



# ***SPECTRUM***

For Employees of GE Information Services Around the World

October 1988

In Hong Kong, a strange  
Westernized Asian "Hot Pot,"  
GE IS has built a thriving  
business.





#### About the cover

In Hong Kong, a country of material obsession counterbalanced by strong superstition, GE Information Services has established itself in the banking business and is now targeting trade and transportation. Success in this market has come about by more than what the people of Hong Kong call good Fung Shui—the natural flow of life.

SPECTRUM is published for employees of GE Information Services by Employee Communications, 401 N. Washington Street, MC07E, Rockville, MD 20850

For distribution changes, send a message via the QUIK-COMM system to Jeanne Bovenberg (BOV). For additional copies, order via OLOS, publication number 0308.30

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***GE Information Services***

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- 2 The Business In Hong Kong**  
A small, industrious team has built a very successful business in this country of contradictions.



- 9 Looking Ahead**  
SPECTUM talks with President Jim McNerney about the state of the business as he assumes office.



- 11 Gearing Up For 1992**  
International leaders met in Marcella, Spain, to plan their strategy for positioning the company to be a major player in a deregularized Europe.

- 14 Going For The Gold**  
International Sales Contest spurs sales people to pursue opportunities to sell value added applications.



- 17 Building Leadership**  
GE's Information Systems Management Program develops leadership in bright, young professionals. At GE Information Services the program is meeting its goals.

- 20 Good News**  
Recent contracts that contribute to the company's profitability.

- 21 Fast\*Fax**  
Questions most frequently asked of Fast\*Fax editor, Mike Gwinn.

- 21 New & Revised Documentation**  
New titles available through OLOS.

- 23 Industry Briefs**  
A look at major moves by our competitors.

- 24 Milestones**  
Employees marking 5-year anniversaries with the company.

