



How one GEISCO team installed a network and made a friend

"...GESCO is extremely satisfied with the job GEISCO did in sizing and installing the network. Additionally, we are pleased with the ongoing support we receive..."

"For the record, GEISCO did what GESCO now knows we could have never done. Obviously, all of the GEISCO players should be complimented on their contribution of effort but certainly, Phil, your captaining this activity, in my opinion, is a principal reason that GESCO received a truly professional job. I only wish we could have received half as much from our hardware vendor..."

Frank Billone, Manager of GE Supply Co. (GESCO), wrote the preceding words to Phil Poe, Manager of Telecommunication Products, Product Assurance. It was Poe who managed the project to provide GESCO with network services for their transition from MARK III Service using MARKLINK terminals to in-house IBM. Other vendors were involved. Arthur Andersen won the contract for application support, IBM for mainframe hardware and software, and GEISCO to provide the SNA network development, installation, and subsequent management.

Of particular significance is that GE Information Services Co. was a dark horse for the network contract, as GESCO had been less than enthusiastic about GEISCO in the past.

In April 1985, with the restructuring of GE Information Services Company just around the corner, Poe accepted the challenge to manage the project to design, determine topology, install and operate for GESCO the IBM SNA network (referred to as the "blue" network), connecting more than 2000 terminals and printers at 150 locations to their host IBM system in Bridgeport, Conn.

"We knew from the start that Frank Billone is a strong, demanding manager," Poe said. "In his environment of a low-margin, functional warehouse business, he has to be."

"Then, from meetings with GESCO, we determined that their's was not a sophisticated IBM shop," Poe said. "Most of their people had MARK III user backgrounds, so they needed strong IBM-based technical support and consultation as a GE partner. If we had done only what the contract required, this project would have surely failed."

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INFORMATION SERVICES

U.S.A.

Poe's team of some 20 project leaders, principally from Technology Operations, but also from other segments of GEISCO such as Finance and Accounting, spent two days in April 1985 with the GESCO staff to determine what the client wanted, refine the requirements process, and establish SNA network interconnect technical specifications. Then they brainstormed to come up with more than 200 principal milestones, automated the milestones check-off system, and began to execute.

Through consensus, the leadership group determined exacting delineations of responsibilities, decided on clear and concise directions for the numerous other employees involved in the project, and agreed to give them the responsibility and authority to carry out the assigned tasks.

"We determined that we, the network provider, would never get behind the other vendors and would not let quality slip," he said. We said, 'we've got some superb people here at GEISCO and we're good at what we do. Let's show 'em that we can execute the tough ones.'"

Poe said keys to the success of the project were participation and communication, developing consensus and commitment from those responsible for execution internally, and communicating frequently and forthrightly with the client.

"About 90% of system development and implementation problems stem from poor human communication," he said. "You've got to know what you're doing technically, then you communicate with the client at the very beginning. And if you blow it, you've got to tell them. If they know about an honest mistake or valid problem, and you approach solutions in a positive manner, they'll support you."

To keep everyone involved up to date, the project team provided weekly milestones check-offs and monthly status reports from meetings with GESCO, copying section managers to keep them abreast of the project. Periodic reviews were held with Communications Dept. VP & GM Joe Squarzini and with MARK 3000 VP & GM Joe Marchese and their staffs. Both were extremely supportive, providing critical resources, Poe says.

Then there was Phil Poe's infectious enthusiasm.

"Nobody wants to belong to a lousy team or organization," he says. "We all want to be winners. A project manager is a lot like the conductor of an orchestra. He or she is only as good as the musicians--the project leaders who are responsible for execution. We won this one because our team was superb."

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And while Poe believe in management by objectives and through consensus, he also knows the buck has to stop somewhere.

"Somebody has to be in charge, to take responsibility for tactical decisions," he says. "Somebody has to make the calls, to take ownership and be willing to make mistakes, to take risks."

Seven contracts signed in December

During December, seven contracts were signed, four of which are new name accounts. Key closes with ultimate MPR of more than \$50K include:

<u>Client</u>	<u>MPR potential</u>	<u>Application</u>
Shell	\$270K	EDI for transmission of invoices
NYPSA	75	EDI/OCO for transmission of orders and advertising copy
Eastman Kodak	75	EDI for movement of POs, MRs, and shipment documents
American Motors	75	VAN and SNA service for suppliers to link dealers and warehouses
Software Sciences	50	Author-Software packages to gas /utilities companies
Petrodex	50	Author-terminal admin. & billing system

AEBG (Aircraft Engine Business Group--Evandale) demonstrated the EDI manufacturing system developed by GEISCO which transmits engineering specifications between AEBG and their vendors. Five of the eight suppliers who saw a prototype demonstration of DESIGN*EXPRESS agreed to use the system. GEISCO has also received a verbal commitment from John Deere for a manufacturing EDI system.

