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MAKING OUR POINT ON EDI

For the third consecutive year, GE Information Services exhibited its wares at the National Data Systems Forum and Exhibit, sponsored by the Transportation Data Coordinating Committee (TDCC). This year, the company mounted a full-scale effort to establish itself as one of the top two—if not the top electronic data interchange (EDI) third-party service vendors and to differentiate its services on the basis of functional, industry, and product scope. GE Information Services' prominent and eye-catching booth featured PC-based demonstrations of TRADE*EXPRESS[™] and EDI*EXPRESS[™].

GE and GE Information Services speakers also enhanced corporate visibility. Edward J. Skiko, Vice President, Corporate Information Systems, delivered the keynote speech, "The Phenomenon of Electronic Data Interchange." Robert G. House, manager, Market Planning, co-chaired the clinic on "EDI Third Party Service Providers."

GE Information Services also sponsored a reception that brought many of the more than 1,200 managers—representing industries such as manufacturing, automobiles, chemicals, retail, shipping, electronics, and transportation—to the booth.

Over the course of the conference, GE Information Services employees made "over 300 very productive contacts," according to Al Boynton, manager, EDI distribution and pilot programs. The booth logged in over 100 formal requests for information and follow-on contacts.

The Growing EDI Market

Industry sources document that total EDI market revenues currently are running at \$20 million per year. Building on the adoption of industry and crossindustry standards that provide a common basis for intercompany communication in fields such as transportation, manufacturing, distribution, international trade, and medical claims, the EDI market is expected to grow to \$1 billion by the early 1990s. Dave Foster, vice president and general manager, Focused Business Operation, observed that "this is a demand-pull market, which we haven't seen for a long time." In a separate interview with *MIS WEEK*, he discussed the origins and prospects for the EDI market. "This didn't come from hightech people. This comes out of America's smokestack industries. A lot of the time we see technological solutions that have no problems. Here, we started with a problem that needed a solution. The problem was how to make purchasing and billing faster, more reliable, and more economical Most major corporations will be picking their EDI vendor within the next 12 months."

Typically, standard business documents—purchase orders, invoices, bills of lading, and the like—have been printed out of one company's computer system, mailed to another company, and entered again into the computer system of a vendor or customer.

With EDI, the entire process is electronic, computer-to-computer document transfers are almost instantaneous, and one entire keying step is eliminated. Participating companies benefit from more accurate and easily verifiable records, savings in time and money, opportunities to decrease inventories and the working capital necessary to maintain them, and concomitant improvements in customer service and productivity. EDI essentially uses the exact same forms, transactions, approvals, and authorizations as current operations: they're simply no longer transmitted on paper.

In short, as one GE Information Services document notes, "you can get better service from your suppliers, give better service to your customers, become more competitive, and save real money." According to one projection, the American automobile industry alone would save roughly \$2 billion per year simply by removing the error and delay sources currently inherent in their systems.

EDI applications are essentially of three types: one-to-many transmissions, clearinghouse functions (an offshoot of one-to-many transmissions), and incremental paper trail operations (each successive user adds input). EDI appears to be most useful in overcoming barriers of time, distance, or differing document formats. *MIS WEEK* noted that EDI "is most applicable in industries where buying, selling, and distributing transactions are frequent and repetitive and where business relationships are continuing . . . it's volume and economy of scale that make thirdparty EDI attractive."

EDI gained a foothold first in the transportation industry and has expanded into manufacturing, groceries, warehousing, brokerages, government operations, and, recently, automobile manufacturing.

The highly competitive and increasingly interna-



Joe Webster makes his point during demonstration at TDCC Forum and Exhibit.

tional economy confronting many industries has prompted new business strategies that frequently rely on the fast and accurate transmission of business documents to regular trading partners. The "Just in Time" (JIT) technique is one such strategy. JIT relies on ordering small batches of supplies that are delivered more or less to the production line as needed.

Consequently, manufacturers employing JIT techniques can reduce inventories and associated financial and operational overhead while at the same time offering improved customer responsiveness and enhanced production flexibility. Concomitantly, suppliers can carry smaller stocks of parts and often can negotiate accelerated payment schedules with their customers. Because JIT requires closer and more accurate relationships among firms and suppliers, JIT is playing a significant role in the expansion of EDI in the U.S.

EDI At GE Information Services

Al Boynton offered perhaps the most concise assessment of the EDI market: "EDI is the single biggest opportunity to face GE Information Services in 20 years."

Moreover, despite a relatively recent entry into the EDI market, GE Information Services is already a leader in the field. Dave Foster noted that "we've come from behind to become one of the top third party providers of EDI services. We're winning roughly 70 percent of the deals we go after in the areas on which we're focusing." Bob House suggested that "we're in front of all our competitors, and we have the opportunity to widen the gap."

Bob Foley, manager, international trade, has the same message on international EDI services. "We're positioning ourselves to be the leader in international trade EDI services. We're the only major vendor focusing on international trade.... The transition to automated systems will occur over the next five to seven years.... Being number one is clearly available to us."

The company's drive into the EDI market is one aspect of the broader intercompany strategy based on industry-specific marketing. Market foci include international trade (particularly banking and ocean shipping), health care, financial transactions, and manufacturing and distribution—the latter includes automotive and heavy equipment manufacturing, automotive distribution, chemicals, electronics, retail soft (non-durable) goods, and office products. Primary competitors for the EDI market in these fields include McDonnell Douglas (perhaps the top competitor), Control Data Corporation, AT&T, IBM, Informatics General, and SCM Corporation. Our competitive position is enhanced, as Bob House noted, by 'our unique network translator, which none of our competitors have. We'll be releasing our mainframe translator for the PC shortly.'' These translation capabilities address the needs of trading partners in an EDI network to exchange forms and information without directly dealing with the compatibility of the wide variety of equipment in use among the trading partners.

The EDI market is tailor-made for third-party service companies like GE Information Services. As Dave Foster explained, "This market wants to buy from third parties because of the inherently intercompany operations in these fields." Even modest EDI systems can require a dense network of communication connections, and GE Information Services can offer expert assistance and technical capabilities to help overcome difficulties such as differing geographical locations, time zones, hardware, software, data formats, and/or data processing schedules.

GE Information Services EDI Products

The EDI*EXPRESS System demonstrated at the TDCC Forum and Exhibit has been available since last October. EDI*EXPRESS supplies essentially a clearinghouse capability that functions at the heart of most EDI applications. EDI*EXPRESS is designed for the electronic exchange (in a secure environ-



Edward J. Skiko contemplates the GE booth and product demonstrations, flanked on his left by Al Boynton and on his right by (left to right) Rick Van Atta, Jim McNerney, and Dave Foster.

ment) of business documents among trading partners through host computers or personal computers. Such business documents can be automatically translated to an industry-standard format, stored for retrieval, and/or dispersed to multiple recipients. EDI*EXPRESS can be adapted to almost any operating environment.

The TRADE*EXPRESS System, which should be commercially available in the U.S. in February, was pre-announced at the TDCC Forum and Exhibit. International rollout will be scheduled for a later date. In addition, GE exhibited the SPEX software for the first time-an export document generator that addresses the crucial task of capturing data in the first place. TRADE*EXPRESS serves the international trade community, offering a specialized PC workstation, trade document control, and tracking capabilities useful to trading clusters. "TRADE*EXPRESS is used now on a limited basis by a limited number of clients," observed Bob Foley. For example, since last September, GE Information Services has worked with the First National Bank of Chicago on a pilot project that seeks to accelerate trade payments for exporters, a function that other banks also may find desirable.

TRADE*EXPRESS builds on GE Information Services' expertise in ocean shipping operations, which recently won the company a multimilliondollar communications and computing contract with a four-company Norwegian shipping consortium, Global Equipment Management Ltd. (GEM). Transtema AB (a joint venture between the two Swedish partners in GEM) and GE Information Services will jointly develop the software. GEM will use GE Information Services' worldwide communications network to rapidly transfer information between the hundreds of international locations likely to be linked into the GEM container management system, which oversees a fleet of approximately 200,000 units. Ray Miles, the managing director of GEM, noted that "the GE Information Services communication network, with its high level of service, will form the very core of our business."

GE also has two other EDI products—The EMC*EXPRESS[™] System delivers electronic medical insurance claims and The EDI*PC[™] System which allows microcomputer users to prepare business documents and transmit them to and from EDI*EXPRESS, should be commercially available during the first quarter of 1986.



Edward J. Skiko impresses his audience with the potential of EDI.

SKIKO DELIVERS PROFOUND KEYNOTE ADDRESS AT TDCC FORUM

Edward J. Skiko, GE Vice President, Corporate Information Systems, delivered the TDCC Forum keynote address, which analyzed the potential of the EDI market and reported on GE's experience in the field. The presentation was very well received: Edward Guilbert, the Executive Director of TDCC, informed the audience after the speech that he thought it was "the most profound dissertation on EDI that I've ever heard."

Skiko prefaced his remarks by noting that "... American manufacturing is going through some very tough times indeed. In the 20 years between 1948 and 1968, manufacturing held steady as a share of GNP, at about 28 percent. During the last ten years, it dropped four points to 24 percent. And now over the last seven years, it has continued to decline, to the point of only 20 percent today. "This year alone, the manufacturing sector has given up 337,000 jobs, while two and one-half million jobs have been added in non-manufacturing businesses. We in GE view manufacturing as crucial to our nation's economy. We must find a way to reverse this trend away from manufacturing within our country. . . [EDI] can help address productivity through closer linkages with our suppliers, and it can address customer service through better communications with our customers. The linkage with suppliers can facilitate the movement to Just-in-Time manufacturing. And the linkage with customers can provide a competitive advantage by helping us to serve them in a more timely and accurate manner."

Skiko detailed the parameters and results of a study that GE undertook of GE businesses, peer group businesses, and small partner businesses. The study evaluated how extensively EDI currently is used, likely benefits, implementation strategies, and the role of corporate information systems in EDI operations.

Skiko reported the results of the study, noting potential benefits and their appeal. "Our conclusion

"I see two strategic challenges facing General Electric Company and all of American industry today—customer service and productivity. As a company we are focusing on the critical need for quality customer service. We are also investing heavily to reduce our costs and improve our productivity. We believe that EDI can and will play a significant role in meeting both of these critical challenges."

is simple and straightforward, and we reached that conclusion with conviction. There are many benefits associated with implementing EDI across the broad range of our businesses. The benefits are real,

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they are potentially very sizable, and many of the benefits are clearly tangible, they are clearly measurable. They include:

- Reduced order cycle time,
- Reduced paper work,
- Fewer errors in order processing,
- Reduced inventory levels,
- More selling time for sales people, and
- Greater sales volume from our customers.

