

UPDATE

News and Information for GE Information Services Employees

October 1, 1984

Williams outlines company reorganization

To: All employees
From: Walt Williams,
President

Recognizing the need to give more freedom of action to the high growth segments of GEISCO while more sharply focusing efforts to turn around our U.S. core services, I have realigned our reporting structure. Effective 10/1/84, we are operating and measuring the following distinct business segments within the GE Information Services Company:

Marketing & U.S. Sales Operations - Sr. VP - Mike Emmi

This is the heart of our core services business and in 1985, a \$300M business segment. Mike will focus the U.S. Sales force to grow existing accounts, pursue new business and international business in enhanced communications and business logistics areas. He will retain responsibility for U.S. operations and the strategy as well as integration of U.S. and International Marketing.

International Sales & Services Operations - Sr. VP - Tony Craig

Tony and his International organization will now have direct participation in the strategic direction of GE Information Services. The move will also improve our ability to address and respond to global and local requirements. Again, this too is a key segment of core services with about \$150M in revenue in 1985.

Professional Services Operations - Sr. VP - Ed Stewart

This \$80M business in 1985 is being established as a freestanding business segment. Contract Services competes regionally and serves customers needing contract programming and systems expertise. In addition, our Systems Development & Consulting capabilities are being reinstated as an essential role in our core services business, and will be organized to report both in headquarters to Mike Emmi and in the field to Area Sales Vice Presidents.

Software Products Operations/Ventures Business Operations - Sr. VP - Jim McNerney

Software

Our Software Products Business will generate about \$65M in 1985 revenue. This business has turned the corner and goes from a net income drain to a contributor with a lot of enthusiasm building in the Packaged Software team. Jim and his team will focus on growing packaged financial applications in Software International Corporation and will operate Energy Enterprises and Network Consultants, Inc. as separate businesses.

Ventures

A key to future growth will be our ability to grow new business segments. To facilitate that growth, our Office Communications Operation managed by Ruann Pengov, and Retail Banking Services managed by Joe Loughry, will be operated as profit and loss centers and will have dedicated Marketing & Sales operations. Both of these ventures have started to take off and have characteristics which

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GE Information Services Company Staff

President

Sr. VP - Technology Operations

Sr. VP - Marketing & U.S. Sales Operations

Sr. VP - International Sales & Svcs Operations

Sr. VP - Integrated Communication Svcs Opers

Sr. VP - Professional Services Operations

Sr. VP - Software Prods Ops/Ventures Bus Opers

VP - Strategic Planning/Operations Integration

VP - Finance Operation (Acting)

VP - Employee Relations Operation

VP - General Counsel & Secretary - Legal Oper

Walt Williams

Ray Marshall

Mike Emmi

Tony Craig

Rex Flint

Ed Stewart

Jim McNerney

Al Crites

Ed Stewart

Jack Mulford

Bob Healing

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New service provides clients backup protection when disasters strike computer centers

What does a company do when its data processing center is shut down because of a fire, flood, or some other disaster?

If it is a subscriber to GE Information Services Company's Disaster Recovery Service, it temporarily moves its center to Schenectady and resumes operations.

Within 24 hours of notifying GEISCO of a need for the Disaster Recovery Service, the client can begin to operate there for up to 45 days, on either Hewlett-Packard, Honeywell, or IBM hardware configurations dedicated to his use, optionally in conjunction with MARK*NET™ Service.

Although GEISCO has been providing disaster recovery service for more than 50 GE components since August 1983, offering this service to commercial clients is a recent development. It will be announced formally October 7 in

New Orleans at a meeting of the Honeywell Large Systems Users Association. Honeywell users are expected to be particularly interested in the new service.

The prospect of offering disaster recovery began as a business venture in December of last year when Ron Freedman was appointed manager, strategic planning & business development. He had just returned to GEISCO after being on loan to the White House for a year where he helped to design disaster recovery systems for the federal government.

"Disaster recovery means different things to different organizations," Freedman says. "It is needed when one of our clients suffers an unforeseen event that prevents him from using his own data processing center. He defines what those unforeseen events are."

