

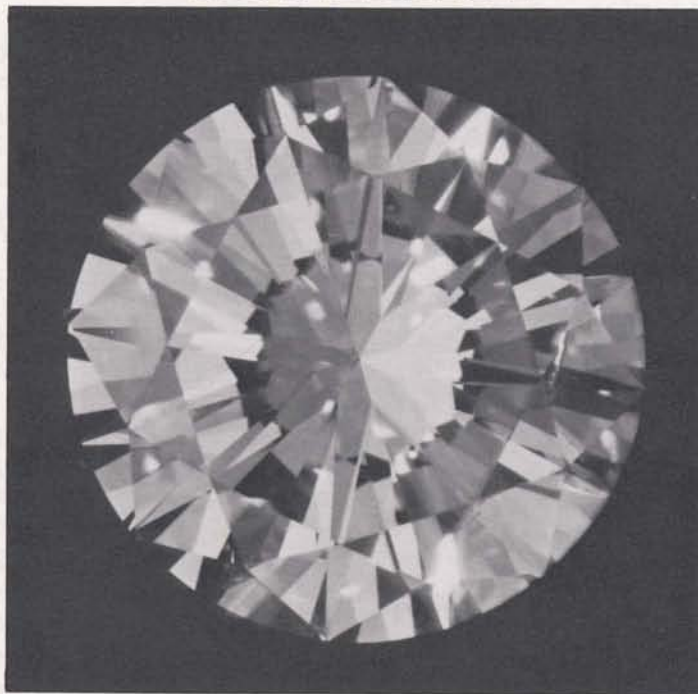
JUNE 1986

# SPECTRUM

FOR THE EMPLOYEES OF GE INFORMATION SERVICES COMPANY

*cover story*

## INTERNATIONAL'S GEM OF A CONTRACT



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**INFORMATION  
SERVICES**

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

## INTERNATIONAL'S GEM OF A CONTRACT

*"I am delighted; this is one of the most significant international sales, both in strategic as well as revenue terms. Full credit must go to the project team for their tenacity, creativity, and willingness to take risks. When they started to prepare our bid, our chances were probably worse than even, but they believed that they could win through and by dint of sheer professionalism. They overcame all the obstacles and brought home the business."*

—Tony Craig

Early this year, the International Sales and Services Operations (ISSO) signed a container tracking and management system contract with Global Equipment Management (GEM), a consortium of four Scandinavian companies that controls 14 shipping lines and over 150,000 shipping containers through 10 regional and 60 local offices connected to over 500 shipping agents.

On June 1, the first phase of the contract was successfully completed with the implementation of a modified Equipment Control System (ECS) on MARK III Service®. The GEM ECS is now operational and processing almost 70,000 containers for nine of the GEM lines.

Worth an estimated \$15 million over five years, the GEM contract represents a major prize for the international engineering, sales, and marketing team that formulated the proposal, working in a sustained effort over time, across international boundaries, and among functions.

ISSO views the GEM contract as a competitive milestone, because GEM chose GE Information Services Company over a bidding team comprising

IBM and GEM consortium members' in-house data processing divisions. Moreover, the GEM contract may set the stage for a GE Information Services move into the broader markets of international trade and intermodal transportation.

On the day that GEM announced its decision, Northern Europe President Danny Schultz emphasized the significance of the contract by noting, "This is the single most important deal in which I have been involved in the 23 years of my business career."

### **The Contract**

GEM was formally founded in October 1985 by The East Asiatic Company of Denmark, Johnson Line of Sweden, Transatlantic of Sweden, and Wilhelm Wilhelmsen of Norway.

The formation of GEM is a response to the demands of the Scandinavian shipping business, a key economic sector that confronted several challenges common to the highly competitive shipping industry, which is "drowning in a sea of paper and suffocating from lack of timely information," as Conrad Persels (former manager, Transportation/Construction Marketing) noted.

Containers—which number roughly 4 million worldwide—cost about \$1,000 per year to operate. Because shipping lines often may not know the exact status and location of their containers and have to keep available stock in each port, they must maintain large fleets at inflated costs.