"... the most effective way to build an EDI system is to build a partnership ... among the organization, the relevant trade associations, and one or more third party providers, drawing on the unique expertise of all. ... We are confident that [our] initiatives will allow us to be a leader in the use of EDI as a standard and accepted way of doing business within and between companies."

"In addition, there are significant 'soft' but equally important benefits, including:

- Improved customer service as perceived by your customer,
- More information about order status and product availability, and
- Overall better relationships with suppliers.

"The companies that we studied are truly excited about EDI. They are receiving the same kinds of benefits that we are and are interested in expanding their usage, again just as we are. The benefits seem to accrue to both trading partners, not just one or the other. The fact that users in a wide variety of businesses, participating on a limited scale, have already identified significant benefits bodes well for the promise that EDI holds for the future. The fact that those benefits appear to me mutual should ensure widespread adoption. . . It is possible to start with a prototype or pilot and to get real measurable benefits even at this level. But to receive the *full* benefits that ought to accrue, large numbers of trading partners must be brought up. Industry associations and third party vendors—such as GE Information Services—can and will play a vital role in facilitating this activity."

Skiko also reviewed other study conclusions and insights. "The most successful implementors tended to have a key 'champion'—someone who assumed a leadership role for getting the system accepted and making the system work. . . Many organizations are participating on a limited basis rather than as a part of a company, total effort. . . But by adopting a proactive, strategic focus and expanding their use of EDI, most companies expressed the belief, and in fact the expectation, of increasing the benefits substantially. "What key issues should be included in the strategy for progress with EDI? . . . First, plan to integrate EDI with the totality of your internal systems. . . . Second, we must attempt to identify all the functional areas in the organization that could benefit from EDI. . . . Third, identify the number of trading partners to be brought up using EDI and make appropriate plans for handling this ramp. . . . The need for a well thought out, well orchestrated plan for trading partners rollout is crucial."

Skiko also noted the increasing use of EDI in GE businesses themselves. "About one-third of the GE businesses we surveyed are already actively using EDI or are involved in a real, committed planning process. These businesses include lighting, major appliances, motors, aircraft engines, and aerospace, just to name a few of the more noted, more well known businesses. An example, the lighting group has a key application up with 30 partners, and its



Bob Hadeler explains GE Information Services EDI products to several of the many visitors to the GE booth.



Bill Danner sells one of the booth's many visitors on EDI products.

customers believe that it gets them substantially easier access to our product line—which means it is easier to do business with GE. And GE gets more business from those customers.

"One GE component, for example, is now using EDI to communicate drawings to its foundry and forging vendors. The result is the same kind of reduction in the design cycle that other EDI users see in the order cycle."

In short, Skiko concluded, "As a result of our study, we have concluded that General Electric *must* be a proactive proponent of EDI, because we believe intercompany EDI systems can help achieve our corporate objectives of improved customer service and better productivity."

Pursuant to that belief, Skiko reported, "We

have started a customer task force that, among other things, is looking at the state of internal marketing/sales systems within the General Electric Company. The task force will be a mechanism for getting our internal systems in order and then getting EDI technology implemented with our customers in each of the relevant businesses.

A broad effort is underway within the company in our Corporate Sourcing Operation to encourage the implementation of EDI with suppliers in each of our businesses, as part of a broader initiative to improve purchasing productivity. We are confident that these initiatives will allow us to be a leader in the use of EDI as a standard and accepted way of doing business within and between companies."

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GE EXHIBIT A SUCCESS

GE has progressively increased its visibility at the annual TDCC Forums because of the wide range of potential customers who attend this conference.

TDCC developed the first transportation standard (implemented in the late 1970s by the railroad, shipping, and trucking industries), subsequently developed standards for the grocery industry and for warehouse information networks, and coordinates closely with ANSI on other industrial standards. Moreover, TDCC has been at the forefront of the move to EDI.

Customers who would buy services from GE, as Dave Foster observed, "were definitely well represented—largely procurement, materials, and distribution managers, with some MIS managers. They were in a buying mood, and we negotiated several contracts at the show." Potential customers reacted well to the GE booth and demonstrations; Dave concluded that "there was no question that our demonstrations and booth attracted much more attention than any other." Robert Foley agreed that "of all the companies at the show, GE was preeminent in terms of interest and volume of people at the booth."

A large number of GE Information Services employees can claim credit for the booth and demonstrations—and their success—at the TDCC Forum and Exhibit.

The engineering groups that worked on the products in Nashville under the direction of Robert Rittenberry, manager of data systems applications, of course deserve primary recognition, as do the Rockville Engineering people who have participated.

Joe Webster, senior project manager, and Cher Witt, project manager, spent many weekends and evenings designing the demonstrations.



Christine Taylor (L) and Rochelle Cohen (R) practice their demonstration pitch one more time.

Several GE Information Services employees coordinated the various aspects of the booth, demonstrations, and GE presence at the Forum and Exhibit, most notably Ann Harrison (advertising and sales promotion) and Joyce Alexander (senior specialist, EDI commercialization).

Many employees from Focused Business Operation staffed the booth and conducted product demonstrations, providing the backbone of GE Information Services' success at the TDCC Forum and Exhibit. Credit goes to employees such as: Al Boynton, Bob Foley, Bob Esposito, Fred Wood, Rochelle Cohen, Mike Katzaman, Andi Hoover, Cathy Wall, Bill Cafiero, Bob Wadeler, Chris Taylor, Denny Senko, John Thompson, Ken DeJarnette, Bob Garbowitz, Bob Lyttle, Wayne Berg, Bob Cangeme, Bob Payne, Nadine Rosenbaum, Eileen Hargdine, Paul Williams, Conrad Persels, Don Greenwood, Gail Graziano, and Ed Bartee.

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IMPORTANT CHANGES IN BENEFITS NOW IN EFFECT

As you fondly recall the last of the turkey leftovers, the last blitz of bowl games, take a moment to add "New Benefits" to your 1986 reading list. Effective January 1, 1986, a number of new or modified benefits—benefit enhancements—took effect for all GE Information Services Company employees. Pay particular attention to the mandatory Hospital Review procedures, the mandatory Second Surgical Opinion process, the new orthodontia coverage for children, and the new vision care package. Other prominent changes are summarized in Table 1.

Soon you should be receiving several communications about the new benefit enhancements. File these materials for easy access; they should serve you well as a first line of reference should you need to use any of the new benefits or when you are making financial or retirement plans. The following three documents should prove particularly useful:

- The GE Employee Benefits Summary Plan Description, which describes each benefit plan in effect from mid-1985 to mid-1988, how each plan operates, and who is eligible for each plan's benefits. This document includes many examples and illustrations to facilitate understanding.
- The GE Employee Benefits Plan Document, which contains all specific legal details of each benefit plan. This document will be most useful when you plan to employ one or more specific benefit enhancements.
- The Hospital Review and Second Surgical Opinion Information Kit, which summarizes essential elements of the Hospital Review and Second Surgical Opinion provisions. This kit includes a sample of the new claim form and supplies a toll-free 800 number you can use to get answers to specific questions not addressed by your reference materials.

You also should have your new insurance identification cards (unless you are covered by an HMO rather than the Comprehensive Medical Expenses Insurance coverage). The insurance card should be used whenever you go to the hospital or consider surgery (on a non-emergency basis). Note that these new cards list both the toll-free 800 information number and the 17 non-emergency surgical procedures subject to the Second Surgical Opinion provisions.

Hospital Review

The Hospital Review (HR) program is designed to help you and your doctor select the most effective health care measures. The specific objectives of HR are:

- To protect the employee against unnecessary and potentially dangerous hospitalization (e.g., the number of patients who contract infections while in the hospital for treatment of other conditions is estimated by some to be around 30 percent of all patients admitted), and
- To identify less costly but equally high-quality outpatient procedures (e.g., treatment that could take place at an ambulatory surgical facility, a regular medical office, or your home).

The HR program includes three basic components: hospital admission precertification, concurrent length of stay review, and discharge planning.

The hospital precertification provision reviews the necessity of non-emergency hospital admissions. Under this provision, your doctor must either submit a form two weeks before your admission or, if there is not time, use the toll-free 800 number. The Hospital Review Nurse at the insurance company will approve full plan benefits or refer questions about your admission to the Hospital Review Doctor, who will call your doctor if necessary to discuss your case in more detail. The Hospital Review Doctor will either certify your admission or disagree with your doctor; in the latter case, you can ask a second Hospital Review Doctor to assess your case. If both review physicians disagree with your doctor, the hospital admission will not be certified. However, you can request an appeal if your doctor still believes that the hospitalization is necessary. Once the hospital admission is precertified, you, your doctor, and the hospital will be notified by mail or phone.

Under the concurrent length of stay provision, the Hospital Review Nurse will contact your doctor to confirm your planned discharge date and will monitor your stay to ensure that continued hospitalization is appropriate, which will help you get home as soon as possible. Any extension of the discharge date must be approved through a process similar to that used to approve the initial admission.

The discharge planning provision ensures that any necessary continued care will be carefully planned and provided in the most appropriate setting for your case, whether that is the hospital, outpatient care, or some other alternative. The Hospital Review Nurse, your doctor, and the hospital will work together to make discharge plans, which your doctor will then discuss with you. Note that failure to obtain precertified admission approval will reduce your full plan benefits by 50 percent—a "hefty incentive," as Dick LeFebvre, manager of human resource practices, noted. In addition, if a hospital-stay extension is not approved and you remain hospitalized beyond the discharge date, hospital benefits for the period beyond the approved date will be reduced by 50 percent.

These provisions do not apply to emergency hospital admissions, but in such a case you (or your doctor or a friend) should notify the insurance company via the toll-free 800 number within 24 hours. The concurrent length of stay and discharge planning procedures are then triggered. In an emergency, Dick LeFebvre advises that the hospital "will take your insurance identification card and bill the patient, who then must send the claim to the insurance company. The insurance company will pay the hospital, and the employee will be billed only for the residual amount. Thus, in an emergency, the employee will not be required to pay any money up front, and neither will the employee's dependents-for example, children away at college-who require emergency hospitalization."