Prospects for the service

Freedman says his team is aiming at the banking and insurance industries, both of which are being required by regulatory agencies to have disaster recovery backup. However, utilities, petroleum, and other industries have also been approached.

Although no commercial contracts have yet been signed for the service, several Fortune 100 companies are interested and are expected to become clients in the near future, Freedman says.

Developing the disaster recovery service with Freedman are Phil Stevens, manager of sales & market development, and Bob Chaput, manager of operations. For a number of reasons, the team is initially focusing its efforts on providing services to Honeywell users.

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Reviewing the disaster recovery rehearsal schedule at Schenectady Center Operations are, from left, Bob Chaput, Ron Freedman and Phil Stevens.

"We have the technical expertise," Freedman says. "And there are no other providers of disaster recovery backup for Honeywell users, which has resulted in a growing demand for Honeywell contingency service," he says.

Plans are to have two Honeywell DPS 8/70 processors in service, plus IBM and Hewlett-Packard configurations.

Freedman projects that disaster recovery will generate \$5 million in revenues in 1985 from all configurations and clients, including GE components served.

Bob Chaput will handle administration and client support in Schenectady. And from Rockville, Phil Stevens will head up a sales team that will dedicate its efforts to selling disaster recovery services.

What the client gets

Naturally, a great deal of thought and research has been given to protecting those clients who subscribe to the service. For example,

to eliminate the possibility of GEISCO being unable to provide backup service due to multiple disasters, no more than 100 subscribers will be signed for each equipment configuration.

Also, the company will not sign up two clients who use the same vendor's hardware and who are housed in the same building—unless all parties agree to the arrangement. This is to avoid the possibility of two clients affected by a disaster being in competition for the use of the same equipment in Schenectady.

Another important feature of the disaster recovery service is the opportunity for clients to conduct rehearsal sessions. Clients get six eight-hour sessions each year so they can test the system.

"We feel this is extremely important," says Freedman. "We haven't yet experienced a real disaster situation, but we've been put on notice by three of the GE

components we serve. In one case, there was the possibility of an air conditioning system going out. We want our clients to be ready for any contingency. We know we are," Freedman says.

GEISCO strengths

The IBM arena is the only one where the company has major competition. Comdisco has five disaster recovery sites and about 300 customers. Sungard has three locations and an undetermined number of customers.

"Both have been in the business about five years, but neither can offer what we can," Freedman says. "That is, multiple vendor hardware and the GEISCO network. Providing hardware backup is only 50 percent of the solution. Telecommunication is the other half.

"By matching those strengths with a growing demand for contingency services, we're going to be the winner," he concludes.

Travel & Living switches to DSO

On November 1, 1984, the Distribution Support Operations (DSO) office in Bridgeport, CT will take on the travel, living and relocation functions for GE Information Services.

DSO is taking on the function for Rockville Travel & Living as part of a corporate-wide consolidation and long-range cost reduction measure. DSO Schenectady currently provides payroll service for all GEISCO employees formerly paid by Rockville Payroll.

Rockville T&L will discontinue operations soon after November 1.

"Because we're shutting down operations here," says Gary Clark, T&L manager, "it's vital that employees submit expense accounts and reconcile their cash advances by the end of October—or at the latest, early November."

Complete information about new DSO procedures will be pro-

vided to all employees in early October. Following the distribution of written information, transition meetings will be held in Rockville, New York, Chicago, and San Francisco, at which representatives from DSO and GEISCO will explain the new forms and procedures and answer questions. Employees at those locations, who travel extensively, are urged to attend.

Highlights of changes:

- Employees should submit new DSO expense account forms on a monthly basis. However, infrequent travelers may do so upon completion of a trip.

- DSO principally uses "sight drafts," which are similar to checks, to advance cash to employees and to reimburse business expenditures. Six personalized, pre-printed sight drafts are issued to employees and replenished on

a regular basis, once a properly approved authorization form has been submitted. When an employee needs a cash advance, or reimbursement, he or she fills in the dollar amount needed and deposits the sight draft to his or her bank account or cashes it.

