

Aweida still 'optimistic' despite layoff

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Camera Staff Writer

More than 1,300 employees in the Boulder area lost jobs Friday as Storage Technology Corp. — the county's largest employer — slashed 16 percent of its staff in an attempt to offset continuing losses.

The terminations amounted to the biggest single-day cutbacks in Boulder County history. Company officials say they have no plans to rehire.

STC executives initially guessed that 750 to 800 jobs would be lost in the county. Figures were revised upward during the week.

"It's not a pleasant thing to see anybody leave the business," said Jesse Aweida, founder and chief executive officer of STC. "There's nothing but long faces on everybody today. The people who left are sad and the people who stayed are sad.

"We're trying to be a strong company that people can believe in," Aweida said, adding that he was "absolutely" optimistic about the future of STC.

"We have to run the business efficiently and economically," he said.

About 1,000 white-collar workers and 300 production workers were terminated at the company's main Louisville plant and at operations in Longmont and Broomfield, said Gordon Swartzfager, vice president of communications at STC.

Swartzfager was circumspect about the prospect of some company officers soon losing jobs.

"I believe this is the last cut that will be aimed at rank and file employees. However, I do anticipate a further streamlining of operations," he said.

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The fired employees — part of an STC workforce in Colorado of about 8,000 — were notified shortly after lunch. The company makes high-volume information storage devices linked to large computers.

Employees knew all week that there would be terminations, but until Friday they remained in suspense about who would go.

Storage Technology announced Monday it would cut its worldwide non-production staff by 10 percent in response to anticipated third-quarter losses of more than \$20 million. Corporation executives apparently decided during the week that some production-line jobs would also be sacrificed.

The most recent losses represent the fifth losing quarter in a row for the 14-year-old company started by Aweida, a former IBM employee. In a twist of fate, it was competition from IBM that analysts blamed for much of Storage Technology's recent woes.

The company's problems began last year when it lagged behind in introducing its 8380 disk drive designed to compete with a similar IBM system. In addition, IBM has aggressively cut prices on its own disk drives, forcing STC to cut prices, and profits, on IBM-compatible components.

In the last quarter of 1983 STC took a loss of \$31.5 million on an aborted attempt to develop its first computer to compete against IBM.

"We hope that with these painful changes that once again our costs will be low enough to compete in what is a very cut-throat business," Swartzfager said Friday. "Our products are good. They are very reliable and we are shipping them in quantity."

The anticipated losses will violate the company's loan agreements with its banks. STC is now negotiating with the 12 banks that hold notes from the firm to avoid being forced into bankruptcy.

Swartzfager said he will not be able to say which local plants were hit the heaviest, or give precise numbers until next week because of transfers of some employees. Vulnerable white-collar areas included departments such as engineering, accounting and personnel.

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