

GE NEWS

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AUGUST 4, 1986

JOHN TRANI NAMED SENIOR VICE PRESIDENT AND GENERAL MANAGER OF GENERAL ELECTRIC MEDICAL SYSTEMS GROUP EFFECTIVE SEPT. 1



John M. Trani has been appointed Senior Vice-President and General Manager of General Electric Medical Systems Group effective September 1, 1986. Trani has been Vice-President and General Manager of the Mobile Communications Business Division since September, 1984.

The Medical Systems Group headquartered in Milwaukee, Wisconsin, is the world's largest manufacturer of medical diagnostic imaging equipment. It markets a full range of high technology x-ray, ultrasound, nuclear medicine, computerized tomography (CT) and magnetic resonance (MR) products. Medical Systems employs more than 9,000 people worldwide, with facilities in Milwaukee, Rancho Cordova and Fremont, Ca., Warrensville Heights, Oh., Florence, SC., Schenectady, NY, as well as Spain, Denmark and England.

"I'm thrilled with the opportunity to manage a business as large, complex and technically advanced as Medical Systems," Trani said of the promotion. "It is easier to leave with the knowledge that our quality, customer service and cost position have never been better, that the team is a more committed one and that programs are being implemented for us to become more competitive in the future."

Trani noted that he is especially proud of improvements in Division quality, customer service and delivery. "I think we've made great strides in those areas and, we've helped fill the market basket with significant new products like CARFONE, Digital Voice Guard and others. The results of those programs will contribute to the success of this business for years to come," he said.

Regarding the effect that his leaving might have on MCBG's continuing progress, Trani, in a letter mailed to employees' homes during shutdown last week, said:

In terms of business direction, programs, or results, little

will change. This is **not** a one-man show. Over the last two years a team has been built that is committed to making this business the most competitive enterprise in the radio communications industry. As a member of that team you have every right to be proud of what we collectively have accomplished -- from near extinction to the second best year in Division history.

"Many said it couldn't be done, but you did it. Our competitiveness is improving daily and the programs are in place to maintain our momentum."

Trani had been rumored to be leaving for several months. "Those were nothing more than rumors," he said. "I was not asked to take on this new assignment until the first week of shutdown. Just as I said when I came here to Lynchburg, when the chairman calls, you answer. You never know when he'll call. This was such an unbelievable opportunity for me and my family that I couldn't pass it up. But I assure you, I had no idea three weeks ago that I would be going anywhere in the immediate future."

Before being appointed to the Lynchburg position, Trani served as General Manager of the Audio Electronics Products Department in Syracuse, NY. He joined GE in 1978 as Manager of Air Conditioning Strategic Planning and Development Operation after have served in various management positions for Anaconda, Grumman Aircraft and Babcock and Wilcox. Trani has a BS in aerospace engineering as well as an MBA and an MS in operations research from Brooklyn Polytechnic Institute. He also has an MA in management and finance from New York University.

A successor to Trani is expected to be announced in the near future.

SUMMARY OF KEY EVENTS . . .

The following key events summarize the progress this business has made over the past two years. The achievements of the entire Division provide a framework for continued success in the future. As John Trani noted, "This is the foundation. The strength of the future will be built on these accomplishments by all of the people associated with this business."

September, 1984	Trani appointed VP/GM for MCBG, establishes Quality, Customer Service and Cost Reduction as primary targets for Division
October, 1984	Letter to all employees sets tone for turnaround, stresses everyone doing their best to change the business cycle
November, 1984	Reduction in Force announced, affecting 750 people
November, 1984	First "Dialogue" sessions with Trani establish WINNING concept and new element of open, candid communications with all employees
January, 1985	Florence farmout program launched

SEE "SUMMARY OF KEY EVENTS" CONTINUED ON PAGE 4

MCBD's MPS radio is the top-of-the-line

While MCBD's introduction of 12 new products this year will strengthen our product line, some of our current products already make us tough to beat. One of these products is the MPS personal . . . GE's first synthesized portable radio.

MPS was introduced in January of last year at the "Destination: Excellence" sales conference . . . and reached its destination immediately. Says Bob Guzy, Product Manager--Personal Radios, Public Service Market, "MPS's on-time start-up of production (in February of '85) was a first for MCBD."

Quality start, quality product

It was a quality start for a quality product. "MPS is the highest-performance, highest-featured, highest-function radio in the market," says Bob. "It's the top of the line. And all this is offered at the same price as the competitive model from Motorola."

MPS sells to the Public

Service market -- to customers such as police forces, fire departments, highway maintenance groups, emergency units, power/utilities, federal agencies, and local governments. Whether answering a call for help, responding to a five-alarm fire, or coordinating manpower, these groups require fast action and efficiency on a daily basis. A faulty communications system could be disastrous . . . so nothing but top-notch performance is acceptable. MPS provides that performance.

It has a rugged field-proven package for dependable shock protection, and the controls are conveniently located at the top of the radio. A transmit/battery status LED is standard on the MPS. A built-in microphone and separate speaker provide outstanding audio quality, and the priority scan feature, not offered by Motorola, allows constant monitoring of a priority channel so important messages will not be missed . . . saving time and money. Also,

integrated design of the antenna and radio provides greater coverage area.

Since MPS's channel frequencies are synthesized, channel crystals are eliminated, which reduces cost and parts inventory -- and means the user can operate on up to 64 channels without making a single change in the radio's hardware or software. (64-channel capability also provides greater flexibility than Motorola's 48-channel competing model.) Having fewer crystals -- along with plug-in LEDs, minimized use of wires, and fold-out control surfaces -- enhances serviceability.