- Sight drafts will replace *field* cash advance forms. Employees with access to a GE cashier, such as in Rockville, may continue to use the cash advance form they have used in the past. For employees without access to either a cashier or sight drafts, reimbursement of expenses is obtained directly from DSO when expense accounts are submitted.

- Diners Club account numbers and cards will not change. However, effective November 1, as new cards are needed they must be ordered directly from DSO using a DSO authorization form rather than forwarding a memo to T&L as in the past.

WORTH NOTING

Holding Period Notice distributed—deadline for changes November 1

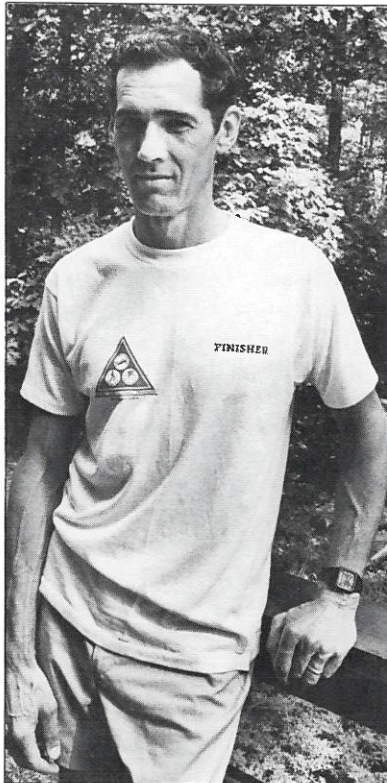
Holding Period Distribution Notices relating to 1981 savings under the Savings and Security Program were distributed to employees last month.

"The notice tells you what securities are available for distribution to you early in 1985 after the holding period for 1981 savings ends," says Doreen Hilts, benefits accounting manager. "If you're a participant, these totals can give you a lot of satisfaction.

"A special part of the form gives information on your estimated unrecovered investment under S&SP, and the estimated taxable income that will result from distribution of your 1981 securities, depending on which alternatives you choose. This information can be useful in making your choice," she says.

In addition, the form tells how your securities will be registered, the address to which they will be sent, and your Federal Income Tax withholding election. If you have any questions on information in the form or you want to make changes, address your questions or send Part 2 of the form to Doreen Hilts, mail drop 35A, personnel accounting, before November 1.

"Everyone who receives a Holding Period Distribution Notice should study it carefully before completing it or deciding to let last year's instructions continue. Just remember that any changes have to be in by November 1," she says.



Floyd DeAndrade, Rockville employee, is a competitor in the Ironman Triathlon.

DeAndrade to compete in Hawaiian triathlon

GEISCO employee Floyd DeAndrade will be in Hawaii, October 6-7, to compete in the Ironman Triathlon, the most difficult and prestigious of all triathlons.

DeAndrade, of the retail financial services section, business development, won the right to compete in the Ironman while setting a 45-49 age group record in the Oxford, MD, Triathlon, completing the 1.8-mile swim, 50-mile bicycle ride and 20-mile run in five hours and 58 minutes.

The Ironman, to be held at Kona on the island of Hawaii, consists of a 2.4 mile ocean swim, a bicycle ride along 112 wind-blown miles and a marathon run.

Chicago employees participate in medical bill audit pilot

Some 200 Chicago-area GE Information Services employees and their families are being invited to take part in a program aimed at controlling medical costs.

If an employee finds an error on a medical or dental bill that would have resulted in an overcharge to GEISCO, he or she will receive a reward equal to one-half of that amount, up to \$1,000.

Called the Medical Bill Audit program, it is being tested to determine if it will help control health care costs for the company, which this year are expected to rise to more than \$700 million for all General Electric components.

The pilot program is scheduled to begin this month in Chicago. If it is effective in reducing medical charges as expected, it may be offered at other GEISCO locations.