Second Surgical Opinion

The Second Surgical Opinion (SSO) program is designed to:

- Ensure that potential alternatives to surgery are considered, so that you can make a fully informed decision,
- Help you and your doctor to select the most effective health care measures, and
- Help you overcome any reluctance about seeking a second opinion, which will reassure you that surgery is indeed necessary.

When your doctor suggests certain types of nonemergency surgery, use the toll-free 800 number to call the Surgical Review Nurse, who will mail the new claim form and the names of three internists and/or surgeons who are Board-certified as qualified to render a second opinion in your case. (You can consult a Board-certified internist or surgeon of your own choice.) The cost of the second surgical opinion is 100 percent reimbursible.

After you have received the second opinion, *you* are responsible for deciding whether to have the surgery and who should perform it. If you choose surgery, you must notify the Surgical Review Nurse, who will confirm and record the decision and notify the Hospital Review Office. "As long as you have ad-



Dick LeFebvre "The new Hospital Review and Second Surgical procedures represent an enhancement for employees and an improvement for benefits administration. The primary purpose is to educate the employee so that he or she is more informed about necessary hospitalization or surgery and any potential alternatives."

hered to the procedures, you will be eligible for the surgical coverage outlined in your benefit plan document," Dick LeFebvre emphasizes. If the surgery requires hospitalization, the Hospital Review procedures will apply.

If the second surgical opinion differs from your doctor's recommendation, you can arrange a third opinion in the same manner as you arranged the first. The cost of the third opinion also will be covered in full. Once again, the decision to have or reject the surgical option will be yours.

The SSO provisions *do not* apply to emergency surgery, i.e., when your condition is sufficiently serious to require immediate surgical care, regardless of the time of day, and such surgical care is given while acute symptoms are present.

For the past several years, the cost of voluntary second surgical opinions has been reimbursed. Under the new provision, such second opinions are mandatory. If you do not obtain a second opinion for one of the designated categories of non-emergency surgery, your approved benefits for the hospitalization and surgery will be reduced by 50 percent.

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Both the Hospital Review and Second Surgical Opinion provisions should provide better care for GE Information Services employees while at the same time easing the administrative burden for the company, health care providers, and the insurance company. The procedures outlined above are already in prevalent practice by many companies and health care providers.

Vision Care

"Many employees have requested that we consider enhancing our insurance coverage by including some form of vision care. This provision is a response to those requests," explains Dick LeFebvre. The new vision care provision covers eye examinations, fitting of glasses, lenses, and frames. Vision care benefits have no deductibles up to the limits cited in Table 1. The schedule of benefits is over a 24-month period, which should accommodate regularly scheduled eye care.

Orthodontia

This new provision offers coverage only for dependent children under the age of 19. The maximum lifetime benefit for each eligible child is \$1,000.

Other New Provisions

Table 1 briefly summarizes all new benefit coverage enhancements effective January 1, 1986. Notice that dependent contributions and deductibles have both been raised this year. Dependent coverage has gone from \$100 to \$200, and the deductible has been increased from \$50 to \$100 per year. Dick LeFebvre also noted that employees may be particularly interested in the generic drug and birthing center provisions.

The generic drug provision can decrease your drug bill by prescribing the identical, chemically equivalent drug rather than a brand-name drug. Under this provision, the deductible for prescription drugs is waived if your physician specifies that the druggist use a generic substitute if one is available.

The birthing center provision covers 100 percent of reasonable and customary facility charges for the use of approved birthing centers to deliver a baby. Doctor and obstetrician fees will be covered under existing insurance plan provisions.

GE Information Services employees will benefit from the numerous benefit enhancements coming on

line this January. You should familiarize yourself with the new benefit enhancements, particularly the Hospital Review and Second Surgical Opinion provisions.

Table 1. Benefits Enhancements

Effective 1/1/86

Pension Plan

Deduction Limit to \$14,000 from \$12,000 Special \$200 Pension Supplement Higher Career Average Pensions **Insurance** Plan Vision Care Coverage (24 months/no deductible) Up To: \$25 examinations \$25 single vision lens \$40 bifocals \$55 trifocals \$80 lenticular lens \$75 contact lens \$30 frames Generic Drugs-Deductibles Waived Birth Centers-100% Coverage Hospital Review Program Mandatory Second Surgical Opinions Alcoholic/Drug Detoxification (1 per year, 3 per person) Maximum Weekly S&A Up to \$250 **Cost Sharing Provisions** \$200 fee for dependents \$100/\$250 deductibles Voluntary Use of Preferred Providers Designation of Coverage in Dual Coverage Discontinuation of Medicare Part B Premiums for Workers Over 65 Dental Plan Improved Schedule of Benefits Orthodontia (dependents only) Two-Year Coverage \$1,500 Maximum for Restorative and Prosthodontics Procedures Savings and Security Program Deferred Pay Includes U.S. Savings Bonds Money Market Fund in Retirement Option Account Earlier Crediting of Vacation Banking **Employee Stock Ownership Plan** 0.5% of Annual Earnings **Earlier** Crediting **Medical Care Plan for Pensioners Higher Benefits During Hospitalization** Higher Extended-Care Facility Benefits New Coverage for Ambulatory Surgical Facilities Pensioners Hospital Indemnity Plan Higher Benefits for Confinements in Extended-Care Facility New Coverage for Ambulatory Surgical Facilities **New Medicare Supplement Opportunity**

COMPENSATION POLICY AN INTERVIEW WITH WILEY HARRIS

We all work for a variety of reasons, but the most fundamental of all is salary. As part of SPECTRUM's ongoing effort to update employees on important issues, the following interview was conducted with Wiley Harris, manager, human resources programs and practices, Employee Relations Operation.

GE Information Services Company Compensation Policy

Q: What are the broad objectives of GE Information Services' compensation policy?

A: The aim of our compensation policy is to treat all employees equitably, to compensate employees for the value of their performance, to maintain a competitive position in the marketplace, and to attract high-caliber employees. There is a fine line here—if you don't pay enough, you can't attract the people you need. If you pay too much, the company may have to increase prices uncompetitively or suffer a reduction in profits.

Q: The trend in many industries is toward a "pay for performance" philosophy. What is the company's policy on pay for performance?

A: All companies purport to adhere to a pay for performance philosophy, and this has been the foundation of GE Information Services' compensation system for decades. Our pay for performance policy is linked to our performance appraisal and salary planning programs. We do not give cost-ofliving or general salary increases.

Establishment of Compensation Structure and Guidelines

Q: Recently GE changed the corporate approach to determining compensation guidelines. Would you describe the change and its roots?

A: GE corporate headquarters once controlled the determination of compensation guidelines. Historically, GE had one salary structure for all exempt employees, one approach across all U.S. divisions. Now there is no mandatory corporate umbrella policy.

Over the years, some of GE's businesses—for example, GE Information Services—have found that the corporate-wide policy does not work as well for them as it was intended. Our businesses and competitors are not the same as those of the locomotive or lighting businesses, for example. Therefore, GE decided that it made sense to allow discrete business entities the latitude to move away from the corporate



Wiley Harris

compensation guidelines and establish guidelines more tied to their competitors' compensation approaches.

Previously, salary ranges were assessed each year, and corporate would dictate our compensation structure. Now, we can make that decision within GE Information Services. Of course, we will not altogether ignore corporate input and priorities, but we do have decisionmaking authority.

Q: How will this approach in determining compensation guidelines affect GE Information Services employees' compensation?

A: There will be very little impact on the average employee, because our compensation system hasn't changed *per se*. For example, this year, in light of our market study, GE Information Services elected not to change our current salary structure for 1986. Incidentally, many other GE component businesses chose the same approach.

Q: Let's talk a bit about the actual process of set-

ting GE Information Services' guidelines for salary treatment. How do you assess your competitors' compensation levels?

A: We participate in blind surveys with our prominent competitors—e.g., McAuto, EDS, AT&T, IBM. Perhaps most importantly, we contract with third parties for specialized, customized surveys of our market and competitors. We also make use of approximately seven to ten commercially available surveys each year, and occasionally we participate in a specialized survey commissioned by another company. We then analyze our survey data, review the collateral survey data, and overlay our own business situation.

Q: Would you briefly describe the customized survey?

A: This year we commissioned Hewitt Associates, a third-party consultant, to conduct a confidential or blind survey. The consultant's role is to design the survey, to ensure that our specific questions are answered, to collect and format the data, and to report the summary data back to us and to the participating companies.

After working closely with managers, we supplied a list of relevant companies in our major businesses and identified approximately 40 key jobs across GE Information Services. Thirteen directly competitive companies were visited by GE Information Services employee relations representatives and by Hewitt Associates on a confidential basis, and comparable key jobs were evaluated. Other competitors submitted detailed written data. This year's survey took over six months to complete and is the most accurate survey we have conducted, because our level of confidence in the job matches—which we based on face-to-face discussions with our own managers and with managers in competitive companies—is quite high.

Q: How often do you review your compensation guidelines and conduct customized surveys?

A: There is no set time to change or not to change the structure. In one sense, we're constantly reviewing our structure, guidelines and data, looking for significant changes in the market. We usually review the structure, guidelines, and data more formally once or twice per year. Also, we conduct customized surveys once every year or two.

Q: How does GE Information Services' compensation structure stack up against those of its competitors? A: We have a good balance this year. Overall, we've maintained a competitive position in the market. We've developed a 1986 plan that management is confident will allow us to maintain our competitive position and to treat our employees equitably, based on their individual performance.

In addition, employees should note that benefits often aren't included in compensation comparisons, and GE Information Services' benefit package is quite good. Benefits in network-based components represent on average 30 percent of base compensation.

Q: Will individual GE Information Services components have input into the determination of GE Information Services compensation guidelines?

A: When we examine the different business segments of our survey, if salary information varies substantially for one component, we can adapt the overall guidelines for that component. For 1986, a few variations among components have been planned as appropriate to address the different functional markets in which we compete.

In addition, each GE Information Services component develops a salary plan, which is detailed down to the individual level. These plans are reviewed by several levels of management and implemented by the individual components. These plans can be modified upon agreement of the relevant manager, immediate manager, and employee relations manager.

Q: How will this delegation of authority affect the compensation of employees who transfer among GE components?

