



OCTOBER 3, 1986

SPECTRUM

FOR THE EMPLOYEES OF GE INFORMATION SERVICES COMPANY



SPECIAL EDITION

New President

New Organization



MESSAGE FROM TONY

We are in a particularly exciting period in our company's history. Walt has guided us through a difficult but successful transition, identifying and developing the products demanded by new and evolving markets. Moreover, we have refocused the company as a truly international competitor, responding to market realities and capitalizing on the company's strengths in international organization and technological reach.

In large measure, we are choosing the right markets and the right products and are attracting the right people. This company now is positioned to be one of the General Electric Company's profit leaders in the coming years. The continuing support we're receiving from the corporate office confirms that judgment.

We still confront many challenges. To meet our revenue and profit objectives, we are going to have to stretch, reach, and give our very best. We'll review the progress of sales and marketing strategies, implementation approaches, and attendant costs—basically, sharpening our competitive edge.

We will thrive by focusing on several objectives. First, we must make sure that potential clients are aware of the excellent and unique services and support that we offer. Second, we must be the best sales force in the industry, supported by the best technical people, the best products, and the best applications. In our particular marketplace, we can be no less than a market leader. This will entail reallocating some people and resources into field organizations to better serve our clients. Third, we must continue to forge a common identity that enfolds domestic and international organizations, Headquarters and field operations. Fourth, we must further enhance our capabilities to evaluate—and thus effectively counter—our primary competitors' strengths.

Finally, to accomplish all the aforementioned goals, we must make the most of the high-quality people we employ. In my mind, this has several dimensions. Account and technical representatives must take ownership of specific client contracts, creating solutions and pushing for support from the

rest of our team as needed. When the clients come first—as they must if we're to succeed—there's no room for anything but teamwork within our company.

Each employee must have the opportunity to control his or her own destiny by working with management to define career goals and development paths. All our managers must solicit bottom-up input on job development and then track employees' progress, accelerating the careers of those who consistently demonstrate the high levels of performance that we need to succeed as a company.

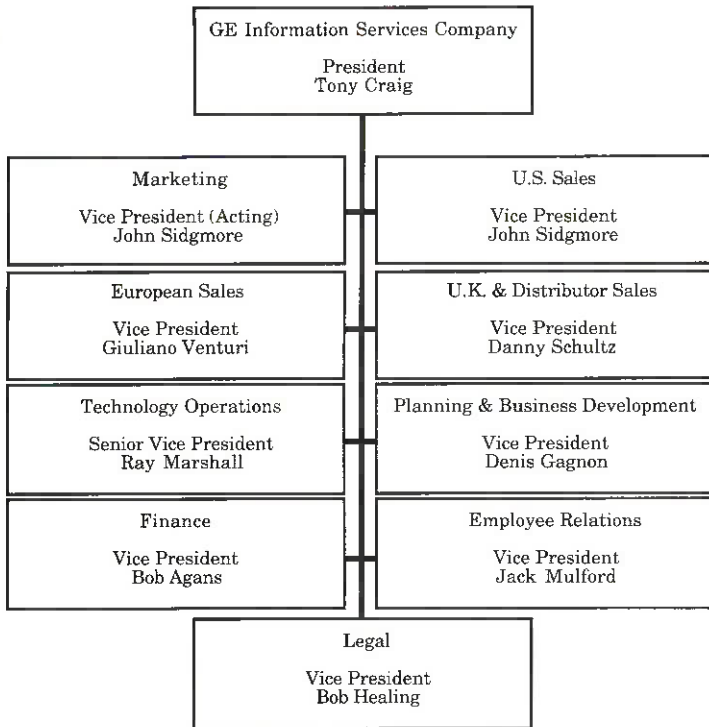


Tony Craig

One of the underlying keys to our success is effective two-way communication between management and employees. We must encourage all employees to share ideas, opinions, and criticisms. If we can establish a free flow of information—good news and bad—we'll be better able to direct and improve our business, with resulting payoffs for everyone.