'Inside Story' nominated for four Emmy Awards

"Inside Story," the weekly Public Broadcasting Service series funded by GE and anchored by Hodding Carter, has been nominated for four Emmys. Three of the GE-funded series' segments are up for awards; they are "Nicaragua: A House Divided," "Uncounted Enemy, Unproven Conspiracy," an investigation of a CBS documentary alleging General William Westmoreland was involved in a Vietnam-related conspiracy, and two programs on the Soviet Union submitted as a single entry, "Dateline USSR." Foster Wiley, cameraman on the Nicaragua edition, was also nominated.

"Inside Story" is seen nationally on PBS Thursday evenings at 10 (ET).

HUG gets arms around updating HISAM databases

Dick Henderson of Los Angeles Professional Services has devised a way of making it easier to develop most systems for MARK III® Service. It is a new program generator called HUG (HISAM Update Generator) now available on the Tools Library.

"Programs to update HISAM databases typically encompass a large part of F77 and DMS code in MARK III systems," Henderson explains. "The time required to write a system can be reduced by using HUG to write the update part of the system. HUG creates and installs user-friendly update programs ready for operation. Everything needed to prepare standard programs is taken care of through HUG. This easy-to-use system writes the Fortran text and even compiles and loads the programs."

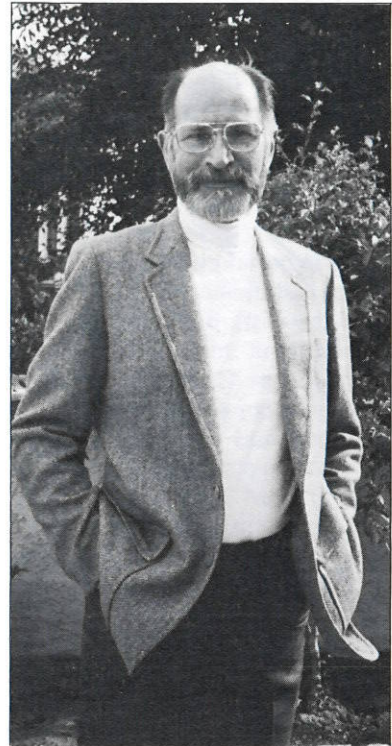
Henderson conceived HUG when he was faced with a large application which called for a maintenance system of 80 programs. He figured out what it would take to write the update modules, and the new general purpose tool would be useful in later projects. When the basic design was completed, he looked for ways to give the system designer more flexibility in producing custom systems.

Henderson explains that HUG capitalizes on the time and effort which went into developing the DBDF (Data Base Description

File). The items, records, and file names which appear in the DBDF must be used again and again to create the update system. By taking advantage of the contents of the DBDF, HUG eliminates much of the repetitious and tedious programming work which often results in systems development errors. HUG translates the DBDF into the update system and provides many features to help with systems design, including:

- Optional modes of operation for creating, changing, and deleting records;
- Programs which can be easily customized;
- Versatile options to control file access by users;
- Control for the designer over all text seen by the user;
- Capability to use default messages in English or 12 other national languages.

If you are interested in finding out more about HUG, the HUG User's Guide is available in TOOL:HUGDOC. It contains examples of translating the PERZ3 DBDF and creating programs which will update and display the EMPL, JOBH, and QUAL records. Copies of these programs are permitted to DY28 catalog for demonstration purposes. These programs can be operated through their menu with the command /MENPERZ. A German language DBDF (GERDBDF) is available to



Dick Henderson, developer of HUG, a new program generator.

produce another set of programs with the same functions but with German prompts. These programs can be accessed with the command /GMNPERZ.

Henderson has a number of enhancements under consideration, but he would like to know what users want before he goes ahead. He would like to have any user comments. Send him a QUICKCOMM message at DHLA.

Milestones

Congratulations to the following employees who celebrated service anniversaries in September.