A: It is clear that one reason for GE's nationwide structure has been the ease of employee transfer among components. However, if we're making the right decisions as individual businesses, the impact of a job move on compensation will be the same as that for an individual changing career paths and shouldn't have a negative impact. Even within GE Information Services, GECON and SI have different salary structures.

Determination of Compensation Levels

Q: Would you explain the system of levels and ranges that determines the upper and lower boundaries of compensation that a given employee can earn?

Continued on next page

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A: Although pay for performance is the foundation of our compensation system, we have to put jobs into a framework, because not all jobs are of equal value or require equal levels of skill or experience.

GE Information Services has established a series of job levels based on factors such as authority, responsibility, and degree of difficulty. Jobs are ranked internally; rankings B through 4 are non-exempt, and rankings 5 and above are exempt. Associated with each job level is a range of salaries within which the company will pay incumbents in that job. The ranges will shift over time as they are affected by factors such as market demand and industry salary levels. Where an employee's salary falls within the range depends on factors such as performance, amount of time in the job, and external market factors.

Q: If an employee is promoted from one job level to another, will his or her salary automatically increase?

A: Not necessarily. In the majority of cases, if an employee is promoted, he or she will ordinarily receive a salary within the first year that at least matches the position rate for that job level.

If an employee jumps more than one job level in a promotion, we may not feel that the employee can do the entire job immediately. In such a case, the employee might receive less than the position rate for the new job. In addition, we would look at factors such as level of responsibility, skills, and timing of last raise.

Q: Have there been any significant changes in position rates recently?

A: Yes, there are two changes in the nonexempt salary structure that employees will notice. First, we have replaced the term "position rate" with the term "starting rate." Second, the position or starting rate for these job levels was somewhat high based on our survey data, and we determined that we could find qualified people at lower starting rates. Therefore, we decreased the starting rates for nonexempt jobs in response to our position in the marketplace. Of course, not every new hire would receive the new lower starting rate; salaries would depend on the new employee's experience and other factors. Our intention is to respond to the market and not overpay new employees. The implementation of this policy should have minimal if any effect on current employees.

Q: When and how is a raise granted?

A: At the manager-employee level, the individual compensation decisions are flexible to accommodate the demands of our business environment. An employee's manager must initiate a salary change. There is no fixed schedule for such action.

Each manager looks at overall compensation guidelines to get a sense of the company's status and direction. Then the manager tailors them to an individual employee, referencing factors such as the employee's performance, the employee's relative contribution to the work group, and the employee's location in the job level's salary range. A salary plan is then developed as a forecast of the following year's salary. When the planned date for salary action approaches, the manager reviews the plan and makes any adjustments, if appropriate, based on the employee's performance.

The manager then must complete a status change document, advising the Employee Relations manager of the proposed salary change.

Q: How is the size of a raise determined? Who makes that decision?

A: The goal is to find a raise that is fair, equitable, and right for the individual employee based on the most recent evaluation of performance over time. Because GE Information Services has over 5,000 employees, the review of fairness must consider all of our employees and changes in the labor market. The immediate manager makes the initial decision on the size of the raise, which also must be approved by the relevant manager in the management chain and by the Employee Relations manager.

Q: How does inflation affect the size of a raise?

A: Inflation is not a consideration in determining an individual's salary action. Inflation remains a factor in setting structure and guidelines. We clearly must look at inflation, but the biggest factors are the impact of supply and demand and the GE Information Services philosophy of pay for performance. We should keep in mind that in periods of low inflation, a smaller salary increase has the same added buying power as a higher increase had in times of high inflation.

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THE NEW MANAGER, COMPENSATION PROGRAMS DISCUSSES COMPENSATION POLICY

Randolph W. Keuch, the new manager—compensation programs, joined GE Information Services in November. "In reviewing my charter, nothing is considered constant in the GE Information Services' environment. We certainly won't be making change for change's sake, but we will change if such accommodations are dictated by the labor market, our strategic direction, or other specific future objectives."

Randy's immediate goal is to "learn the ropes at GE Information Services and become more familiar with our services, how we provide them, the caliber of employees that we hire, and our striving for superior performance."

Commenting on the scope of Randy's responsibilities, Wiley Harris focused on the need "to ensure that we continue to make educated decisions about managing salaries, to oversee the survey system and acquire sufficient information, to keep in touch with our labor markets throughout the year, and to take a competitive look at our pay delivery systems and structures (bonuses, variable compensation, and the like)." Expanding on that thought, Randy observed, "If we decide to make a change in compensation policy, it's my responsibility to assist in steering the course for successful change-balancing the needs of our people with business realities. I ensure that we make the right change at the right time and that employees understand both the reasons for the change and the ensuing benefits.'

Discussing the "pay for performance" issue, Randy emphasized, "Many companies give a lot of lip service to the pay for performance concept, but very few in practice truly pay for performance, despite the relatively minimal cost effect on total payroll." When companies do "pay above the market," Randy said, "the firm has the right to expect performance well above average."



Randy Keuch

The implementation of pay for performance can be challenging. For example, even the best pay for performance policy can be undermined by external factors, such as inflation. Randy explained that "when there was double-digit inflation four or five years ago, there wasn't much room to reward high performers. Employers tried to offset the inflationary bite as much as possible; thus, poor and excellent performers benefited alike. When inflation is relatively low, as it is now, the opportunity to reward excellent performers is much greater. Also, during periods of low inflation, small increases give real growth in earnings for employees (i.e., more buying power)."

Randy considers GE Information Services a very exciting environment within which to work. "Its success can be traced to the innovation and entrepreneurial skills of its founders. My challenge is to nurture that entrepreneurial spirit by helping to create an environment that rewards those who innovate, who take risks and succeed, who can create a synergy among all the employees.

"Compensation programs in many companies are heavily salary-driven. With salary as the only pay delivery system, there is no risk. You can count on it. As you move across the spectrum toward an incentive-based pay delivery system, you move into an environment in which some portion of compensation is at risk. If the business doesn't do well, the employee will earn a salary, but not much more. However, if the business thrives, the employee stands to earn not only the salary but substantially more. The resistance to taking on this risk is not an easy hurdle to overcome, and it is a true challenge, because it affects the entire business culture.

"Compensation can't give a person the degree of dedication and competitiveness displayed by some of our more extraordinary athletes and politicians, who persist in the face of random or selfinduced adversity and often without any visible reward. However, compensation can provide direction and channel energy. We need people who are willing to take risks and, if they lose, try again, applying their accumulated knowledge and working even harder the next time. GE Information Services needs to support those who succeed as well as those who try."

Echoing Wiley's comments on the utility of surveys of competitive companies, Randy suggested that we have to "look at our industry, what it's doing to attract employees and what GE Information Services can reasonably pay and remain competitive. Moreover, GE Information Services is

competing for labor in a broader market, one where we employ the same kinds of skilled workers as some other companies, even though we do not directly compete with such companies. We have to be aware of the broad information processing and telecommunications market and where they are going. We also have to be sensitive to the labor markets in the major metropolitan areas in which we operate.''

Randy's professional career includes experience as executive compensation manager for Planning Research Corporation; as a senior consultant and corporate administrator for the Princeton-based Johnson and Higgins subsidiary, Sibson and Company; and as a senior performance analyst with Blue Cross of New Jersey. He has spoken and published articles on topics such as executive compensation, supplemental pensions, and corporate-owned life insurance.

His educational focus, human resource management, led him from a BS and MS at Stevens Institute of Technology to an MBA at George Mason University. He believes that "in a service industry, your assets walk out the door. Our people are our assets. We need people with vision, who can see the future, who want to channel their energy and thoughts into products that can contribute to society. Too often we lose sight of those visions; our day-to-day activities, our current product line, becomes our preoccupation. We need to stimulate and reward the individual who puts his or her private reputation on the line for a given product or idea and tries to promote it. If employees are well taken care of and enjoy their work environment, then we're promoting their capability to perform and their productivity."

PRODUCTION OPERATIONS START FOR CALWESTERN AUTOMATED CLEARINGHOUSE

At one minute past midnight on November 5, 1985, the first tapes of Calwestern Automated Clearinghouse (ACH) files arrived at the Long Beach service center from Lloyds Bank, Home Federal Savings and Loan, and Security Pacific, making GE Information Services an official clearinghouse processor for the Calwestern Automated Clearing House Association (CACHA).

In addition, tapes were exchanged with the Los Angeles and San Francisco branches of the 12th District Federal Reserve Bank. The Oyster Point service center also supplied settlement entries to the Federal Reserve Bank of San Francisco.

The initiation of production operation culminates a twenty-month system development and implementation effort that began with the CACHA contract signing on March 11, 1984. Over the course of the project, Bob Powell headed an implementation team that established two service centers to support Calwestern ACH and that developed the software required to support the ACH processing service GE Information Services delivered.

The Calwestern ACH offers a fast and costeffective ACH processing alternative to the Federal Reserve System's ACH service and is a fully featured service, supporting:

- The edit and validation of ACH payments originated to it,
- The transmission of entered ACH payments to appropriate receiving financial institutions,
- The settlement of ACH payments, and
- The generation of required reports.

To accommodate the current ACH environment and to help financial institutions migrate to an allelectronic environment, the Calwestern ACH supports magnetic tape input and output, paper output and entry of paper returns, and electronic access for input and output. Two Calwestern service centers at Long Beach and Oyster Point (south San Francisco) supply operational support and act as data collection and distribution points; all application processing is performed on MARK 3000th Service. The service centers contain Paradyne and Mohawk tape units, communications equipment (such as IBM 3725s), printers, and other peripheral equipment.

John Horodenski manages the Long Beach service center; his counterpart at Oyster Point is Jim Grogan. Both managers and their staffs worked long



These Oyster Point employees have a lot to smile about: the Calwestern Automated Clearinghouse (ACH) is now serving CACHA. From left standing, Jeri Parazin, Jim Grogan, Van Strickland, Janet Chaney, and Christine McCoy; seated, Eloita Carlos.

hours to prepare the service centers for production operation, establish operating procedures, perform exhaustive tests on the software, and help implement and test the system and network configuration to help ensure smooth production operation. The system's functions were executed in a simulated production environment by the people who would be using the system.

Diana Jones, the production manager for the Calwestern ACH operations staff, is responsible for maintaining the application software and was a key member of the software development team (headed by Dan Grainger), which designed and wrote the Calwestern ACH application software. Members of the San Francisco GECON office developed the application software, devoting many long hours and working right up to the last minute writing and testing software.