Changes in leadership generate a lot of employee concerns, and there are two other issues worthy of discussion. First, the cost and revenue targets for 1987—and, second, the steps we'll have to take to meet them—are not yet established. We will be getting back to you with firm information as soon as the work is finished.

Another important development: A new organization, Communications and Services, will be

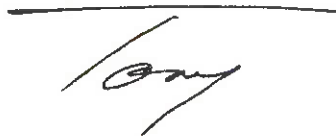


The organization of GE Information Services under Tony Craig is reflected in this chart.

formed to allow GE to compete more aggressively in the communication industry. General Electric Information Services Company is a major component of this organization and can build strong synergies with RCA Global Communications (RCA Globcom), RCA American Communications (RCA Americom), and GE Consulting Services Corporation (GECON). These new tools render us in an extremely strong and unique competitive position.

I'm convinced that we're at a point in our business cycle when we all have the opportunity to define our own future, as individuals and as a company. If we seize the moment, we'll be able to look back on these next few years as the beginning of a new era of growth at GE Information Services. If that sounds good to you, then get ready—we're gearing up for action.

Regards,



MESSAGE FROM WALT

In the last three and one-half years, the GE Information Services team has taken on some of the toughest resizing, reshaping, and repositioning challenges I have ever seen—and these challenges have been faced in an industry that is being totally transformed.

In spite of the degree of difficulty of the tasks, the people of GE Information Services Company have made my time here both exciting and gratifying. I personally thank you for the effort, the progress, and the friendships of these three-plus years.

A very exciting part about this time of our lives—yours and mine—is that we are both at a beginning. Me in a totally new challenge in my role of Senior VP of Corporate Marketing & Sales, and you under the very strong leadership of Tony Craig in Gene Murphy's new Communications and Services organization that will give GE and GE Information Services even greater strength and presence in the world.

I'm confident that one of the big future plays for GE has just been put together, and GE Information Services is a very important part of that play.

I'll be watching your progress.

Thanks again for everything.

Best regards,



ABOUT TONY CRAIG...

Tony Craig comes to the positions of the GE Information Services President and a Vice President of GE Company from over three years in charge of International Sales and Services Operations (ISSO). While there, Tony moved from VP to VP & GM to Senior VP, defining, communicating, and committing the company to international sales. In



Tony Craig

the process, he developed ISSO's pricing and contracting structures; created the international accounts management focus; assumed responsibility for marketing support strategies; promoted measurement tools for internal sales and competitive operations; and managed necessary dispositions and alternate channel marketing activities.

Under Tony's management, ISSO essentially turned itself around, reversing a business decline. In 1985, ISSO's controllable margin improved by more than 20 percent, and its growth rate was 9 percent (at dollar parity) for the period from September 1984 through December 1985. This year, ISSO expects its controllable margin to improve by 30 percent (8 percent at dollar parity). Prior to joining GE Information Services, Tony worked for IBM for 17 years, taking assignments in Canada, Europe, the US, Japan, and Australia. His responsibilities encompassed a wide range of data processing products and services, focusing on sales, marketing, and systems engineering. Tony received several management awards while at IBM, and he completed a number of IBM's advanced sales and management courses.

Tony earned his BA in mathematics and physics from Dalhousie University (Halifax, Canada). ▲

THE NEW ORGANIZATIONAL STRUCTURE

GE recently approved a change in its organizational substructure that further integrates GE and RCA operations and continues the process of placing like companies under a common umbrella organization.

Under this new organization, GE Information Services Company will report to a new GE component, Communications and Services, which will be headquartered at the 570 Lexington Avenue GE Building in New York City and will be led by Eugene F. Murphy, Senior Vice President. Software International Corporation and GE Consulting Services Corporation will be spun off from GE Information Services and likewise will report to Communications and Services.

Also reporting to Communications and Services are: RCA Global Communications, Inc. (RCA Globcom); RCA American Communications (RCA Americom); GE's Mobile Communications Business; Business Communications and Services (BCS); RCA Government Services; and RCA UK Services. Capsule descriptions of GE Information Services' new sister companies follow.

RCA Globcom

RCA Globcom is headquartered in New York City and is under the direction of Valerian F. Podmolik, President and Chief Executive Officer.