30 years

Robert Kellar Rockville
Vernon Wetmore Schenectady

20 years

Edward Buchanan Rockville
Alan Richmond Albany
Becky Terry Rockville

15 years

Thomas Catellier Schenectady
Elizabeth Clingan Oakland
James Goff Rockville
Ronald Martino Schenectady
Eliot Sutherland Rockville

10 years

Johnny Chi Rockville
Brenda Hedges Rockville
Harold Larson Rockville

Abby Siegel Rockville
Henry Williams Albany

5 years

John Dudas Rockville
Margie Henson Rockville
Melvin Key Rockville
Lawrence Larkin Rockville
Judith Myers Rockville
Gino Picasso Rockville
Constance Rafferty Rockville
Jacqueline Russell Rockville

Team tailors VSS solution to cost, performance problems for GE corporate purchasing

As a result of a team effort between GE Information Services and General Electric, a dissatisfied client became a working partner in solving a GE business problem.

The General Electric corporate purchasing office in Fairfield, CT was experiencing what appeared to be insufficient processing power for the work being done by their operations in Scotia, NY and Bridgeport, CT. Their complaints about "poor response time" were serious and deserved attention. Corporate purchasing had been using an IBM 3033 in Schenectady, and in early 1983, they were in a transition to MARK 3000™ Service in Rockville, using two main application areas.

The application at the GE Stationery warehouse in Scotia, NY was the COPICS System—an IBM-written system used to do order control for 250 orders received by

mail each day and entered into the system from a 3270 terminal. The system generates pick orders, receiving slips, shipping documents, stock reports, and then adjusts inventory.

The application in Bridgeport was a Transportation Decision Support System written by corporate purchasing staff and with the assistance of GE Professional Services that provided an in-depth analysis of shipping data. Shipping managers of many GE departments analyze the methods of transportation being used—the routes, the products being shipped and the back hauls. The system provides an avenue for significant cost reduction in transportation expenses for many GE manufacturing sites.

In addition to this scheduled work, there was considerable application development work be-

ing done for other projects in purchasing.

In July 1983 when the Virtual System Service (VSS) offering became available from GEISCO, it was clearly a technique that would give corporate purchasing the processing power they needed while letting them control the budget for their computing expenditures. Corporate purchasing was one of the first clients to use the VSS arrangement when they decided to take a 576 VSS "box."

One of the first procedures in determining the size of a VSS offering is to conduct a "sizing" study. This analysis of system use helps determine the level of service to be offered. The sizing study was performed by Marv Lewis, MARK 3000 marketing manager, and Dan Lance of Client Services, on usage during April, May and June of 1983.

In May and June, the client was receiving the required computing power, and all systems were "go," as planned.

Client sees decline in performance

From October through December, the client began to see a decline in his throughput and response. It appeared to purchasing management that the GEISCO system was not performing. Tom Dollard, manager of the finance department and vice president Bruce Roberts called a meeting with Walt Williams, President of GEISCO, and Mike Emmi, senior vice president of Marketing & Sales. What was visible to the client was inadequate response time and that the system was not performing the amount of work the client thought should be done.

Agreement was reached to set up a task force that would analyze the problem. A combined sales and technical task force, headed

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Love runners raise \$2,000

Dick Amato represented 171 GE Information Services employee runners at the Muscular Dystrophy Telethon on Labor Day. Amato presented a check for \$2,000 that is the result of employees obtaining pledges from both the company and other sources during the Muscular Dystrophy "Love Run." Receiving the check is Angela Robinson of Channel 5 in Washington. Also shown are Joe Guiffre (right) of Guiffre Distributing and Sandy MacDonald (left), mother of the 1984 poster child.

up by account executive Steve Canale and Professional Services director Dick Lennon, was formed by GEISCO to look at the problem. It was agreed that the task force would report their findings in six weeks.

Next came the detailed analysis of the system usage data to determine the reason for the perceived unsatisfactory performance. The task force looked at three areas to pinpoint the problem: MARK 3000 Service and the VSS arrangement; communication bottlenecks; and application improvements.

There were some communication bottlenecks resulting from the large number of Wang screens being serviced through a Wang processor/controller. There were some improvements suggested for the application, but the lack of computer power resulted primarily from the governor setting.