# The Business In Hong Kong

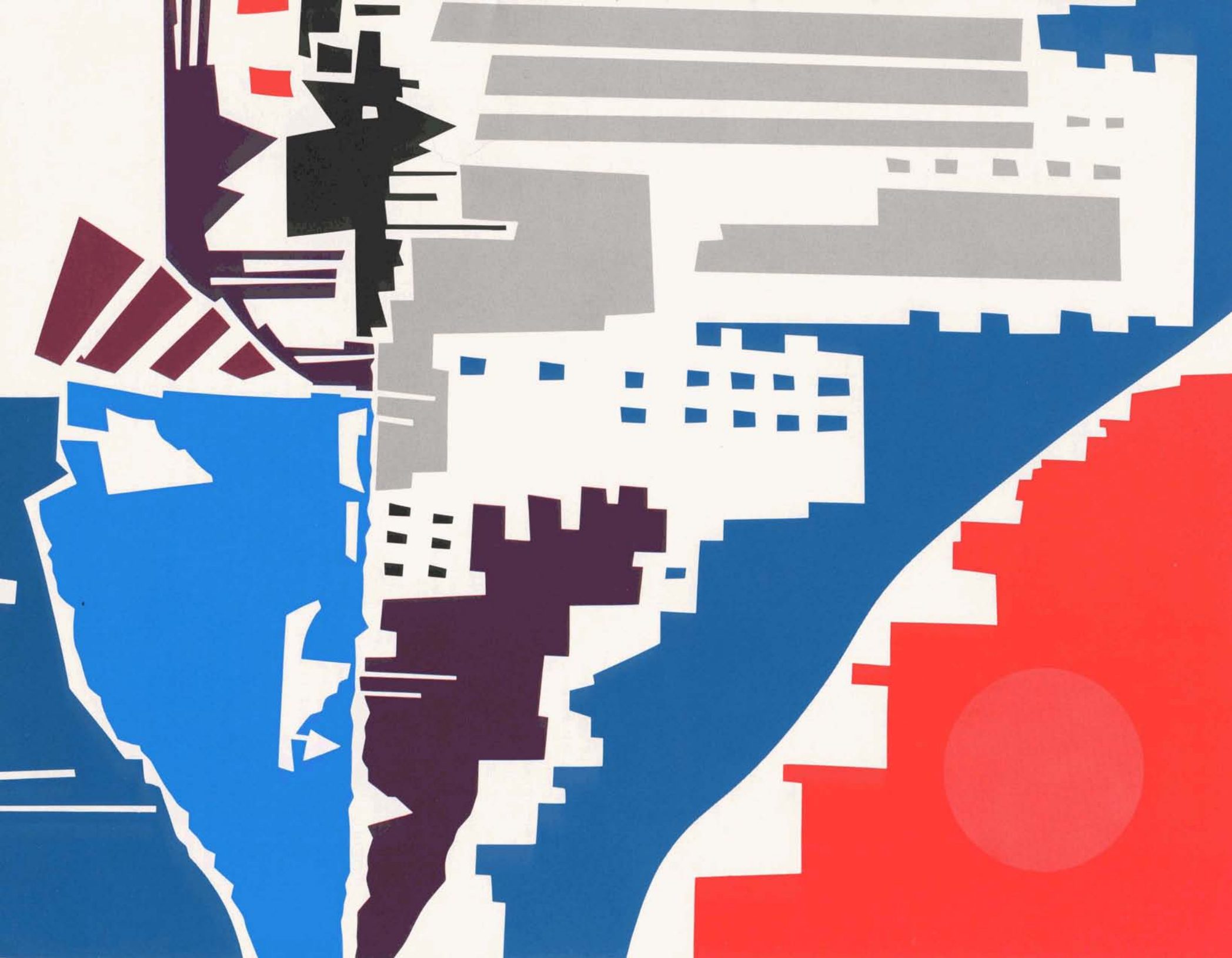
A Case Of Good Luck From Hard Work

By Wayne Morrison  
Manager, Central Asia

**“W**hat’s it like to live and work in Hong Kong?” my friends ask whenever I travel. Most people are aware of the place—even if some are unsure of its exact location. My answer is that it is crowded, hectic and noisy—but things get done! No matter how difficult, there is always some way of achieving the result—even if at first the solution is not perfect.

To gain a better insight into this strange Westernized Asian “Hot Pot,” especially from the GE Information Services business perspective, one needs to understand some of Hong Kong’s curiosities. The majority of the six million Chinese inhabitants believe in Buddhism. But a secondary worship is money. Hong Kong is probably the most overt mercantile entrepot of Asia. Its history has forced the population to survive on





trade and the wits of its merchants. The British government's policy of positive non intervention in the economy translates into a company and personal taxation level lower than almost any other country, with a maximum marginal rate of 17 percent. This means that enterprising entrepreneurs can realize high profits from successful businesses.

### **A Country of Contradictions**

Hong Kong is a country of contradictions. One anomaly, for example, is the thin physique of the indigenous population. Yet everywhere you go, there is continual eating. A common phrase of welcome is not "How are you?" but "Have you eaten yet?" A meal is an important social event.

Any visitor upon arrival is immediately taken aback by the show of fabulous wealth. Rolls Royces, Ferraris, Porsches, Mercedes Benzes, and sumptuous hotels dramatically contrast with the nearby almost abject poverty of squatter huts and boat people. Wealth is also displayed through gold jewelry and the now popular fashion of personal telephones. But this material obsession is counterbalanced by strong superstitions, such as Fung Shui. Fung Shui basically means wind and water or the natural flow of life. The commercial viability of a project can depend on adherence to the rituals of Fung Shui.

For example, a very expensive Regent Hotel development in Kowloon was hampered by the requirement of the Mythical Dragon to drink on this site from the harbour. The building would impede the Dragon's line of sight and thus bring about bad feelings. As mentioned earlier, Hong Kong survives on the wits of its sharp, cunning people. The developers solved the hotel's dilemma by simply using great expanses of glass to allow the Dragon easy viewing—and at the same time enable the guests to view the magnificent Hong Kong

Harbour. The Regent is now one of the most successful local hotels. Good Fung Shui, as we say!

### **GE Information Services Enjoys Good Fung Shui**

GE Information Services (HK) has been blessed with good Fung Shui as well. But there is more behind its recent years of excellent growth and profitability than pure mystery. Its team of 19 dedicated and extremely hardworking staff have made the Hong Kong operation a minor marvel.

The business commenced as an access point for the network back in 1978, making our presence in Hong Kong 10 years old today. By 1981, the operation was registered in Hong Kong as a company, which enabled local contracts to be signed. For the first few years revenue growth was in the 30 percent range and then dropped back to growth rates in the low to mid 20 percent range until 1986, a year of poor growth. Profits were not really positive until late 1984 and the business was based upon international accounts. Late in 1986 business began to pick up with the signing of Evergreen, a major shipping line, and some SDC work for American Express. In 1987, the organization was restructured and focused very much on local sales activity. And while import business remained very important, it was separated from direct sales and the newly formed SDC group.

### **Focused Sales Organization**

The direct sales organization focuses on two markets: Banking and Financial Services and Trade and Transportation. By introducing the right expertise into Banking through John Sanders, this element has grown over 40 percent during 1988 and now contributes more than 54 percent of total revenue. Local sales to Standard Chartered Bank in their Electronic Banking Services (Cash Management, Workstation) have kept this account firmly within the

GE Information Services client list. Other business sections with which we are working closely are Securities Reporting/Custodian Services to large clients and Letter of Credit initiation from China clients. We have recently been requested to quote for a consultancy study to assist the bank with their five year development of corporate banking systems.

The activity in Banking and Financial Services is reaching fever pitch. The market looks just right for some very exciting big plays, such as the Capital Markets Clearing System, where we have jointly bid with Standard Chartered Bank, as well as consultation to major securities companies and the Stock Exchange.

Trade and Transportation has been disappointing apart from the applications in Evergreen, which are growing well worldwide. MARK III processes the sailing and cargo information for all Evergreen offices and agents. We hope to be developing more systems later in the year using EDI principles.

Although Hong Kong is the second major container port, we have not yet sufficiently penetrated the



*Cecilia Lovie (left) and Sandy Cheung (right) are part of a small Client Services team that supports GE Information Services' 300 clients in Hong Kong.*

















