RCA Globcom is a common carrier, principally furnishing domestic and international voice/record communications and services and incidental connecting services and facilities. RCA Globcom operates a system of satellite and submarine cable circuits to provide services such as: Telex service in the US and more than 190 points overseas; Hotline Telex News Information Retrieval Service; RCA Mail; RCA Mail for PCs; telegram service to more than 230 overseas sites; data and data/voice leased channels; multiplexed voice-only service; International Business Satellite Service; Expressnet low-speed data leased channels; Q-Fax international facsimile service; telephone service between Pacific points; marine telex (SITOR) and telegraph service to and from ships at sea; data transmission to all major countries; low-speed data service; intercontinental television transmission via satellite between the US and most major countries;

AIRCON, a computerized message-switching service; and RCA Data Transaction Services, an on-line, medium-speed data communications service.

RCA Globcom maintains marketing offices in New York City and Memphis, a customer relations office in Piscataway, and an international services office in New York City. The company has sales offices in California, Colorado, Connecticut, DC, Florida, Georgia, Illinois, Kansas, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Texas, Washington, and Wisconsin. RCA Globcom also has international affairs offices in New York City, Argentina, Belgium, Brazil, Chile, Colombia, Egypt, El Salvador, France, Greece, Guatemala, India, Italy, Japan, Jordan, Korea, Lebanon, Morocco, the Netherlands Antilles, Pakistan, Panama, Peru, the Philippines, the Republic of China, Saudi Arabia, Singapore, and Spain.

RCA Americom

RCA Americom is headquartered in Princeton, New Jersey, and is headed by Andrew T. Hospodor, President and Chief Executive Officer.

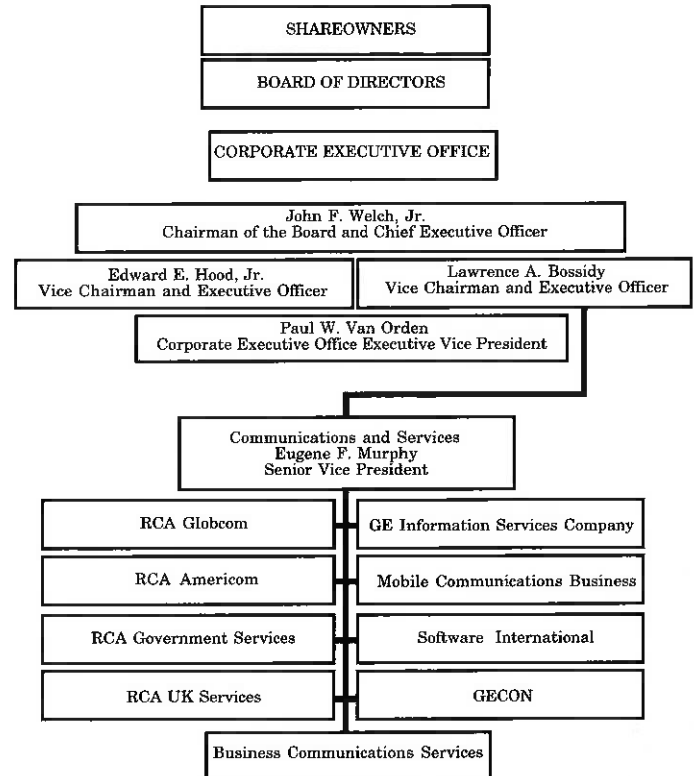
RCA Americom is a common carrier, furnishing domestic communications satellite services. The company operates seven satellites, a number of command Earth stations located in the continental US and in Hawaii, and a network of 50 Earth stations located on government property.

RCA Americom offers services such as: satellite communications, broadcast distribution, business communications, cable television program distribution, international television distribution, other occasional television distribution, private telecommunications, and custom-designed networking for government agencies.