The task force was aided considerably by Angelo Renna, manager, systems and Dave Burton, technical specialist at corporate purchasing, who acted as the interface between the task force and users. As data was being rounded up by the task force and the client, there were no "surprises" for the corporate purchasing staff. The findings and recommendations of the task force were jointly discussed with purchasing personnel before the final report was made to management. The analysis showed that top level management in corporate purchasing was unaware of the increased usage caused by new applications being put online. From a planned and budgeted level of 576 VRUs/second in the May-June period, new usage from both sites and pushed the level up over 1500 VRUs/second, and was still growing.

The solution

The GEISCO team recommended two separate VSS boxes—one of 864 VRUs for the Scotia requirements, and the other of 432 VRUs for Bridgeport. Along with the capability, manager of finance Tom Dollard was given the tools

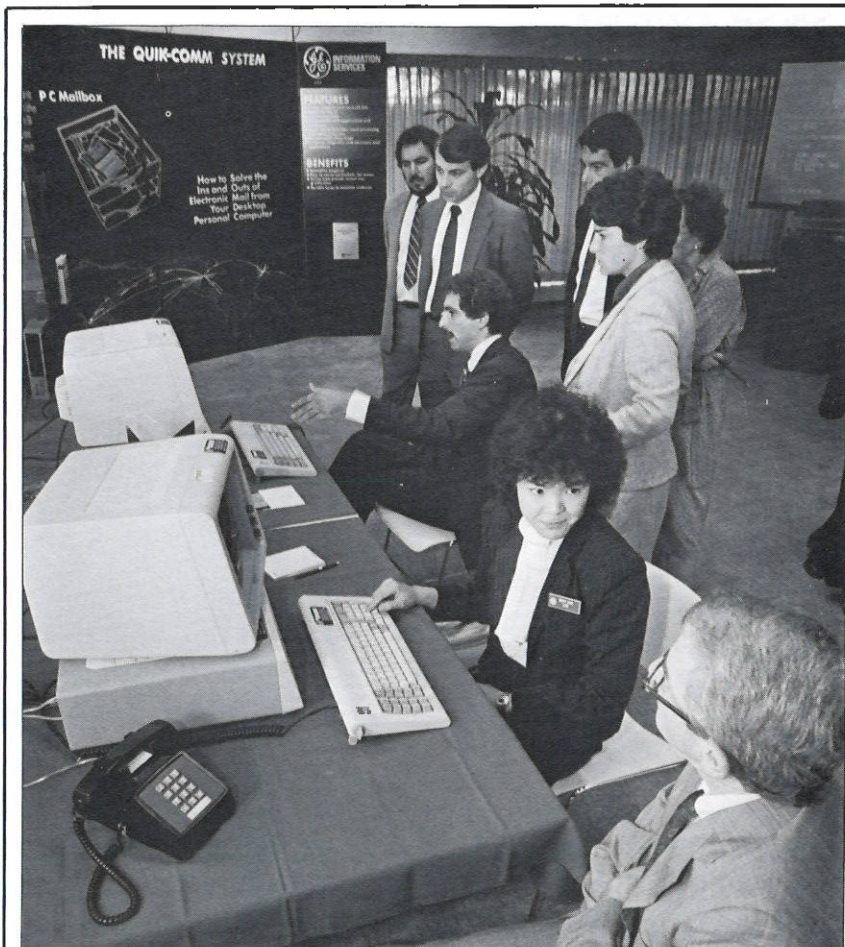
and flexibility to reduce purchasing's VRU processing level between the May and July time frame if the processing level requirements warranted a reduction. On May 1, Tom Dollard signed a letter of intent for the installation of both boxes, and the boxes were smoothly installed.

The client agreed to a two-year term for the VSS service, and was given a discount schedule after agreeing to grant marketing rights to GEISCO for the Transportation Decision Support System.

With the current system, if the processing bill is to be reduced, the governor can be set to bring the expenditures in line. The trade off is between price and performance, and the choice is clearly in the client's hands.

This is a client and GEISCO success story because of the consultative personnel and technical relationships the task force was able to create with the client's personnel.