Many other aspects of the system—such as security, communications, and MARK 3000 support—also had to be integrated into the Calwestern ACH service. In addition, prospective participants had to be trained. Technology Operations and Payment Services Operation (PSO) staff, led by Jeri Parazin, manager of PSO Field Services for CACHA, were instrumental in performing the integration, training, and participant preparation.

In its first full months of operation, the Calwestern ACH has operated relatively smoothly, with daily volumes running at 2,000-15,000 transactions, processed mostly through the Long Beach service center.

In full operation, the Calwestern ACH will support the ACH processing requirements of the CACHA members—over 900 banks, savings and loan institutions, and credit unions in California, Nevada, Hawaii, Utah, and Idaho. Continued success will depend upon our ability to provide an ongoing, high-quality service and excellent field support for responding to customer problems and for migrating financial institutions from the Federal Reserve's ACH service to the Calwestern ACH service.



Two of the Long Beach service center employees, Christi Carter and Alex Puno, prepare for the arrival of the first ACH files.

ADMINISTRATION

Course Quarterly is now biannual. The new printed list of courses is called the Course Catalog and is published twice a year. It contains course descriptions only, and your office should have received it by now. A card was sent to the current mailing list of CQ recipients, asking them to resubscribe to the new book. The OLOS number is 4000.02.

GERRY MULHOLLAND IRELAND

How can I get a copy of the Peat Marwick Mitchel audit report?

Send a QK to Jim Boomer, manager, data security, on QK BOOM. Provide him the complete mailing address of the person to whom you want the report sent, and he will mail it directly to that party.

GEORGIA CARSON HOUSTON

We received some session scan data about what a client had used on our service. Can we give this report to the client, or is it proprietary?

It is not proprietary. It's O.K. to give it to the client.

JOHN THOMPSON NEW JERSEY

What numbers do we use when we want to get the GE preferred rate for renting a Hertz or National Car? For Hertz, use CDP-ID 28608; for National, use Recap number 5006666. They both have toll-free numbers for reservations: Hertz 800-654-8216, National 800-328-7950.

JANET WHITE LOS ANGELES

What is the current status of an employee discount for a Macintosh used for employees' personal use?

There is a corporate agreement in place that Apple dealers will honor. The agreement is N55563, which gives GE components and GE employ-



ees 25% off the list price, although there is a 2 to 3 week wait to receive the unit. If you don't choose to do any "bargaining" at the Apple dealer, this discount is available to you. You may be able to make a better deal than that if you can find a dealer with stock he can discount.

There is word about a future plan being formulated by Apple specifically for USA GE Information Services employees. This plan will have a percent discount said to be in the mid-30s. Remember, this is a FUTURE option; it's not available now.

JONI REEVES DALLAS

Is there a way to find out which classes we are still teaching and which are scheduled?

Yes, log into WEK09500CRS. respond to the first prompt with INQ (for inquiry), and you can get a list of all classes scheduled, all classes in a particular city, or all classes of a particular kind. Remember that our training function in Rockville still teaches special classes. They will come to the client site to teach. The fee is \$800/day plus the instructor's T&L. The client can send as many students as he chooses, subject to the available terminals. If you need more information, call Fred Wood 8*273-4142 (QK: FLDT).



JIM BILLGER HOUSTON

Is there any activity in Brazil that will lead towards our having a distributor there?

Brazil is a country under examination by Phil Stevens (QK: FILL) in International Reseller Development. If you have a client who is accessing Brazil through the Public Data Network, please notify Phil. If you have a client who wants access in Brazil, send a QK to FILL and help him quantify the requirements.

Is there any data base information about countries outside the USA?

Yes, nine countries have economic indicators available in QMOD's International Economic Indicators Database (IEIDATA). The countries are Australia, Canada, France, Germany, Italy, Japan, Taiwan, the USA, and the UK. The data base contains over 200 monthly data series for these nine countries, covering things such as the average work week, new orders, stock prices, and housing starts. This is one of the data bases written up in the DY28 file named QPROFILE. The author is Haver Analytics, QK: QMOD.

LOYAL HUDDLESTON PHOENIX

If a client signs a multinational access agreement, doesn't it cover access in Mexico?

Yes and no. Although the MNA covers the GE Information Services requirement. the user still must sign an agreement with the Mexican communications authority for the purpose of sending and/or receiving data by phone lines. Don't give your client a user number and a phone number in Mexico City and expect that he or she will get on the next day. If you have any questions on the procedure, send a QK to the country manager, J. P. Rubio, on MXJP.

JOHN WILDER HOUSTON &

JOE RIZZI BOSTON

Do we have any representatives in Taiwan?

Yes, Andrew Tsang (QK: QTWN) is there. His address is GE Technical Service Company, 7th floor, Formosa Plastics Building, 201 Tun-Hua North Road, Taipei, Taiwan, Republic of China. The price for service there is listed in a DY28 and QK11 file named TAPRI*.



There have been some questions about the new Data Base Recovery System (DBRS), so perhaps this roundup of questions and answers will put the new offering in perspective.

This is a new offering that many of our clients are going to welcome, because it can decrease the amount of downtime they suffer when there is a failure or disaster. DBRS is a backup and recovery system for critical files, not necessarily data bases.

Continued on next page

Q: Backup and recovery are Space Shuttle words what are they doing here?

A: Let's start with a little background to put this new product in perspective. All professional data processing people know they should never be without a backup/recovery system in case there is a failure of some kind. In the DP world, when a job is started. the first pass accepts current data, called transactions. These are used to update the master file. If there were a power failure, a component failure, a tape stretch, a head crash, or an operator error before the master file updating processing is completed, unless the DP person had a backup copy of yesterday's master file, he or she would be in deep vogurt.

Q: Don't we make backup copies of files?

A: Yes, currently in MARK III Service we copy all modified files nightly. If a client needs a copy of yesterday's master file, his or her GE Information Services rep can submit a mailbox request or the client can call Client Services, and we start procedures to reload yesterday's master file. The reload can take anywhere from 15 minutes to 3 hours. Restored files may not all be in synchronization-i.e., they may not all be at the same status point to permit proper restart procedures. The client must check these files and get them back in sync before restart processing can begin.

Q: So if we have a file recovery system, what's different about this one?

A: DBRS puts the user in control. The user can select the time of day that a copy of the updated master files should be copied. Further, the user can initiate the reload from his or her terminal. If the user knows that West Coast entries into the data base will be completed by 9 p.m. EST, the system can be instructed to automatically make a backup copy at 9:10 p.m.

This automatic feature is one of the main advantages of using DBRS. The user can specify that a snapshot of his or her files be written at a



"clean point" in the processing cycle.

In the normal processing cycle, the file backup procedure is something that must be arranged and directed by the user. But in the case of DBRS, the copying of specified files to the backup file storage device is done automatically. under program control. The analogy is our Independent Run feature that "kicks itself off" at a specified time according to pre-programmed instructions. The user can have peace of mind, knowing that the backup files will be written automatically at a clean point that will keep the files in sync. The user doesn't have to worry about forgetting to initiate the backup file protection work process.

Q: Does the user have to backup store everything?

A: No. The user has the DBRS store only those files he or she deems necessary. The user places the names of critical files into something called a "recovery group." This list of files is used by a utility program to copy those critical files (at the appointed time) to a storage device that is independent of the system being used. Files to be copied can be either PSUs, DSUs, HSUs, or DBUs.

Q: What about restoration? **A:** This is where the user is in control and can run a utility program to restore the critical files without sales office, mailbox, or client services interaction. If the user were on System G, for example, and took a snapshot of his or her files at 8 p.m., a system failure at 8:30 would only result in the need to reprocess those entries to the data base that occurred between 8 and 8:30.

Note that the "safe" storage of the selected files to a device independent of System G does not imply that the user can begin processing immediately. He or she must wait for System G to come up again, in order to have the utility program retrieve the saved, critical files.

Q: Isn't it expensive?

A: Not really. Average clients probably pay about \$.14 per DBU per month for storage. That's \$140 for a thousand DBUs per month, or \$4.67 per thousand DBU per day. Storage in DBRS only costs the user \$1.50 per thousand units per day, and that's quite a difference—\$4.67 vs. \$1.50. The client does have to pay for the CRUs it takes to write and retrieve the DBRS storage units.

A: No. Files are overwritten after a 24-hour period. This storage is designed only for a 24-hour life to act as backup to files, not to act as permanent storage.

Q: Is this product needed by all our clients?

A: No, not all. The ones who will want it most are those who are using MARK III for data base updating, for order entry, for cash consolidation, or for cash movements. Many businesses that use our service depend on MARK III Service to operate. When MARK III is down, they're down and can't do business. This is ideal for them, because they can begin recovery and reprocessing as soon as the system comes back up.

Q: What documentation is available?

A: The Users Guide is 3501.37 and is on DY28 as DBRS. A Product Profile will be printed in the near future. We hope there will be a 3-star, library level file available to all users. This would permit Call Analysts at the Client Services Desk to recommend it to clients should they complain about inordinate nonprocessing time as a result of a failure and "re-sync" work.



RICK VAN ATTA GREENSBORO

A client is trying to make a decision between being a reseller and using NSS. What are the basic differences?

Here are some of the basic differences:

A. NSS

In the case of NSS, GE Information Services provides the author with:

The mechanisms and installation of "premiums" that are the author's charge for use of his or her software. The amount of the premiums is decided by the author.

- Billing of users, who become full-fledged GE Information Services clients by signing the computer services agreement. GE Information Services carries the receivables, and the author's only risk is that if a client ultimately does not pay, GE Information Services can recover the premium (only) from the author.
- Payment of the author's share of the premiums. GE Information Services retains 20 percent of CRU premiums, 25 percent of SRU premiums, and a detailed report showing which clients used which program and how much.
- "Q" catalogs and the associated means of readily validating clients worldwide. Authors sign NSS agreement 6116.02, which spells out these provisions and also the author's responsibilities, including supporting his or her software.

B. Resellers

If a GE Information Services client wants to resell only basic MARK III or MARK 3000 service, no special agreement is required beyond the Agreement for Computer Services. In this case, the "do-ityourself" reseller will provide itself with a way of billing its customers in lieu of the premiums from "Q" catalogs (discussed above).

