa Vierikko, left, sales supervisor, Graphic Markets, and Juhani Isohanni, graphics technical sales representative; Teuvo Nikkila, production manager of Yhteiskirjapaino Oy; Juhani Sibelius, production supervisor of Turun Sanomat, and Reijo Laine, production manager, Painokuva Oy, learn from Walt Manzek, right, that the Kodak data center Q-700 is a convenient single source for answers to a wide range of exposure-related questions.



## Swedes Join with Finns To Tour MEC

Leif Savstrom, left, of Offset - Bild AB, Sweden, and Leif Lindgren, center, of Graphics Markets, Kodak Sweden, joined with the Repro Club of Finland during the MEC tour but paused to discuss the Kodak Startech processor, model 244, with George Schuller, IPD administration and support specialist, MEC. The Swedes were headed for Print '80 in Chicago, then Windsor, Colo., to see the manufacture of graphic arts litho plates at Kodak Colorado Div. A drive from Las Vegas to Los Angeles and San Francisco preceded their flight home over the North Pole.



Designed for operator convenience and efficiency, the new Kodak Ektafiche collator, used with the Kodak Ektafiche duplicator, substantially improves the effectiveness and productivity of in-house microfiche operations. The collator and duplicator both meet world safety and electrical requirements.

## Microfiche Collator Featured at NMA

A new microfiche collator was among the highlights of the Kodak exhibit at the National Micrographics Association's 29th Annual Conference and Exposition in New York City.

The Kodak Ektafiche collator can be used with the Kodak Ektafiche duplicator to provide automatic collation or separation of microfiche produced by the duplicator.

The collator closes the loop of equipment needed to produce and distribute microfiche created in the data processing environment. The cycle starts with the Kodak Komstar microimage processor, which can be configured so as to work off-line or on-line with customers' computers. The processor employs a laser to write on dry, heat-processed microfiche or roll microfilm.

Duplication of the master microfiche can be done at speeds up to 1,000 copies per hour with the Ektafiche duplicator.

With the new collator, very little operator intervention is necessary from the time the data leaves the computer until the duplicate microfiche are ready to package and distribute. A waist-high revolving microfiche tray makes job removal easy.

The collator operates either in "collate" or "separate" mode. In the former, the machine automatically gathers the duplicate microfiche into sequential or collated sets. In the separate mode, the machine deposits all duplicates from one master microfiche into the same receiving pocket.

The revolving microfiche tray has 60 pockets, each with a capacity for 65 duplicates. In the collate mode, up to 60 microfiche sets from up to 65 masters can be produced and collated automatically, while in the separate mode, up to 65 duplicates per pocket from up to 60 masters can be produced.

A digital counter tabulates the number of microfiche duplicates that have been sorted into the tray, while illuminated indicators alert the operator to the machine's status.

## Kusuda Group Observes in New York

While in New York City for the National Micrographics Association's 29th annual conference and exposition, distributors of Kusuda Business Machine Company visited the Public Service Mutual Insurance Company to view its records retrieval system. Pointing out advantages of the system, which is built around Kodak microfilm, Kodak microfilm and Recordak Micro-Pak jackets made for Kodak by NB Jackets Corp., is Ed Keane, vice-president of the jackets firm. Toshio Nakano, fourth from left, director, market development, Business Systems Markets, Kodak Japan, and Jerry Smith, international accounts director, Commercial/Industrial Markets, IPD Customer Support Services, who took the picture, accompanied the group. The Kusuda company is distributor of Kodak's business systems products in Japan.



## Germans Study Aspects of Microfilm

A welcome in German greeted members of Germany's Commission for Economic Administration in Business, Industry and Public Authorities at EK's Marketing Education Center-Riverwood near Rochester. H. C. Harro Muuss, left, deputy leader of the commission; E. S. E. von Schutterstein, second from right, commission leader, and Erwin Bohatiuk, right, of Kodak A.G., Germany, express their pleasure about the sign to Neil Murphy, second from left, IPD general manager. Neil was the keynote speaker for a program which focused on legal aspects of microfilm in U.S. courts of law and on data protection systems. Erwin, who specializes in development of micrographics applications, is a member of the commission.

## Offset Papers Survive Fire and Flood

Fire extensively damaged the YWCA printing center in Middleton, Leeds, England, two years ago.

Among the supplies stored there were two packets each of Kodak Instafax offset negative paper, contact speed, size code 913, Kodak Instafax offset proofing paper, size code 913, and Kodak Instafax offset paper master, size code 1510.

All six packets, which had been opened before the fire, were soaked by fire hoses and blackened by smoke.

Following the fire, the packets were placed in an unused and unheated shower room. During the winter of 1978, pipes in the shower room froze and burst. The six Kodak packets floated in the water which flooded the room.