—Jim Doyle



Fairfield sees QUIK-COMM™ demo

Charlie Cappello, top left, and Bob DiLeo and Mary Jane Low, center, were part of a team of office communication and field Marketing & Sales employees who were in Fairfield, CT, in September to demonstrate the QUIK-COMM™ System. Jack Welch and the GE corporate council were among the 160 officers and managers to see the PC MAILBOX and WPXchange™ in action. Product demonstrations in Fairfield are unusual. This one apparently was well received according to commercialization manager Saul Summerall, who coordinated the event.

REORGANIZATION

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suggest we have the beginnings of new businesses.

The VAN venture has become central to our core services telecommunications strategy and will now report directly as a venture to Mike Emmi.

Integrated Communication Services Operations - Sr. VP - Rex Flint

In 1985, this will be a \$180M business segment. Rex and his

team will focus on growing our PBX services capabilities and on growing our computer rental, lease and services business. They will also work with our other business segments to leverage synergies out into the marketplace.

Technology Operations - Sr. VP - Ray Marshall

Technology Operations remains unchanged and will continue to play its vital role in the success of our business.

Staff functions will also remain unchanged and will continue to serve all elements of our business.

Our future success requires full support from each of us, with a strong focus on our clients and winning new business. The transitions covered here make us a more competitive, focused and agile organization.

As subsequent details are finalized over the next few weeks, they'll be communicated to you by the appropriate business manager.

S&SP prices

Here is the report on the prices for GE Stock, Mutual Fund, and

Holding Period Interest Fund used under the Savings and Security Program to credit participants' accounts.

The Long Term Interest Fund

price for the last day of the month is also shown, as well as year-to-date annual income rates for both the HP and LT Funds.

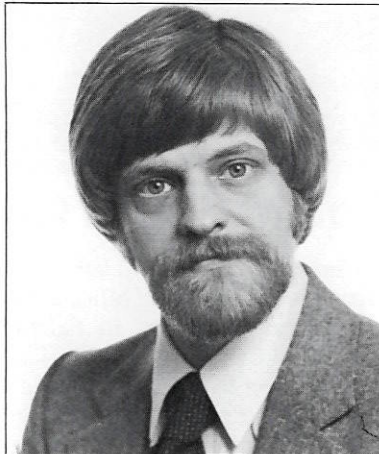
Month	Stock Price	Mutual Fund Price	Holding Period Fund				Long Term Fund		
			Price	1981	1982	1983	1984	Price	YTD Annual Reinvestment Income Rate
January	\$ 56.482	\$32.991	\$10.00	13.2%	16.5%	13.7%	13.0%	\$10.42	11.8%
February	\$ 53.206	\$30.989	\$10.00	13.2%	16.6%	13.7%	13.2%	\$10.30	12.0%
March	\$ 52.188	\$30.915	\$10.00	13.2%	16.5%	13.6%	13.2%	\$10.14	11.7%
April	\$ 53.825	\$30.831	\$10.00	13.1%	16.5%	13.6%	13.3%	\$10.02	11.7%
May	\$ 53.875	\$30.845	\$10.00	13.1%	16.5%	13.6%	13.3%	\$ 9.76	11.6%
June	\$ 53.250	\$30.309	\$10.00	13.1%	16.5%	13.6%	13.3%	\$ 9.67	11.7%
July	\$ 50.756	\$29.953	\$10.00	13.1%	16.5%	13.6%	13.3%	\$ 9.83	11.8%
August	\$ 57.158	\$32.927	\$10.00	13.1%	16.5%	13.6%	13.3%	\$10.00	12.25% (b)

(a) The "announced" HP Fund Rate was 13.00% for 1981, 16.25% for 1982, 13.25% for 1983, and 12.75% for 1984.
 (b) At August 31, 1984, the net current yield of the long term investment portion of the fund was 12.25%.

On the move

John W. Sidgmore—has been appointed vice president, Eastern area, Marketing & Sales Operation, it was announced by Michael J. Emmi, senior vice president, Marketing & Sales Operation.

Sidgmore was most recently region manager of communications in the major accounts area. He joined GEISCO as an account representative in 1975. He received his B.S. degree in economics from the State University of New York at Oneonta.



John W. Sidgmore

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