

UPDATE

News and Information for GE Information Services Employees

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NEW DIAL-COMM RESULT OF EXTRAORDINARY EFFORT

The experts said it would take three years to put together and cut over a new DIAL COMM network, but the corporate telecommunications operation did it in one.

"The main impetus to putting it together in one year," said Milt Bjerke, manager, network operations, "was to get the new DIAL COMM cut over before the AT&T divestiture."

The multimillion dollar network links approximately 130,000 telephones at 850 company locations in all 50 states and Puerto Rico. It is

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ENGINEERING TECHNOLOGY COUNCIL: LOOKING FORWARD

The Engineering Technology Council was created in 1982 as a vehicle for recognizing technical achievement and to provide the leading edge thrust for technology direction in the business. That first year was one of working closely with Engineering Department staff, making recommendations on proposed projects, and drawing on the variety of talent on the Council to help make critical technical decisions affecting

future projects. It was also a year of trying to establish the structure and format that would carry the Council over the long-term and set the tone for its level of contribution to the business direction.

Late in 1983, the second

Council got underway when three new members were appointed to replace departing members. (By Charter one-third of the Council turns over each year.) The Council

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The Engineering Technology Council meets: (from left) Jim Littrell, Lynette Griffen, Steve Mudrick, Roger Dyer, Chris Brook, and Bob Stolzenburg. Not present: Hal Moore, Jacques Perron, Terry Rochford, and Ben Wendelken.

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'83 GE RESULTS—EARNINGS UP 11 PERCENT

Preliminary unaudited results indicate that net earnings of General Electric Company for the total year 1983 were approximately \$2.024 billion, Chairman Jack Welch has announced. This was an increase of 11 percent from the \$1.817 billion reported for 1982. Earnings per share were \$4.45 for 1983 compared with \$4.00 for 1982 on a post-split basis.

Sales for 1983 were about \$26.80 billion, up 1 percent from last year's \$26.50 billion.

Earnings for the fourth quarter of 1983 were about \$579 million, 10 percent more than last year's \$524 million. Earnings per share for the fourth quarter of 1983 were \$1.27 compared with \$1.15 a year ago.

Sales for the 1983 fourth quarter were about \$7.43 billion, or about the same as the \$7.46 billion for the final quarter of 1982.

Mr. Welch said: "General Electric's strong 1983 earnings growth was achieved in a year when significant actions were taken to better position the company for the decade ahead. R&D spending was up about 20 percent to a record \$20 billion; plant and equipment expenditures were up 19 percent to \$1.9 billion; and a broad gauged corporate restructuring program

was implemented involving selective divestitures and far-reaching production rationalization activities."

As indicated by Mr. Welch, the corporate restructuring program included sale of all but one of GE's broadcasting stations, as well as its holdings in Gearhart Industries. Provisions were also made to cover the expense of rationalizing production activities among certain existing plants and phasing out other activities. There was no effect on 1983 net earnings from these corporate restructuring moves, as gains from the sales of assets offset the expense provisions.

In addition, in 1984 GE expects to complete three previously announced major transactions commenced in 1983: Sale of most of Utah International in a \$2.4 billion transaction (less the value of certain properties which GE may retain); sale of GECC's Family Financial Services, a second-mortgage business, for about \$600 million; and sale of the small appliance business for \$300 million.

Among the factors affecting 1983 results, Mr. Welch cited the following:

- GE's operating margin rate for 1983 improved to 9.5 percent from 9.1 percent in 1982. This reflects actions throughout the company to

reduce breakeven levels by improving productivity and controlling overhead.

- While 1983 fourth quarter shipments were only at levels of a year ago, the economic recovery clearly broadened during the latter months of 1983. GE's fourth quarter industrial orders showed considerable strength.

- GE's financial position strengthened again in 1983. Cash, marketable securities, and other highly liquid investments were \$3.0 billion at year end. The ratio of total debt to capital was down to 14.4 percent from 16.5 percent and was, again, the lowest in many years. Receivables and inventories were in excellent shape throughout the year.

Commenting on the economic outlook, Mr. Welch said, "In 1984, we expect the U.S. economy to be quite strong with capital spending adding to 1983's growth. International forecasts are more mixed and generally less optimistic. Longer term, the impact of continuing federal deficits, high U.S. interest rates, and a strong U.S. dollar remain troublesome. GE is in a strong position to benefit from a better economy in the near term and our strategic moves are continuing to improve an already solid base."