A few weeks ago, the printing center temporarily ran out of Kodak Instafax materials and it was decided to try to use the six packets of damaged material.

The center's staff found that the Kodak proofing paper was usable but the image was understandably poor.

However, the negative paper and paper masters worked without any problem and runs of up to 1,000 were obtained.



Neil Murphy speaks on goals and objectives to the European Region's general managers of marketing companies and customer operations managers of manufacturing companies. Around table from left are Bill McCarrick, general manager, Marketing Companies; Peter Hetzer of Kodak Austria; Bill Fotheringham, chairman of Kodak Spain; Kurt Zuber of Kodak Nederland; Bob Pottier, Kodak Belgium; Anthony Coimbra, Kodak Portuguesa; Loris Giorgi, Kodak Italy; Roger Leeks of Kodak Limited, United Kingdom; Gunther Langner, Kodak A.G., Germany; Bernard Blanchard of Kodak-Pathé, France; Jerker Nystrom of Kodak Finland; Geir Rian, Kodak Norge, and Just Nielsen, Kodak Denmark. Along right wall are Tony Frothingham, EK vice-president and director, Support Services, IPD, and Don McGregor, manager, IPD Administrative and Personnel Services. Don coordinated the conference.

## Murphy Keynotes European Management Conference

A new way of setting objectives and of measuring performance has been developed by IPD's European Region under the leadership of its general manager, Norman Brick, EK vice-president.

Neil Murphy, EK group vice-president and IPD general manager, referred to it recently in his keynote speech for a Rochester meeting of the European Region's general managers of marketing companies and customer operations managers of its three manufacturing companies.

Neil stressed to them that in the global business environment of today and tomorrow, goals and objectives must be set in ways that produce optimal results for the whole of the company.

That's why the new way of setting objectives and measuring performance is needed, he explained.

Corporate goals and objectives will be set as a result of both Business and Strategic Planning's having received IPD regional input and analysis, with corresponding regional and country line-of-business goals and objectives established by negotiation.

"From now on," he paraphrased, "the setting of goals and objectives is

going to be the result of negotiations between corporate, regional and country managements, with the overall corporate needs as the driving force." He added that IPD country general managements have a vital role to fill in this process.

Neil also emphasized to the managers the necessity for long-range, accurate estimating of sales demand. When one realizes that lead time on the manufacture of some equipment is more than a year, early, on-target estimates are essential, he pointed out, if the right amount of equipment is to be ready for delivery at the right time.

This meeting of the European Region general managers was timed so that they could attend EK's annual meeting and the presentation to financial analysts by Norman Brick (see Page 1 and this page).

Following Murphy's keynote speech, Colby Chandler, EK president, answered managers' questions on a variety of subjects.

They lunched with Walter Fallon, EK chairman and chief executive officer, and heard talks on present and future issues in the areas of marketing, research, manufacturing, pricing, distribution, legal matters, corporate relations,

corporate communications and corporate commercial affairs by officials responsible for those functions. Time was scheduled after each presentation for questions and answers.

Planning, which was so much emphasized in the keynote speech, was the subject of three presentations. Robert Murray, EK vice-president and director of Corporate Planning, outlined for the group the philosophy of long-range corporate planning.

Herbert Rees, EK vice-president and director of Photographic Strategic Planning, described how his group develops strategy for the various lines of business or major product categories.

Wilbur Prezzano, former director of Business Marketing Planning who has just been named assistant general manager, Marketing Div., U.S. and Canadian Photographic Div., explained how the Business Marketing Planning staff puts together plans for implementing the strategy.

Each of the three stressed the need for input from IPD, as did Douglass Harvey, EK executive vice-president and general manager, U.S. and Canadian Photographic Div., in his meeting with the group.



Pros and cons of a decision concern Just Nielsen, Kurt Bondesson and Bill McCarrick.



When John Berggren, left, assistant manager, Estimating and Planning, Distribution Div., made a presentation to the general managers, he renewed acquaintance with former colleagues, including Kurt Zuber and Bob Pottier. John was general manager of Kodak Finland and then Kodak Norge during the 1960s and early '70s.



Jerker Nystrom and Geir Rian provide a Scandinavian viewpoint.



Gunther Langner, left, converses with Loris Giorgi.

## Fallon Comments on Recent Challenges

"In recent months, the most talked about challenge facing Kodak centered on silver," reported Walter Fallon, chief executive officer and board chairman, to those attending EK's annual meeting. "Yet two factors are worth noting in Kodak's case.

"First, the sharply higher silver costs of the first quarter are now behind us. We believe some degree of stability has returned to the silver market," Fallon said. He added that for the short term, Kodak expects silver prices to fluctuate around recent levels and for the long term they should increase at more or less historic rates.