RCA Americom maintains sales offices in Princeton for government communications and services, video and audio services, and commercial communications and services. The company also has regional sales offices in New York City and Pittsburgh (Northeast region); Atlanta, Miami, and Greenbelt, Maryland (Southeast region); Chicago and Cleveland (North Central region); Dallas, Houston, Kansas City, and St. Louis (South Central region); San Francisco, Seattle, and Honolulu (Northwest region); and Los Angeles (Southwest region). RCA Americom also operates a nationwide 800-number Customer Service Center.

Mobile Communications Business

The Mobile Communications Business (MCB) is headquartered in Lynchburg, Virginia, and is



This chart reflects the new GE organizational structure outlined in this article.

headed by General Manager Jim McNerney, formerly with GE Information Services.

MCB develops, manufactures, and markets two-way mobile radio communications products, and the company recently entered the up-and-coming cellular telephone market. MCB products serve the needs of government agencies around the world in fields such as law enforcement, fire protection, and emergency medical care. In addition, MCB communications devices accommodate the business requirements of industries such as transportation, forestry, petroleum, security, field services, and manufacturing.

Software International

Founded in 1968, Software International is a wholly owned subsidiary of GE Company headquartered in Andover, Massachusetts, and headed by Jeff Goodman, President. Software International formerly reported to GE Information Services Company.

Software International markets application software for mainframes and minicomputers, including financial and human resource management products, and is a leader in the System/38 market. The company was the first to offer financial application software with on-line

capabilities, and it pioneered minicomputer applications with a wide range of accounting and personnel packages. Software International products are sold throughout North America, Europe, South America, the Middle East, Australia, and the Far East.

GECON

GECON, formerly Professional Services, is headquartered in Rockville and led by Kevin Sharer, President.

GECON employs over 1,300 computing and business professionals who provide hardware and software consulting services to governments and to industries such as communications, banking, aerospace, utilities, manufacturing, electronics, and insurance. GECON consultants offer advice and technical support on issues such as problem definition, functional specifications, general and detailed design specifications, programming, data conversions, testing and debugging, implementation, education, documentation, and hardware and software conversions.

GECON maintains over two dozen offices in Arizona, California, Colorado, Florida, Georgia, Illinois, Kentucky, Massachusetts, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Texas, and Wisconsin.

BCS

BCS includes the Integrated Communications and Services Division (ICSD, headquartered in Atlanta under the direction of Alan W. Crites, who previously reported to GE's Domestic Apparatus and Engineering Services Division) and Business Services and Systems (BSS), headquartered in Cherry Hill, New Jersey.

Through ICSD, BCS offers installation and on-site service of data communication and computer systems, including third-party service for computers and data communication systems; rental and leasing of data communication equipment, personal computers, and test and measurement equipment; and service and calibration of test instruments. ICSD formerly was the Integrated Communication Services Operation (ICSO) unit of GE Information Services.

Through BSS, BCS provides sale and leasing services for a full line of data communications equipment, including business systems with complex voice and data requirements. BSS also supplies third-party preventive maintenance services and offers to install and maintain third-party hardware. BSS formerly was the RCA Business Services and Systems Organization.

RCA Government Services

RCA Government Services provides support and collateral services for federal, state, and local governments in fields such as aerospace, defense, education, research, and training. The company's projects include support for NASA and for Air Force test ranges, training facilities, and radar stations.

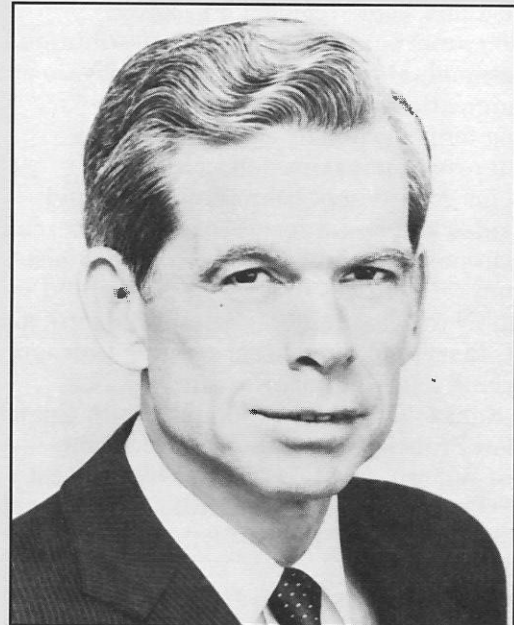
RCA UK Services

RCA UK Services offers a wide variety of service contracts in support of British and European government agency activities. ▲