If a GE Information Services client wants authorized status as a GE Information Services reseller, wants to resell any of GE Information Services' applied services (such as DealerTalk, or requires GE Information Services support for its reselling activities, a special agreement is required. In such cases, contact D. J. Crane's organization, alternate channel marketing.

JOE SCARCELLA CLEVELAND

A client using DQ36 says that the program CASHII is not working any longer. Has the software been discontinued?

No. A newer version of the software is now called CASH III. The operating instructions are much the same as those for the previous version. The NSS Author Index names a technical assistance person, but al-



though the phone number is the same, the name is changed. Now you can ask for either Colonel Wall or Major Gustin on (202) 697-6710.

SUE MONIHAN BOSTON

Do we have a commodities data base available?

No. There was an author in Tennessee who had one with us, but it has been discontinued.

OIL AND GAS JOURNAL USERS

If you have clients using the Oil and Gas Journal Database on MARK III Service, perhaps they would benefit by receiving the monthly newsletter, loaded with technical tips on how to use the system better. Or would you like to receive a copy? Address your requests to OGJDATA Update, Box 1260, Tulsa, OK 74101.



YOKE KENG SINGAPORE

If all client billing for the QUIK-COMM System is supposed to be in ABUs, how come we have clients with TCH, KC, and CRUs on their invoices?

First and foremost, I'm sure you recognize that the client should have QUIKM*** as the immediate run program, and there should be no other IR programs preceding it. It is only when the client is "inside" of QK that CRU/TCH/KCs can be converted to ABUs. Two other contributing factors are:

1. Terminal time-out. If a user turns on the terminal, learns of his or her messages, types in LIST, and then leaves the terminal, the system will time the user out after eight minutes, and the accumulated KCs and TCHs will be billed to the appropriate U#.

2. Disconnects. If the user is disconnected as a result of a hit on the line or a communication line failure, the KCs and TCHs will show up on the user's bill.

3. Use of the *O and *F commands will result in resource charges, because it causes action to occur at MARK III System level to either store or retrieve a file.

4. The MEU function can also result in resource charges. The first run of MEU in QUIKADMN is free, but subsequent executions of MEU for that month will result in resource price action.

TERRY SNYDER GREENSBORO

My client has a need to use the SET FN command to have the terminal control the data flow. When we use this command in a short IR program that then connects to QUIKM ***, we get charged TCHs and KCs. Is

there a way to avoid it?

Yes. There is now available a CHAnge command that will let you set a number of options while you're inside of QUIKM***. Further, you have the chance to make the change permanent or just keep it for the current session. For example, to use the command to let a terminal's buffer-full condition control the flow of data from MARK III, use the following syntax: Command? CHA SET = FN, SAV. The SAV after the command says you want to make this change permanent for the current QUIK-COMM System address.

DEBBIE GEORGE DETROIT

If a QUIK-COMM System user is receiving messages only and doesn't originate messages, is he or she charged for connect time when dialing into the system on the 800 number?

Yes. The use of the 800 number and the resulting billing action is not at all related to the application being run. Even if he or she is using QUIK-COMM System and expects not to pay for connect time or for receiving messages, if the 800 number is used, the bill will show ABUs equivalent to \$20/hour (the premium for 800 numbers).



JUDY VORWORK DALLAS

Do we have a data base on the system that contains the zip codes?

No, that's not one of the available data bases. You can list DBINFO*** from any valid FG U# to determine the current list of all our data bases.

SHAMZ FAIZ JEDDAH

How does our Currency Exchange Data Base (CR NC***) compare with that



Last December John F. Welch, Jr., Chairman and Chief Executive Officer of General Electric Company and Thornton F. Bradshaw, Chairman, and Robert R. Frederick, President and Chief Executive Officer, of RCA Corporation announced a definitive merger agreement whereby GE will pay \$6.28 billion in cash, or \$66,50 per share of common stock, to merge with RCA.

The Boards of Directors of both companies approved the merger agreement. RCA's management will promptly request shareholder approval of the transaction, which is also subject to review by the Federal Communications Commission and other government agencies. The merger transaction should be completed in 1986. Under the terms of the agreement, GE also has an option to buy approximately 28 million shares of RCA stock at \$53.125, the market price at the close of business on December 10, 1985.

Welch noted that "RCA is an excellent strategic fit with GE. This merger further accelerates a process that has seen GE grow into a major services and technology business. Indeed, in the past five years, services and technology moved from about 50 percent to about 70 percent of the company's earnings. RCA's service and technology businesses-the NBC network, the broadcast stations, the aerospace and defense businesses, communications, the RCA Service Company-complement our own businesses and will enable GE to dramatically strengthen its position in several major growth industries."

For generations GE and RCA have touched The generations of a and RCA have bounded the lives of millions of people. We have embodied the creative spirit of America. Its technological greatness, scientific advances, dynamism and movement. We have entertained America and defended it. Illuminated its homes and made its airwaves dence.

Pardon

our pride.

Above all, we have been a pulse of progress and free enterprise. The planned merger of our two great com-panies is an event that makes us very proud.

hantes is an event that makes us very proved. And equally optimistic. We will be a company whose strengths will have profound and beneficial effects. A company that will compete with anyone. Anywhere. In every market we serve. We are proud of the people who over the more bone hult are its ecompanies into errors.

We are proud of the people who over the years have built our two companies into great organizations achieving modern-day miracles. And of the people who ve worked so diligently to keep our companies great – through periods of economic difficulties and technological

of constants change. We are two companies with proud pasts. We will become one company with an important future. For the people of this country and countless millions of others around the model

All will benefit from our product All will benefit it and our capabilities. That makes us especially prou And very enthusi



GE Information Services recently acquired more than \$1 million worth of state-of-the-art, turn-key network, packet switching equipment from Telematics. Before shipping the equipment to the distribution centers that will link it into the national (and eventually international) MARK*NET Extended network, members of the MARK*NET Extended team (more commonly known as the E Team) subjected the equipment to more than two months of exhausting tests. Above, Kimberly Thareja makes a final check before the ribbon-cutting ceremony that sent the packet switching equipment to eight of the ten network distribution centers that are scheduled to receive the equipment.

MANAGEMENT STRUCTURE REVISIONS ANNOUNCED

Both General Electric Company and GE Information Services recently announced management structure revisions, summarized below for your information.

GE COMPANY

General Electric Company revised its management structure to connect the company's businesses more directly to a four-member Corporate Executive Office. Effective January 1, the company's remaining four sectors were discontinued; a fifth sector, Services and Materials, was eliminated in August 1984. At that time, seven businesses that had reported to sector executives began reporting directly to the Corporate Executive Office.

When he announced the new structure. Chairman and Chief Executive Officer John F. Welch, Jr. noted that the company had been "greatly encouraged by the effectiveness of the business-to-CEO direct-reporting relationship' in those seven businesses, which have proven to be capable of making and effectively communicating the tough tradeoff decisions expected of more autonomous, market-focused organizations.

Welch observed that the new structure is "consistent with our long-stated objective to move to a leaner, flatter, more market-driven structure." This organizational strategy has "evolved out of an environmental assessment that defined an intensified competitive world-a slower growth world with more. stronger, worldwide competitors fighting for market share. We continue to believe that one of the necessary ingredients to win in this market environment is greater management agility-i.e., shortened communication

lines, faster decisionmaking, and rapid implementation."

The discontinuation of the International Sector "is the final step in the 'directconnect' approach to world markets that we began three years ago. [The new structure] will ensure that each business receives world-class trading and countrymanagement support, but will leave international profitand-loss decisions with the businesses themselves."

Specific personnel changes effected by the corporate structure revisions are summarized below.

- Paul W. Van Orden, formerly Executive Vice President and Sector Executive— Consumer Products Sector, was appointed to the newly created position of Executive Vice President, Corporate Executive Office.
- Key company businesses and several international support operations will report directly to Van Orden, Welch, Lawrence A. Bossidy, or Edward E. Hood Jr. Bossidy and Hood are Vice Chairmen and Executive Officers and members of the Board of Directors.
- James A. Baker, formerly Vice President and Sector Executive—Industrial Sector, is retiring after a 33-year career with GE.
- John A. Urquhart, formerly Executive Vice President and Senior Executive—Power Systems Sector, was appointed Senior

Vice President Power Systems Business and will have responsibility for integrating all GE businesses involved in energy production, distribution, and construction into a more cost-competitive structure.

Louis V. Tomasetti, formerly Executive Vice President and Senior Executive—International Sector, succeeded George Farnsworth (who retired at the end of 1985) as Senior Vice President, Aerospace.

Welch concluded, "We continue on a course that we believe will make our company more competitive in the difficult world environment we are facing. There is clear evidence that the changes already made are working to our advantage. We believe these organizational changes accelerate the move toward our objective of creating opportunities for increased agility and market responsiveness, independence of action, and exercise of individual ingenuity across all of our businesses."

GE INFORMATION SERVICES COMPANY

In December, GE Information Services announced that effective January 1, 1986:

■ Corporate Telecommunications Operation (CTO) was transferred from GE Information Services to General Electric Corporate Information Systems (CIS). CTO personnel and responsibilities are now part of CIS-Corporate Telecommunications under Stanley M. Welland, manager, who is headquartered in Bridgeport, Connecticut. CTO will still be based in Schenectady, New York, and William B. Pomeroy will continue as manager.

This organizational transfer is being effected to better meet the communication-intensive needs of the company today and in the future. The transfer will accommodate both increased use of new communication technology in GE internal communication networks and greater support of our communications-based product offerings.

The Integrated Communications Services Operation (ICSO) was transferred from GE Information Services to Domestic Apparatus and Engineering Services Division (DA&ESD). The move was made to strengthen the company's position in key markets.

ICSO was initially assigned to GE Information Services in 1984 to leverage better the telephone PBX businesses. However, since we no longer are in the PBX equipment and installation business, ICSO now fits better into the field service focus of DA&ESD.

Alan W. Crites was appointed general manager, Integrated Communication Services Operation, reporting directly to Clyde D. Keaton, Vice President and General Manager of DA& ESD. Concurrently, Rex Flint, former senior vice president and general manager of ICSO, has left to start his own sales consulting business in the Atlanta area.

QUIK-COMM GOES WORLDWIDE FOR GE

Last December 9, GE Information Services' commercial QUIK-COMM^{IM} System assumed the functions of General Electric Company's worldwide, station-oriented electronic messaging system (GCOMM).

