

AUGUST/SEPTEMBER 1986

SPECTRUM

FOR THE EMPLOYEES OF GE INFORMATION SERVICES COMPANY

cover story

THE MAGIC OF GENIE™



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EAST-TEK

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SPECTRUM is published by Employee Communication, General Electric Information Services Company, 401 N. Washington St. 01B, Rockville, Maryland 20850, U.S.A. for employees. For distribution changes, QUIK-COMM: OLOS. For additional copies, QUIK-COMM: OLOS, publication number 0308.17.

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**INFORMATION
SERVICES**

General Electric Information Services Company, U.S.A.

THE MAGIC OF GENIE

[At the West Coast ComputerFaire in San Francisco last April, the 50,000 personal computer enthusiasts touring the exhibits kept stopping in the aisles in front of the large monitor at the General Electric Information Services Company booth. On the screen, the public domain VCO and Studio Session Player (SSP) softwares available through GENie were demonstrated alternately. The VCO screen showed a conference table surrounded by faces (sketched to resemble participants); when a speaker addressed the group, that face became more prominent, and the lips moved. The SSP program emulated a cassette player, producing jazz music whose tracks could be turned off or adjusted (similar to an equalizer). And if the trade show participants wanted to talk to the authors, they were right there. GENie was out of the bottle.]

On August 9, ten months after its introduction, GENie—the GE Network for Information Exchange, GE Information Services' first venture into the mass consumer market—signed up subscriber number 20,000 roughly five months ahead of the original schedule. By the end of 1986, GENie should have 33,000 subscribers.

The GENie service offers personal computer users in more than 500 cities affordable computing time during evenings, weekends, and holidays, increasing MARK III[®] Service traffic during what otherwise would be off-peak and therefore excess-capacity network hours.

Trade press and subscriber reactions to GENie have been very positive (see illustrative comments on page 2). There is a consensus that GENie is priced right, easy to use, and very subscriber-responsive.

The GENie Network

The GENie network has "one enormous advantage over everyone else, which gives us staying power and will help us to win the market," Vaughn Rockney (Product Manager, Mass Market Applications) explains. "In my opinion, GENie uses the best mainframe and network system in the world, and because it's already in place, all we have to do is write applications."

"GENie is priced at \$5 per off-peak hour," Jean Wackes (Senior Communications Specialist, Advertising and Sales Promotion) says. "That rate is up to 60 percent better than our competitors at 1200 baud.

"Moreover, charging the same rate for 1200 baud as for 300 baud allows users to spend less time on line and save money," notes Wackes. "And the modem manufacturers love it—they think it will drive the



Willard Convention Photo

The GENie staff took their show on the road to the ComputerFaire in San Francisco, and interested users visited the booth in droves.



Bill Loudon, GENIE GM, came to GENIE with a strong track record in the consumer on-line services industry.

sale of 1200 baud modems." GENIE also offers 2400 baud service in over 60 cities at a \$10 per hour surcharge.

GENIE went commercial on October 1, 1985, and—measured by subscribers—has become the third largest service in less than a year, one of the fastest growth rates in the industry. (CompuServe claims 250,000 people have subscribed at some time, and The Source has around 60,000 subscribers.) Total GENIE revenues topped \$1 million on July 12, and target 1986 revenues have been raised from \$2.6 million to \$3.1 million.

"GENIE is well on the way to exceeding its original 1986 revenue target," reports Ruann Pengov (VP & GM, Sales & Marketing Services Operation). "Revenue currently exceeds one-quarter million dollars a month, and we will exit the year at a monthly pace of over one-half million dollars per month. GENIE's revenue target for 1987 is \$10 million."

The GENIE staff and the outstanding volunteer support from employees throughout the company are largely responsible for the success of the service. Bill Colbert (Product Manager, Mass Market Technical Support) notes, "We literally could not have accomplished our objectives without a tremendous influx of volunteer help."

Rockney emphasizes, "Many employees helped us design, alpha test, and work the bugs out of GENIE, especially the folks in Network Operations, Amstelveen, and Brook Park.

"And we wouldn't be anywhere without the help of MARK III Engineering. We're very proud of the new MARK III products we're using. GENIE is the first major user of XMODEM, TP Relogon, C language, multi-stream C language (on EAASY SABRE), and the 'MARK III as an Asynchronous Device' capability."

USER AND PRESS REACTIONS TO GENIE

GENIE users—many of them former customers of more expensive competing services—have volunteered both suggestions and positive reactions to the system. The trade press has reviewed GENIE quite favorably, a process encouraged by the Press Relations editorial program (described in the story).

The following quotations give a feel for user and press reactions to GENIE.

Users

"In short, good-bye CompuServe and big Source and hello GENIE. You are great, just don't forget about novices in the future. We need a good network just like you."

"You've definitely proved that you care! Gotta go turn in my resignation to CompuServe."

"I had CompuServe, gave them up. They had a lot more topics than you, too many in fact, [but] they were just too impersonal and didn't care about customer relations...Some day you will be big, too, but make it a point to always care about customers. They are important, but too many businesses forget this...Keep up the good work..."