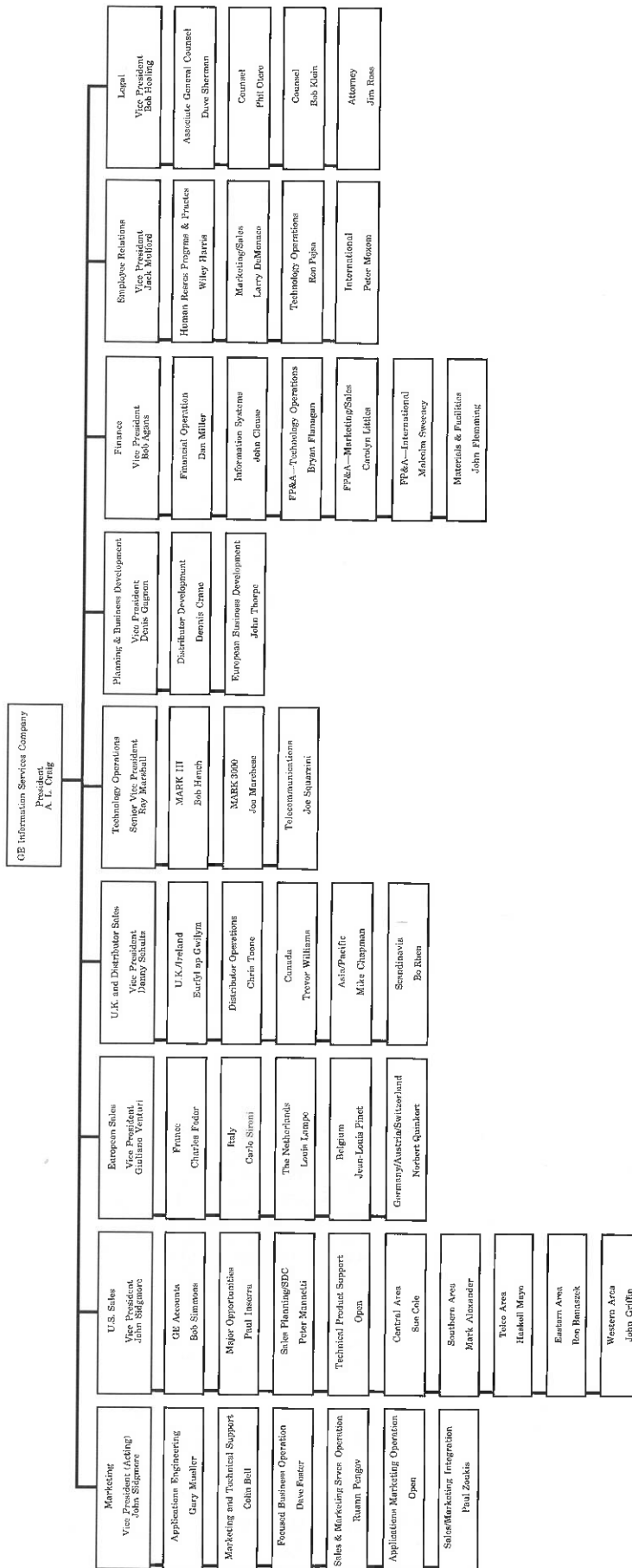
Eugene F. Murphy

Eugene F. Murphy, Senior Vice President, Communications and Services, served as Executive Vice President of RCA Communications and Services during 1985 and 1986. He has been with RCA for 22 years, serving in legal and vice presidential positions at RCA Globcom from 1964 to 1981 and as President and Chief Executive Officer of RCA Communications, Inc., from 1981 to 1985.

Murphy has an LLM (International Law) from Georgetown University Law School, an LLB from Fordham University Law School, and a BA in History from Queens College. ▲



Eugene F. Murphy





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