Global Equipment Management (GEM), a recently established consortium of four major Scandinavian shipping companies, has awarded a communications and computing contract to GEISCO. The total contract for software, processing, and communications is estimated to exceed \$15 million over five years.

4th quarter sales remained soft, but earnings exceeded commitment

GE Information Services Company's fourth quarter sales of \$170.4 million were down 10% from 1984 and 16% lower than the Operating Plan. Net earnings for the fourth quarter totaled \$11.2 million, 10% higher than 1984 but 25% below Operating Plan, and included \$4.6 million in Corporate restructuring coverage and non-operating credits. Net income for the year totaled \$37.2

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million (exceeding the net income commitment of \$37 million), 10% below last year and 17% lower than Plan, on sales of \$670.7 million, down 10% from 1984 and 13% below Operating Plan.

Fourth quarter results by business segment were as follows:

- o Network Based Services sales were down 8% from prior year. Marketing and U.S. Sales declined 16%, due primarily to continued price erosion, wide-spread reductions in non-focused accounts and in-house migration of background volume. International volume remained strong (up 6%). Net income was \$2.6 million (35%) lower than last year, driven by revenue decline (RCS selling prices off 14%) offset in part by significant cost reductions across most components.
- o GE Consulting Services revenue was 3% higher than 1984 reflecting increased volume and improved applied times. Earnings improved \$2.3 million over last year due mainly to a reduction in goodwill costs and strong productivity gains.
- o Software International sales were up 8% from prior year driven primarily by higher maintenance revenues while industry softness continued to hurt software sales. Net income was \$3.2 million higher than 1984 due mainly to additional maintenance revenue, software capitalization and other base cost reductions.
- o Integrated Communication Services revenue declined 12% from last year reflecting the PBX business phase-down and lower services volume. Earnings dropped \$1.3 million (46%) from 1984 primarily as a result of lower services revenue.
- o Combined Energy Enterprise/Network Consultants sales fell 83% below prior year driven by the disposition of Network Consultants in September and lower Energy Enterprises volume (depressed energy markets).

USS&SO managers
enthusiastic about
candid discussions

It wouldn't be a complete surprise if the atmosphere above the Xerox Training Center in Leesburg, Virginia has been molecularly altered ever so slightly. For at that site on Jan. 12 - 16 was held an informationally and emotionally charged meeting of U.S. Sales & Services Operation (USS&SO) managers.

An intensive schedule of product demonstrations, presentations on numerous business and marketing topics, training activities, candid and electrifying speakup sessions, and "winding down" activities such as "Las Vegas night," the meeting was one indicator of a watershed for GEISCO--and the recognition of a refreshing management approach within Marketing & U.S. Sales Operations (M&USSO).

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Speaking to an obviously recharged, generally enthusiastic group of sales managers on the final day of the meeting, USS&SO VP John Sidgmore commented on the busy meeting agenda and the speakup sessions between sales and marketing managers.

"We've had more speakup sessions than we've had sleep," he said. "But we've taken on some tough issues," Sidgmore said, "and we've learned that you can get things out on the table, have an open forum, and still walk away as a team and execute."

Lin Register, Southern Region Manager, agreed, saying "I've never been in an organization or situation that was so threat-free. People feel free to raise issues, to say what's on their minds."

Clearly, M&USSO management encourages constructive confrontation in working toward resolving marketing and sales issues, and is succeeding in renewing employee optimism.

"Up until just recently in the U.S.-based Network Based Services," said M&USSO Sr. VP Jim McNerney, "there was a pervasive losing attitude that led to continuing negative results. While understandable, given unfavorable market dynamics and resulting restructuring, it couldn't be tolerated. I've never seen a group of leaders turn things around as quickly as you have. If attitude is a major part of winning, I'm convinced we're winning now," he said.

President Walt Williams told the group he could sense momentum building.

"There is fire and spirit in this company!" he said. "I've been with General Electric for 30 years and I've never felt such excitement before--and you know me--I'm always excited."

Watch for more comments and information--and photos--from the USS&SO managers meeting in an upcoming issue of SPECTRUM.

GE earnings up 2%,
sales up 1% in '85

Preliminary, unaudited results indicate that net earnings of General Electric Company for the total year 1985 were approximately \$2.336 billion, GE Chairman Jack Welch announced on January 15. This was an increase of 2% from the \$2.280 billion reported for 1984. Earnings per share were \$5.13 for 1985 compared with \$5.03 for 1984.

Earnings for the fourth quarter of 1985 were about \$660 million, 1% more than last year's \$652 million. Earnings per share for the fourth quarter of 1984 were \$1.45, up one cent from last year's fourth quarter.

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