"Second, there is no shortage of silver," Fallon continued. "We foresee no problems getting all the silver we need." Silver—the substance that gives photographic films the ability to record images—sold for less than \$14 an ounce last week, down from the peak of \$50 an ounce in January but still well beyond the \$6 level of little more than one year ago.

But silver was by no means the only challenge confronted by Kodak in recent months. At the close of 1979, prices of supplies purchased by the firm stood 77 percent higher than they did the year before. Prices of petrochemical feedstocks, in particular, soared.

The company is responding to cost pressures in a number of ways.

The petrochemical feedstock problem will be eased when the coal gasification plant now under construction at the Eastman Chemicals Div. facility in Kingsport comes on line. This plant will convert abundant coal into the needed petrochemical feedstocks, eliminating the need to purchase an additional one million barrels of oil per year.

In the case of silver, efforts aimed at reduction, recovery and replacement were reinforced. A new silver recovery smelter became operational at Kodak Park early this year, bolstering the company's silver recovery program. Recent efforts resulted in a lower silver content for some products, notably a 20 percent reduction in x-ray films, with no loss in image quality. Some new products don't use any silver at all. For example, new instrumentation films and graphic arts plates use photoconductors to record an image.

"The good gains and record totals of 1979 are especially satisfying in the light of troubling business conditions," the CEO said. The year saw the firm's sales top \$8 billion, with net earnings exceeding \$1 billion.

During the first quarter of 1980, sales were up 30 percent to \$2.14 billion and net earnings were up 9 percent to \$215.9 million, with the International Photographic Div. responsible for most of the earnings improvement. The outlook for the balance of the year, Fallon said, will depend largely on the interplay of higher costs and unit volume.

## Strong Performance in Europe Cited, Value of PIP Stressed in Talks

Continued from Page 1

Of Kodak's \$3.5 billion in sales outside the U.S. during 1979, \$2.3 billion came from Europe. Earnings were \$310 million.

"After crediting Europe for these U.S. export earnings, my rule of thumb is that Europe accounts for close to one-third of the total photographic earnings as well as sales," Norman Brick, EK vice-president and general manager, European Region, International Photographic Div., told financial analysts. Kodak has experienced good results in virtually all product areas, including traditional cameras and films, instant products, graphic arts products, motion picture film and medical radiographic products.

He noted that the countries of France, Germany and the United Kingdom account for 55 percent of all Kodak sales in Europe. The market potential is good, because while Europe's population is 59 percent larger than the U.S. population, the current estimated total value of sensitized materials sold in Europe is actually 10 percent less than in the U.S.

The recent upheaval in silver prices forced Kodak to adjust certain European prices to cover added silver costs. Prices for amateur products in Europe overall average somewhat higher than they do in the U.S.

"While the U.S. dollar has been gradually weakening vis-a-vis the European currencies over the past few years, we have tried in most areas to maintain our prices in local currency terms," Brick said. "That has meant our price levels in Europe have generally increased relative to the U.S."

Both Chandler and Brick credited much of Kodak's effectiveness to the product interchange program (PIP). PIP is designed to more effectively balance the utilization of Kodak's worldwide manufacturing facilities. Sensitized products are made wherever it makes the most manufacturing sense to do so and then shipped to where they will be sold.

"Product supply source decisions and capacity planning are conducted in ways that make optimum financial and strategic sense," Chandler said. "By carefully analyzing costs and allocating capacity, we assign products to each plant according to our most effective use of equipment and people. PIP is thereby improving effectiveness in plant after plant around the world."

In essence, this has meant that products with long manufacturing runs are being sensitized in Europe, while short runs for products formerly made there are being combined with runs of similar products in U.S. plants. By operating closer to capacity in the manufacture of products they are best equipped to make, the plants in the U.S. and abroad become more efficient, and they participate just as fully as before in the company's growth.

Brick noted that in Europe, PIP has resulted in lower manufacturing costs, less waste and better utilization of existing equipment. In addition to sensitized materials, Chandler noted that some cameras are being manufactured using the approach. For example, the Kodak Ektra 200 camera introduced recently is only made in Germany, yet it is sold in the U.S. as well as Europe.



## Graphic Growth in Kenya Discussed

Kenfoto Ltd. in Nairobi, Kenya, was one of the stops on Dick Esperon's last trip as general manager, African-Middle Eastern Area. He spent some time discussing opportunities in Kenya's growing graphic arts market with Elly Ajwan'g, left, Kenfoto's sales manager for applied photography, and Francis Munene, right, graphics technical sales representative. On June 1, Dick became general manager of Kodak Mexicana.