



Vid kid Mark Hahn created Videonics' line of products for weekend Fellinis with the urge to add sound effects, titles and seamless editing chops to their camcorder creations.

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color TV or VCR is today. "TV, video and computers are going to merge." D'Addio says.

But that's fast-forwarding ahead a few frames. On this particular mid-November Friday afternoon, workers downstairs busy themselves in a room filled with blue boxes lettered simply with the word "Panasonic." At first glance they could be unpacking components, as Apple does with the Sony-made disk drives it installs in its Macintosh computers. After all, most American-made electronics products contain foreign parts.

But that's not at all what's going on here in Campbell, across the street from Oddzon Products Koosh ball factory. It's a sight so unbelievable that it, well, boggles the mind.

The shipping clerks are slipping pairs of shrink-wrapped Panasonic triple-A batteries into the plastic foam packing inserts, alongside the local firm's video editor, which also carries the Panasonic logo. They then drop neatly

folded booklets of Japanese instructions into the boxes, close the sides and stack the cartons on pallets. In about an hour, a truck will arrive to deliver the very first shipment of the American-designed and manufactured product to a boat that will transport the cargo to eager camcorder jockeys on the far side of the Pacific.

**D**RESSED NEATLY in a gold-buttoned blue blazer, slacks and a crisp white shirt, D'Addio has his collar bolted firmly in place with a gold stickpin, evincing an attention to detail that has served him well. "Every TV will be a computer," he says. "There's a guy at M.I.T. who predicts that in three years there will not be any more TVs; it will all be digital video chips. We're going to capitalize on the merger of TV, computers and video.

"I'd like to build a bigger company than Corvus," he says, referring to the San Jose-based networking and memory storage firm he cofounded in 1979. At one point

in the 1980s, D'Addio owned 1 million shares of Corvus, a company whose stock traded as high as \$23 per share. That is, before what D'Addio describes as a "spat" with his board propelled him to leave the company, which went broke.

Prior to his departure, San Jose-based Corvus Systems was among the fastest-growing companies in high-tech history. It developed the first external Winchester hard disk drive for personal computers, virtually dominating the external storage market for Apple and IBM machines during the infancy of the personal computing revolution. The company's early sales doubled each year, and there seemed to be no limits.

D'Addio, a former marketing executive then in his late 30s, was swept up in the intoxicating ozone of the early go-go '80s—Italian suits, diamond tie pins, red Ferraris, the works. As annual sales pushed toward the \$50 million mark, Corvus moved into a plush facility built on a Cambrian golf course, complete with sports facili-

ties, indoor gardens and a cafeteria that resembled the restaurant of a four-star hotel. A red double-decker bus, used for employee functions, was parked outside the headquarters on, uh, Corvus Drive. D'Addio, Hahn and a third business partner, Carl Berg, bought a professional soccer team, the ill-fated San Jose Earthquakes, and together lost "more than a million dollars," D'Addio says.

As competitors' smaller internal hard disk drives overtook the bulky ones that were Corvus' bread and butter, the company planted itself in the computer networking niche, which soon became crowded with competitors like Novell. An attempt to market an advanced PC turned out to be stillborn, and the company's fortunes waned as the market shifted. His departure from the troubled firm was a painful lesson, but instructive for D'Addio nonetheless. "You learn more from your failures than your successes," he says.

More relaxed and informal these days, D'Addio explains that he

founded his new venture, Videonics Inc., in 1986, "after I decided I wasn't going to get any better at golf." Hahn, meanwhile, had taken up a hobby since leaving Corvus: creating his own home-video accessories. The pair figured that some of those devices might find a market outside the Hahn home. They started their new company to prepare those clever gimmicks for mass manufacture.

Within one year, founders D'Addio and Hahn introduced their first product, a video-editing system designed for weekend Fellinis.

"The need for video editing equipment is obvious," D'Addio says. "You shoot a two-hour video of your kid's birthday party and then your friends all fall asleep watching it. Now," he says with the understated timing of a seasoned pitchman who has used the line before, "you can take a boring two-hour home video and you can turn it into a boring five-minute home video."

The Videonics product, "the world's only complete home video