NEW DIAL-COMM

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made up of leased lines from a number of vendors and electronic switching technology.

"The old network, which began in '64," said Milt, "used crossbar switching technology. We wanted to get intelligent switching in place to allow the proper routing of traffic to the least cost carrier of choice."

It took the efforts of about 20 people working practically full time, in addition to their normal tasks, as well as the help of many others to achieve the planned cutover date of December 12, 1983. But they did it.

"We have some problems that appear to be divestiture related, but we will straighten them out. For that reason, it is difficult to tell how much we are saving GE right now. However, we had projected that we could save the company \$10 million annually in telephone expenditures.

The network is linked by 14 No. 1 ESS stored-program-control analog central office switches, owned by Bell local telephone companies, which act as networking nodes, as well as three Northern Telecom SL-1 digital PBXs in the Syracuse area, which, linked by microwave, act in tandem as a 15th networking node.

In addition, a control center located in Albany consists of hardware provided by AT&T Information Systems, including a centralized station message detail recording system which polls the nodes for telephone traffic information, and a so-called customer administration center system (CACCS) which allows users to handle their own software-driven moves and changes for telephone facilities.

There is also a Satellite Business Systems satellite link. GE is using earth stations installed at its facilities in Schenectady, Bridgeport, Conn., and San Jose, Calif. The earth stations were put into operation about a year ago in a pilot program and then integrated with the larger networking scheme. Plans call for at least six more earth stations to be added to the network this year.



Steve Scott, manager, voice network operations and project leader of the recent cutover of DIAL-Comm, checks out the system's status.

ENGINEERING TECHNOLOGY COUNCIL

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members for this year are Chairman Steve Mudrick, Project Integration Office; Chris Brook, communications systems; Roger Dyer, quality assurance; Jim Littrell, MARK 3000™ systems; Hal Moore, application systems; Jacques Perron, advanced engineering; Terry Rochford, MIMS® Systems; Bob Stolzenburg, MARK III® systems, and Ben Wendelken, GCOS systems. Lynette Griffin is the representative from Employee Relations.

"Our Charter this year is to continue in our role as advisor to the Engineering Department on technical issues or decisions that need to be made," said Steve Mudrick. "But we also want to raise the visibility of the Council to encourage greater use of it by Engineering employees."

To that end, the Council has drafted a letter to all Engineering employees outlining how they can get ideas to the Council. Their intent is not to limit the means for making proposals to the Council but to provide more than one avenue for doing so. Additionally, they recently an-

nounced a study they will undertake which tracks the movement of projects through the department to identify areas where bottlenecks occur. Several members have begun meeting with employees to solicit ideas directly and have extended invitations to some to discuss their ideas with the whole Council.

"Too often good ideas die for lack of anywhere to go with them," said Roger Dyer. "We want to take a more pro-active role in soliciting those ideas from people, whether they represent a better way to do something or whole new business opportunities."

While the Council will not actively seek new project ideas or proposals from outside the Engineering Department, they have said they would not turn away any ideas which reached them.

When the new Council convened last September, their first priority was to review the Engineering Department's Five Year Technology Plan.

"Bob Hench [vice president and general manager, Engineering Department] asked that we take a look at it and

make any recommendations we thought it needed," said Bob Stolzenburg. "He felt, and we agreed, that it was an important instrument in providing the direction we would pursue over the next few years. We looked at the industry trends it identified, the cohesiveness of the plan, and the business's response to what was happening out there. Bob was very receptive to suggestions made by the Council and has incorporated some of our recommendations."

Since then the Council has also investigated Optical Disk technology and Video Imaging and their applications to the business.

"We've also looked into recommendations on Cluster versus Non-Cluster technology, reviewed GE's new DIAL MAIL product and are currently looking at hardware for text to voice conversion," said Steve. "We're working now to develop a prototype of the voice conversion to see what can be done with it before we open up discussions with the department."

The Council has also had several meetings with George Wedberg, advanced engineering manager, to bring about the integration of his role in the department with that of the Engineering Technology Council.

—Lynette Griffin