Press

"GENIE's electronic mail...RoundTables...and real-time computer conferencing...are a little better than most, and the user manual is one of the best around...When you enter command mode, GENIE's solid design becomes apparent...GENIE also uses plain English commands to access many services...GENIE's RoundTable command mode is particularly powerful...GE Information Services has built a solid foundation upon which GENIE can grow, and it appears to be doing so by leaps and bounds." —PC WORLD, July 1986

"According to legend, freeing a genie from a bottle entitles you to three wishes. Telecommunications enthusiasts would wish for unlimited information, ease of use, and low cost. Companies wish for low initial investment, fanatic customer loyalty, and big profits. Although apparently a contradiction in supernatural terms, a new service from GE Information Services, called GENIE, is well on its way to granting all wishes...at \$5 per hour...and with a company of GE's stature in for the duration, GENIE represents an incredible bargain and promises a bright future." —A+ MAGAZINE, June 1986

Genesis of GENIE

Originally called GENESIS in-house, GENIE is the brainchild of Mike Chamberlain (VP & GM, Applications Marketing Operation), who in 1984 first articulated the opportunity to use MARK III during off-peak hours to make money and test the mass

consumer market waters. "Starting a new business and watching it grow is one of the most satisfying feelings you can have," says Chamberlain.

Chamberlain remembered that Rockney had mentioned his interest in mass marketing on his CMMD. One Tuesday, Chamberlain asked him to assess the feasibility of a MARK III CB simulator. With the advice of Norm Harvey (Manager, MARK III Client Applications) and Inta Henderson (Senior Product Manager), Rockney went to work. The next Monday, Rockney demonstrated LiveWire™ to Chamberlain, who offered him the first full-time project position. Rockney didn't think twice.

Shortly thereafter, Bill Loudon came on board to manage the project, initially focusing on business plans and advertising campaigns. Loudon had helped found CompuServe's Information Service (and hence the consumer on-line service industry), designed software (including the first commercial multi-player game, MegaWars), reported on the industry, and gained a reputation for an uncanny knack of predicting the market's strength and direction.

"I've been involved in this kind of business since the inception," Loudon explains. "What we chose to concentrate on is what I know from experience makes money. I believe in state-of-the-market as opposed to state-of-the-art technology. I'd rather follow the market than try to second-guess the market, lead it totally down the wrong path, and thereby disserve my customers."

Rockney designed the menu system, a simple program based on open architecture that enables a new product to be added without recompiling or binding in the new menu. Wackes (who had worked for The Source) and Jack Smith (Technical Writer) were assigned to support advertising and user documentation, respectively.

Employees throughout the company helped the small staff alpha-test the system from May 1985 until it went commercial.

In August 1985, volunteer Dan Leichtenschlag wrote a bulletin board on his own time that was a perfect fit for GENie (and received a management award for the accomplishment). Leichtenschlag later joined the staff full time as Senior Systems Analyst and assumed responsibility for programming, coding, maintaining the menu system, and developing and adapting gateways as necessary for new GENie products. Rod Clark (Manager, Pricing and Alternate Channel Marketing) volunteered financial analysis in support of pricing system development.

In September, Colbert came on board to produce the billing system (also a management award winner), with the volunteer help of Jan Edson's then-Telemarketing group. Rockney and Colbert worked out the basic details over lunch one day, and Colbert



Photo by Jean Sunderland

The GENie technical staff includes, from left to right: (standing) Dana Bacanskas, Bill Colbert, and Debbie Bartlett; and (sitting) Vaughn Rockney, Dan Leichtenschlag, Keats Carleton, and Jim Leichtenschlag (summer intern).

spent the next five weeks (with one day off) producing the extremely compact billing program.

Colbert accommodated demands for subscriber validation procedures, author royalty report interfaces, and surcharges for certain phone numbers—as well as last-minute requests to be compatible with the company's existing revenue accounting system (with three weeks to go) and to incorporate local sales taxes (with ten days to go).

When GENie went commercial in October, the real work began. Now, almost a year later, GENie's prospects are shining. Chamberlain notes, "GENie is living proof that an entrepreneurial start-up program can flourish within a company the size of GE Information Services. In 1987, GENie will have firmly established itself as #2 in its market (and watch out, #1!)."

Products on the GENie Network

GENie started out with an eclectic group of about a dozen products. Since then, the product roster has expanded to around 50 (see accompanying list), and the high-priority goal of adding one product per week—a target that Jay Saur (Product Manager—New Products) affirms is sustainable—will make GENie even more attractive.

"The biggest challenge is to go through the product proposals, assess the product's mission, and decide how to respond," Saur explains. "I've received about 190 (mostly unsolicited) proposals through the mail and through GENie itself, and product quality and marketability range clear across the board. We target some products—particularly those of big companies that might reap the same off-peak revenue-generation advantage that we do—but such products are a small proportion of the total.

"Many system operators (i.e., the product administrators) make a part-time or full-time living from their products. We want our system operators to be happy and to complement each other, so I look for