Recognizing the need to oversee and analyze container fleets, the GEM partners decided to form a jointly owned equipment management company to operate an integrated container pool that would replace the separate container fleets of the GEM lines. This pool of around 150,000 containers allows the partners to decrease the absolute number of containers operated, increase the utilization rate for

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Cover photograph courtesy of the Diamond Information Center in New York City, New York.



Tony Craig (left) shakes hands with Ray Miles, President of GEM, symbolically closing the deal.

each container, and save an estimated \$40 million per year.

The solution proposed by GE Information Services provides container inventory control, maintenance and repair scheduling, management accounting, financial accounting, equipment booking and forecasting, and optimization facilities. This solution incorporates six regional control areas and can accommodate up to 250,000 containers by the end of the project.

The two-phase solution initially relies on a MARK III Foreground version of existing ECS software, modified to manage a container fleet. This first-phase system is designed to provide GEM with improved container management while the full-blown system is developed. The phase-two product will run on MARK 3000 Service™ and in a CICS/DLI environment after a phased transition over 12 to 18

months; GE Information Services will retain marketing rights for the phase-two solution, designated as the Equipment Management System (EMS) in its generic form.

The phase-two product will include an integrated corporate data base with all application software. This system will employ the GE Information Services communication network; offer low, medium, and high transmission speeds; and accommodate a variety of terminals.

The phase-two product will use all new-generation software. In a further development, after selecting GE Information Services, GEM also decided to use Software International's financial system for corporate control.

The GEM contract award is attributable to a variety of technical and business factors, most not-

ably: GE Information Services' many years of experience with automated container tracking for an established ECS client base—and the concomitant credibility of the company; a tested, reliable, worldwide network that is available 24 hours per day; the people network that offers genuine worldwide support; and the company's ability to tap its available worldwide expertise as needed to respond to client needs (reflected in the international proposal team, described in related story at right, that worked on the GEM proposal from start to finish).

In fact, after the contract award, GEM executives reported that they had been particularly impressed with the fact that GE Information Services had been able to field an international team that remained unchanged throughout the nine months of the proposal process.

### **Project Status**

Since the project officially began in January, ISSO has been supplementing existing staff who have knowledge of the industry and of equipment management systems by recruiting high-caliber personnel to manage and conduct project development (see, for example, the related story on the GEM project team on page 5). ISSO also has been investigating contractors who might execute much of the straight programming required.

Because the GEM project relies on an IBM-based system, ISSO has been able to recruit personnel with expertise in IBM systems, which should provide a firm people base not only for GEM but also for future IBM-based work.

The successful and timely completion of the first phase of the GEM contract was an important milestone: the interim solution both supplied a working system to GEM prior to the advent of EMS and reaffirmed company credibility to undertake the second phase.

Per Bernt Dahle managed the first phase—which demanded the coordination of an international team with people and resources scattered throughout the world—while simultaneously managing Norway SDC. The first phase required the execution of three tasks:

- A modification of the ECS software to accommodate management accounting (such as crediting

*Continued on next page*

## **THE PROPOSAL TEAM**

Lasse Syversen	Country Manager, Norway
Niels Nielsen	Manager, Transportation/Shipping Marketing
Alec Absalom	Business Systems Consultant, UK
Tony Harrison	MARK 3000 Consultant
Conrad Persels	Manager, Transport/Construction Marketing
Mike Walmsley	Northern Area Business Analyst

### **Helped By:**

Chris Toone  
Danny Schultz  
Tony Craig  
Colin Bell  
Barry Clarke  
Johs Utne (consultant)

*"I really don't think we could have won a contract like this two years ago. The new style of management was an immense assistance to me as project manager. Whenever we needed help, it was there—and quickly! The management chain was flexible, strategic, and prepared to take calculated risks. Senior managers such as Chris Toone, Danny Schultz, Colin Bell, and Tony Craig made themselves available at very short notice to meet GEM management whenever and wherever it was needed."*

—Lasse Syversen

*"This team worked throughout the summer, meeting with the SCANCON project team in Stockholm, Gottenberg, Copenhagen, and Oslo. We always appeared at these meetings as a team to emphasize our ability to establish and maintain an international people network to complement our telecommunications network. Furthermore, we stressed the fact that we were only the front for a more elaborate support team that helped write the proposal and would be available to implement and support the project."*

—Conrad Persels









