GE's move to QUIK-COMM offers significant benefits to both GE (reduced costs, greater functionality and flexibility) and to GE Information Services (reduced costs and the opportunity to extend use to individuals and to functional areas). Moreover, this system will serve as a platform for business communications applications requiring crosscomponent and company-wide access.

The worldwide GCOMM user community-approximately 320 stations in 27 countries-now resides in a set of separate catalogs (GE QUIK*NET) that distinguishes this community from the many individual GE componentlevel QUIK-COMM clients and catalogs. On an average weekday, more than 6,000 messages are processed by the GE QUIK*NET system-more than 120,000 messages in a typical month. In a peak period, as many as

111,000 messages might occur in one week.

Virtually every organization within GE Information Services' Network Based Services business helped make this extensive transition process—the product of over a year of planning—a success.

"I can think of no competitor or other organization that could have marshaled the talent and resources worldwide needed to effectively execute a conversion like this around the globe on a single weekend," proclaimed Bob Donnestad, manager, business communications services, GE National Account Program. "As one might expect, some wrinkles surfaced during the first several days of live operation, but they were minor and were acted upon immediately by a special team of volunteers manning a special client services room in Rockville.'

In addition, GE Information Services soon will begin another (admittedly smaller scale) conversion, supplying cross-component communications to a set of components that will soon be former users of MCI Mail.

PIC PROVISIONS ENHANCED

Effective January 2, the Program for Individual Careers (PIC), GE Information Services' internal self-nomination and job posting system, features several new enhancements. The first PIC manual, "PIC: Your Future with GE Information Services," details the program and reflects changes recommended by GE Information Services employees. In late December, the PIC manual was sent in bulk to all Network Based Services offices for distribution to employees.

In response to concerns expressed in our Employees Practices Survey, a 14member task force of managers and non-managers representing every NBS department interviewed over 300 employees, seeking advice on improvements that would make PIC more responsive to applicants' and hiring managers' needs. Employee Relations Managers also made recommendations. Changes to PIC were based on the above inputs and include:

To save time, applications will go directly to the hiring manager and will be copied to the responsible Employee Relations Manager. Under the old system, applications were routed through PIC administrators.

- Positions will be posted for two weeks rather than one week. Employees will still have one week to respond under normal circumstances, but hiring managers will have the option of allowing employees to submit their applications late when special conditions so warrant.
- To make it easy for hiring managers to respond to PIC applications, a preinterview response form will be included as part of the application form. Matrix forms will help hiring managers track interviewees and their status.
- Hiring managers will be required to notify an applicant 24 hours prior to scheduling an interview.



The QUIK-COMM conversion of GCOMM required the efforts of many of our staff, including (from left) Marilyn Brady-Culican, Gwen DeLacey, Linda Profant, Kirt Stanfield, and Paul Walton.

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\$36.7 MILLION TO GE EMPLOYEES FROM ESOP

More than 230,000 GE employees are sharing a total of \$36.7 million in GE stock as a result of the most recent GE contributions to the GE Employee Stock Ownership Plan (ESOP). The company stock payment covers the 1984 plan year and will credit each employee with \$5.26 worth of GE stock for each \$1,000 of his or her 1984 GE earnings. These credits are added to any previous credits you may have received under ESOP.

GE finances ESOP under a government-encouraged arrangement that allows the company to provide an amount equal to one-half of one percent of its annual payroll for the purchase of stock for employees—thus making virtually all employees company stockholders.

ESOP account credits are based upon the previous year's earnings. The stock remains in each employee's account, collecting dividends that are reinvested. An employee receives the accumulated shares at retirement or upon leaving the company for some other reason.

Beginning in 1986, stock will be credited to ESOP accounts in February rather than October as previously provided. As a result, an employee's new GE shares will earn quarterly dividends paid in April, July, and October. Previously, stock credited in October did not earn any dividends that year, because October dividends went only to shares on the record in September.

The newly announced credits for 1984 earnings provide participants with an average of 2.7 shares of stock. An employee who has participated in ESOP throughout its sevenyear existence has been credited with an average of 17.0 shares of stock and also has received an additional 3.1 shares as a result of automatic dividend reinvestment, for a total of 20.1 shares worth a current value of about \$1,300. GE has provided ESOP participants with a total of over 5 million shares currently valued in excess of \$300 million on the New York Stock Exchange. In 1978, GE stock sold at about \$26 per share; it is currently valued at about two and one-half times that amount

1986 HP FUND Savings to carry 9.5 Percent rate

Last December GE announced an expected annual interest rate of 9.5 percent for 1986 savings under the Savings and Security Program (S&SP) Holding Period Interest Fund (HP Fund). Employee savings invested in the HP Fund during 1986 will receive the new 9.5 percent annual interest rate, whether placed in holding period savings or the Deferred Pay Account. This rate applies not only for each year of the three-year holding period, but also for the portion of 1986 in which the savings are in the Fund.

Tom Burns, GE's manager of employee benefits, points out that the new rate applies not only to 1986 savings going into the HP Fund but also to interest that is credited in 1986 to any participant's HP Fund savings of 1983, 1984, or 1985.

HP Fund savings of years before 1986 will continue to

earn interest at the rate announced for those years. However, the interest credited in 1986 is considered part of 1986 investment and earns the 1986 rate. The S&SP provides that if the actual rate of interest varies from the announced rate for a particular year, the HP Fund investments for that year will receive the actual rate earned.

The full three-year holding period for 1986 S&SP begins January 1, 1987, and ends December 31, 1989. The 1986 HP Fund rate will also apply to the portions of 1986 during which 1986 savings are in the fund.

"If you are already investing in the Fund," Tom Burns explained, "Your investments will continue going into the HP Fund automatically at the new rate unless you complete and file an S&SP change of investment form." To change investments or to enroll in S&SP, you must obtain, complete, and file a request form with the Personnel Accounting Office in Schenectady.

JANUARY PAYOUTS For 1982 S&SP Participants

Thousands of GE employees are being rewarded for their participation in the 1982 GE S&SP; the three-year holding period ended December 31. Employees who chose to have securities delivered at the end of the holding period are receiving them in mailings to their homes. Those who elected to transfer securities to their Retirement Option Account (ROA) saw their ROAs credited on January 1.

Included in the mailings are GE stock shares, U.S. Savings Bonds, S&S Mutual Fund units, and Long Term Interest Fund units. These items are mailed separately, so employees who invested in more than one will probably receive them on different days of the month.

In late January or early February, all employees who either received a payout or elected to credit their ROAs with additional investments will receive an annual S&SP account statement, which will list payouts and ROA credits. The statement also will supply 1985 tax information for 1985 tax returns (due this April 15) and will document the tax impact of the January 1986 distribution, which doesn't have to be reported until 1987.

GALLUP POLL RANKS GE FIRST IN QUALITY OF PRODUCTS, SERVICES

Last fall the American Society for Quality Control (ASQC) commissioned the Gallup organization to conduct a survev of American consumers' attitudes on the quality of products and services. When asked to name the five companies that they associated with high quality, GE was mentioned most often (by 24 percent of the sample of over one thousand adults) and mentioned first most often (by 10 percent of the sample) out of the 300 companies mentioned by the respondents.

The same survey noted that consumers rate brand name, product performance, and durability as the most important factors they use in judging product quality. Several analysts cautioned that the public is now conditioned to expect improvements in quality, even if current quality is satisfactory.

The Gallup/ASQC report observed that consumers appear to be willing to pay more for better quality, but they do

WORTH Noting

Continued

expect products to last a long time: eleven years for a major appliance, eight years for cars and televisions, six years for small appliances, and ten years for personal computers.

The ASQC is an international organization of 49,000 professionals dedicated to advancing quality. As a result of the survey, the ASQC placed GE on its "honor roll" of the thirty companies ranked highest by the respondents—an effort to promote "quality first in the practices of American business and industry."

LIGHTING THE TORCH

The GE Lighting Business Group supplied the Statue of Liberty Restoration Project with all necessary lights, including two specially developed lamps and a new reflector that closely approximates natural lighting and focuses precise beams of light to accommodate design requirements. The project is part of an ongoing association between GE and the Lady: in 1916, GE lit the Statue with the then-state-of-the-art incandescent lighting.

In a ceremony in New York Harbor last summer, GE and Howard Brandston Lighting Design Inc. unveiled the design and technology that will relight the Statue of Liberty. The GE Lighting Business Group developed two new metal halide Multi-Vapor® lamps that in tandem create the appearance of natural light. One lamp design projects a cooler white light that emphasizes the folds and shadows of Liberty's robe. The other light projects a warmer light that complements the Statue's green surface patina. As a result, at night the Statue will have a color and appearance similar to that in daylight. In addition, GE engineers developed a new reflector and luminaire

that focus light beams precisely on a spot or area.

The project addressed many objectives: light that treated the Statue as a work of sculpture, emphasizing its details and placement in New York Harbor; optimum energy efficiency; and simplified maintenance for the National Park Service.

"The end result is greater energy savings," reported Ralph D. Ketchum, Senior Vice President and Group Executive, GE Lighting Business Group. "This translates into approximately a 70 percent energy savings over the Statue's previous exterior lighting system." The new system also has fewer lamps that last longer—hence easier maintenance.

"Today, with the advances in lighting technology—especially quality of light, specialty applications, and energy efficiency—we're able to light Liberty in a way she's never been lighted before," concluded Ketchum.

GE CLOCK/RADIO/TV

GE's Consumer Electronics Business Operations has marketed a clock/radio that features a mini black-and-white television—so you can fall asleep to radio or television and awaken to radio, television, or alarm.

The television has a 4.5-inch diagonal screen and a collapsible "tiltstand" for easy viewing. A battery backup system holds the time and alarm in memory during short power failures.

In an industry where product prices are still falling, the clock/radio/TV represents an opportunity for GE to market a product that should help the Consumer Electronics business be price competitive. Retail stores are expected to price the new product in the \$120-130 range.

HOW WE'RE DOING

OCTOBER AND NOVEMBER RESULTS MIXED: TOTAL SALES ONE PERCENT BELOW ESTIMATE

October sales totaled \$57.8 million, 9 percent below 1984 but 1 percent better than estimated. Higher domestic foreground volume (6 percent over estimate) and continued strength in International (5 percent above estimate) were largely offset by underruns in Software International (9 percent), GE Consulting (7 percent), and Integrated Communication Services (7 percent).

