

Independents' Tape Drives Could Be Big Dollar Saver

By E. O. TERRY

NEW YORK. — Plug-in tape units provided by independent peripheral equipment suppliers can save millions of dollars for large computer users.

That was the conclusion of a study by the Diebold Group, Inc., presented Monday through Wednesday at the 21st meeting of the Diebold Research program at the Waldorf-Astoria.

Before such an outside investment becomes feasible, it is necessary for investment in a minimum of 10 tape drives, concluded the study by Robert S. Denzau, Diebold research consultant. Such a minimum quantity was not economically necessary for disk drives, he added.

He cited a \$6 million saving by "the boldest pioneer, a West Coast utility that has purchased 220 tape drives." The report was presented by Ernest von Simson, associate Diebold program director.

Tape and disk storage units were the only plug-ins covered by the report, although conference participants confidently predicted similar savings in the future on such peripheral equipment as cathode-ray tubes, printers, and other terminal devices.

The study on plug-in peripherals covered users of 23 tape drives and 11 disk drives. Savings ranged from about 20 per cent under leases to as much as 60 per cent under purchase arrangements.

Savings for 10 tape drives was estimated as 20 per cent on rental, 10 per cent on quantity discounts and 5 per cent in elimination of overtime payments, largely for maintenance.

Existence of independent peripheral suppliers has been made possible largely by IBM's recent unbundling of its price structure.

IBM already has forced independent peripheral suppliers to cut their prices and profits by offering equivalents of its 2401 Model 6 tape drive at \$175 less a month rental than the Model 6.

The giant computer firm is expected to make a series of further countermoves, Diebold said, such as announcement of new peripheral models and a new computer generation within 18 months.

"The plug-in compatible peripherals introduced within the past 2 years," said Diebold, "have superior design features, such as advanced linear positioning in the disk drives, but so far these improvements in design have not led to perceptible improvements in performance."

The criteria for performance evaluation were equipment reliability and maintenance service for nearly all users.

top levels of the tape-drive performance. Bids were sought for varying quantities of 300 to 500 drives. Potential suppliers were reviewed for quality control, financial stability, and capability to manufacture the drives.

Telex Winner.

Telex won the contract which provided for service at each of the four major and 20 minor

locations; a 30-day acceptance test on each drive (none have been rejected yet, despite provision that any drive down 24 hours can be rejected); no other customer, except the U. S. Government may get equal or better contract terms, and a provision that the contract can be cancelled if Boeing suffers the hardship of losing business so that drives are not required.

Dominated by MAI.

The plug-convertible market is dominated by MAI, which has about 60 per cent of the market, and Telex, which has about 35 per cent. Diebold says, "fewer entrants have made little impact as yet." Mr. Denzau predicted "more than a dozen (suppliers) in a year or two."

Users have experienced no discernible difference in service from their systems manufacturers, the firm said.

In a panel on the economics of plug-ins, Harold L. Pickering, computer facilities manager of the Pan American Petroleum Corp., said a satisfactory maintenance arrangement has been worked out by having the operation manager assign the probable cause of any error to the maintenance man responsible for that field — either the host system or the peripheral. Performance is evaluated by keeping track of the average number of incidents for each drive, he said.

Charles Leonard, manager Sabre system field coordination, American Airline, said the peripheral operation has been able to save money by utilizing third-party maintenance by RCA Computer Services, which services all equipment, regardless of maker.

Free Tests Offered

George J. Fleming, corporate manager, computer planning and resource utilization, Boeing Co., said the aircraft company had arranged a 3-month test — free of charge — before deciding to utilize plug-in tape drives.

"Eight or nine" manufacturers were solicited for bids, after obtaining bids from IBM, the system supplier, for low middle, and

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