November sales at \$51.7 million were 12 percent lower than 1984 and 3 percent below estimate.

- Network Based Services revenue was on estimate but was 9 percent less than last year.
- Marketing and U.S. Sales revenue was on estimate but continued to lag behind the prior year (down 17 percent). The decline from 1984 was driven mainly by a 17 percent decline in RCS sales. Foreground was down 17 percent as a result of continued price erosion and NSO account deteriora-

tion. Background volume fell 23 percent because of in-house migration.

- International sales were 1 percent over estimate and 14 percent higher than the previous year, with major gains in Italy, France, and Germany.
- GE Consulting revenue was down 6 percent from 1984 because of lower volume and was 1 percent below estimate because of fewer billable contract personnel.
- Software International sales were up 12 percent from last year, mainly reflecting higher Australian volume, but fell 37 percent short of estimate as industry softness continued to limit domestic and international revenue growth.
- Integrated Communication Services sales were 17 percent below the prior year, driven by lower services revenue and the PBX distribution phase-down. Sales were 1 percent below estimate because of lower services volume.
- The November revenue trend chart shown below displays total GEISCO sales and related V% trends on a rolling three-month basis to help smooth monthly variations.



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FASTFAX

Continued from page 21 of Reuters, which has up-tothe-minute fluctuations in rates?

CRNC*** is updated twice daily. The first update comes from London and reflects the opening market price. You'll find the data base updated at about 9 or 10 a.m. EST. The closing prices are posted between 3 and 4 p.m. EST. Remember that CRNC*** is available from any valid FG U#, but the U# must be validated for the data base by first sending a QK to Al Parker on QK CONT.

JOHN SIMON SYDNEY

We have a client who wants to use the C Compiler on the network. Is it available?

The C Compiler is still in field test, although it is expected to be commercial by the first of the year. If your client wants to be a field test site, have him sign the field test agreement (OLOS 800.17B) and send the copy to Barbara Phillips in Client Services, Rockville.

An on-line file—TOOL: C.MEMO—gives some information regarding the compiling syntax. The Users Guide is OLOS 3200.20A. The C compiler is comparable to the lattice compiler. Clients who are field testing C have found it comparable to other compilers used. Incidentally, the data for item 2 on the field test agreement should say: "C COMPILER ON MARK III. PRICING APPROX 60% of F77 PRICING."

STEVE ASHBY NASHVILLE

The MARK III Service has JOBS*** to schedule the production runs, but what is available in the MARK 3000 Service?

It's called JSS, Job Scheduling System. You can get about 2 pages of data from the system by typing NEWS K(JSS). The product is supported at the Client Services Desk by Nadine Colbert.

DEE JONES GREENSBORO

How can I find out what QK11 group addresses are available for those interested in PC information? A list of some of the group

addresses within QK11 that are used to swap data are included in the following table.

If you want to be added (or deleted) from any of these group addresses, make your request of the owner—don't send a QK to the group address.

Group	Description	Owner
PC\$	Personal Computer Users	SYSPIC
COLOR\$	Color Monitor Users	SYSPIC
TURBO\$	Turbo Pascal Users	SYSPIC
PWS\$	PWS Users	NORM
FTU\$	PC File Transfer Utility Users	NORM
PCMBOX\$	PC Mailbox Group	ROBA
MARKNET\$	MARK*NET Info and Updates	LJMC
LOOK\$	LOOK information	JULIAN
PCMFD\$	Form and Menu Field Test	NORM
SOFTRAN\$	Softran Users	ROHR
PWC\$	PWC alpha-beta test	PGXF
MICRO\$	Micro Newsletter	





Ken Jochims, a marketing engineer at Apple, Sharon Hormby, marketing, and Kathy Stevenson, marketing communications, are listening intently to Ellen Nord (shown separately), manager of Support Programs at Apple. At the request of Alma Rodoni and Sharon Hormby of marketing, the Apple representatives met with a group of GE Information Services marketing, marketing communications, and educational services personnel to discuss their experience with the development, ramp, and maintenance of AppleLink, a close relative and forerunner of GE Information Services' new DealerTalk product. AppleLink went commercial last July and within only a few months achieved Apple's goals for the product. Ellen noted that "the relationship between GE Information Services and Apple was excellent throughout the whole process, especially when it came to resolving communications issues," a good sign for DealerTalk.



Employees in Rockville may have noticed the new satellite antenna perched on the upper deck of the Maryland Center parking garage. This satellite antenna is one of five earth stations that GE Information Services will own and operate to supply MARK*NET[™] backbone links and to provide wide-band applications such as CACHA (see story in this issue). The five earth stations are all installed now and are located in Brook Park, Ohio; Tampa, Florida; Oyster Point, California; Long Beach, California; and Rockville, Maryland. The Brook Park-Tampa portion of the network has been in operation for over a year, has proven cost effective, and has enhanced the reliability of the MARK*NET backbone. Above, a workman makes final adjustments to the satellite dish before it was lifted into position by a crane last December.

MILESTONES

Congratulations to the following employees, who celebrated service anniversaries in October, November, and December.

35 years Schenectady **George Kasitch** Peter Sgambati 30 years Albany William A. Hiller 25 years Albany **Frederick Maslow** Brook Park **Donald Fagerhaug** Los Angeles

Thomas C. Newton Rockville Adriel C. Graham Schenectady

Dominick Caruso

20 years

Atlanta Wayne L. Mueller Brook Park **Janice Gilson** Oak Brook **Robert Friedmann** Rockville Thomas Kerry John Putman Schenectady Warren P. Clark, Jr. Salvatore DeMartino **Deforest Vincent**

15 years Albany **Charles P. Scardino** Atlanta **Frederick Hulbert**

Los Angeles **Richard Goddu** Rockville **Jacquie Crowley** Edward Dunham James Gilbert **Richard C. Meadows** John Watson Saddle Brook Louis Rolla Schenectady **James Kusick Stephen Oathout** Tampa **Dennis McPhail** 10 years Albany **Conzella Wilson-Dean** Brook Park **Robert Rutkowski** Colony **Diane Brennan** Dallas James N. Patrick **James Porath** Dearborn Deborah L. George Rockville **Gregory** Adams Arnold Capstick Dan Corenzwit Alan W. Crites **Robert Eldridge Catherine Michalak** Christine M. Morgan John Sidgmore Schenectady **Kathleen Bellamy** Joseph Delgado John Duff George Rooney

Wayne B. Teriele Tampa William D. Muller

Richard Russell



Here is the report on the prices for GE Stock, Mutual Fund, and Holding Period Interest Fund used under the Savings and Security Program to credit participants' accounts. The Long Term Interest Fund price for the last day of the month is also shown, as well as year-to-date annual income rates for both the HP and LT Funds.

Month	Stock Price	Mutual Fund Price	Holding Period Fund					Long Term Fund		
			Price	YTD Annual Income Rate (a)					YTD Annual	
				1982	1983	1984	1985	Price	Reinvestment Income Rate	
January	\$60.364	\$33.181	\$10.00	16.5%	13.6%	13.2%	12.6%	\$11.03	10.9%	
February	\$63.447	\$34.967	\$10.00	16.7%	13.7%	13.2%	12.7%	\$10.80	11.2%	
March	\$61.881	\$34.449	\$10.00	16.7%	13.7%	13.2%	12.6%	\$10.51	11.2%	
April	\$59.696	\$34.637	\$10.00	16.7%	13.7%	13.2%	12.7%	\$10.64	11.0%	
May	\$59.818	\$35.514	\$10.00	16.7%	13.7%	13.2%	12.7%	\$11.03	11.1%	
June	\$60.906	\$36.097	\$10.00	16.7%	13.7%	13.2%	12.7%	\$11.22	11.1%	
July	\$62.392	\$36.926	\$10.00	16.6%	13.7%	13.2%	12.8%	\$11.10	11.1%	
August	\$61.591	\$36.318	\$10.00	16.6%	13.7%	13.2%	12.8%	\$11.16	11.2%	
September	\$59.395	\$35.621	\$10.00	16.6%	13.7%	13.2%	12.8%	\$11.11	11.2%	
October	\$58.761	\$36.010	\$10.00	16.6%	13.7%	13.2%	12.8%	\$11.17	11.2%	

(a) The "announced" HP Fund Rate was 16.25% for 1982, 13.25% for 1983, 12.75% for 1984, and 12.50% for 1985.

5 years

Albany **Terrence Koskowski** Atlanta Leo Kerbel William J. Zancocchio Chicago Vicki Bailyn Denver Timothy K. Lee Los Angeles Kathryn A. Sedor Morristown **Howard Forer** Nashville Scott C. Byrns Victor Forte Michael W. Hunton Linda L. Morris Oak Brook **Bruce Morrissette** Rockville Anne C. Chang Barbara S. Gargano **Sherry Rogers** Anthony Rydzewski Joseph Scandone **Thomas H. Travis Clifton M. Tyler** Frederick A. White Wei-Chi Thomas Yang San Francisco Cynthia S. Douglass Diane E. O'Dea Schenectady Shaun J. Kelly **Gregory Kilgore**



THANKS FOR THE MEMORY

When GE Information Services needed to improve the memory capacity of more than 500 MARK*NETTM MRC communications processors to provide additional service for enhanced communications, the cost of purchasing the boards from the manufacturer was calculated to be at least \$9,000 per board. GE Information Services turned in house, and over a two-year period Jack McMahon, systems engineer, network hardware development, designed and oversaw the manufacturing of a board with a memory capacity of 256K words (one megabyte), four times that of the original board. At \$1,600 per board, Jack's design saved GE Information Services more than \$4 million.



Above, Jack closely examines one of the final multilayer boards produced to his comprehensive design specifications. As Ed Stephan, manager, telecommunications engineering hardware, observed, "What makes Jack's work so distinctive is the quality of his design, his thoroughness, and especially his cognizance of manufacturing and operational considerations." Indeed, in this case close attention to manufacturing was essential; before the successful conclusion of the project, Jack's high quality standards—as well as those of the primary contractor that he helped select—prompted the replacement of one of the subcontractors.

Thanks to Jack's diligence, the deployment of the boards over the last year has been noteworthy for its ease and the quality of the boards. In addition, the boards have been designed to facilitate any necessary future maintenance. Last September 30th, Jack received a management award for designing and nurturing the new highcapacity memory.