In addition, MPS is compatible with other GE products, such as the synthesized Delta mobile radios, and our GE-CAD Computer-Aided Dispatch systems. And an optional feature permits telephone interconnect.

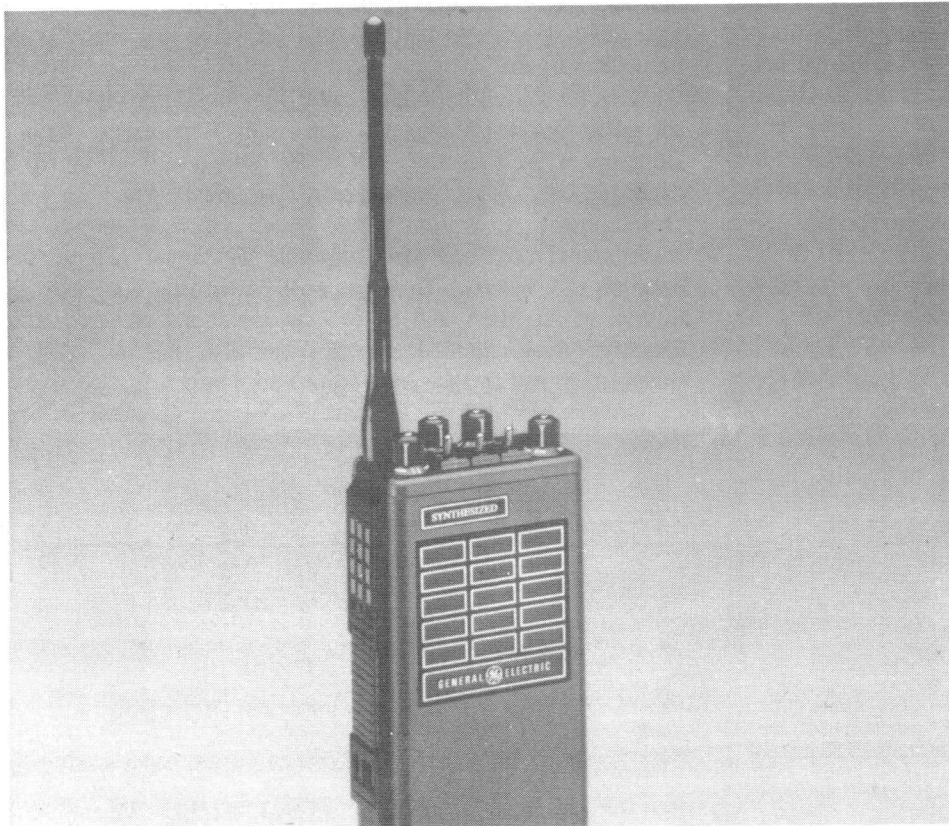
"Of course," says Bob, "the major advantage of the MPS is its field-reprogrammability -- a feature not offered on the Motorola model. The MPS's microcomputer, combined with its electrically erasable memory, permits the user to individually reprogram many of the radio's functions . . . any time, anywhere, in a matter of minutes."

"The major advantage of the MPS is its field-reprogrammability -- a feature not offered on the comparable Motorola model."

Bob Guzy, Product Manager,
Public Service Personals

With the GE Universal Programmer (which plugs directly into the radio), a user can reprogram radio channels, Channel Guard tones, digital Channel Guard codes, priority channel scan, and other operating parameters of the radio.

In short, the MPS eliminates



the cost and inconvenience of bringing the radio to the shop for reprogramming or waiting for crystals to be delivered. It can be adapted quickly to meet on-the-spot needs . . . and, in an emergency situation, that could save lives as well as time and cost.

As you might expect, MPS's value is recognized in the marketplace. "Total unit sales for MPS are greater than the combined past sales of the two radios (MPR and MPX) it replaced," says Bob.

"We emphasize teamwork, communication and awareness There's constant feedback and cooperation on the line."

Irv Tweedy,
 Quality Engineer on MPS

While the MPS is a first-rate product, its success hasn't happened by chance. Says Hutch Hutchison, Manager Shop Operations (Personals), "No product, however good, is without its problems. MPS's success is the result of specific and careful actions taken to ensure quality and efficiency."

Irv Tweedy, Quality Engineer on MPS, describes some of the steps taken to make sure that MPS radios are "right on arrival."

"We emphasize teamwork, communication and awareness," says Irv. "We have auditors on the line who take samples of each operator's work each day, down to the board level. They take rejects back to individual operators and show them the problem firsthand. There's constant feedback and cooperation on the line."

"In addition, I provide feedback of quality information every day to operators, and we have a weekly report of all problems found in the audit lab."

Operators receive help not only in being aware of problems, but also in learning how to prevent them. Berkley Comer and Dean Shelton of Methods work individually with operators to

correct problems with instructions, tooling, and fixtures.

The focus on awareness includes giving attention to the quality of vendor parts. Bill Murphy, the MPS contact in Incoming Inspection, lets vendors know immediately of problems found in the parts they provide, and works with them to prevent recurrence.

Attention to quality pays off

The attention to quality does indeed pay off. A perfect illustration is the July 4th celebration of the Statue of Liberty

renovation. MCBBD supplied the New York City Police force with 235 MPS radios ... all right on arrival, all delivered on schedule.

"That's another point we emphasize heavily," says Hutch, "promises kept, or on-time delivery. (In fact, promises kept on MPS have ranged over 90 percent throughout the year.) The Bogota, Columbia order is another example. 4100 MPSs were delivered ahead of schedule. That's quite important to our customers. A radio, no matter how good, does no good until it's in the customer's hands performing for him every day."

New awards added to 1986 'Quest for the Best' program

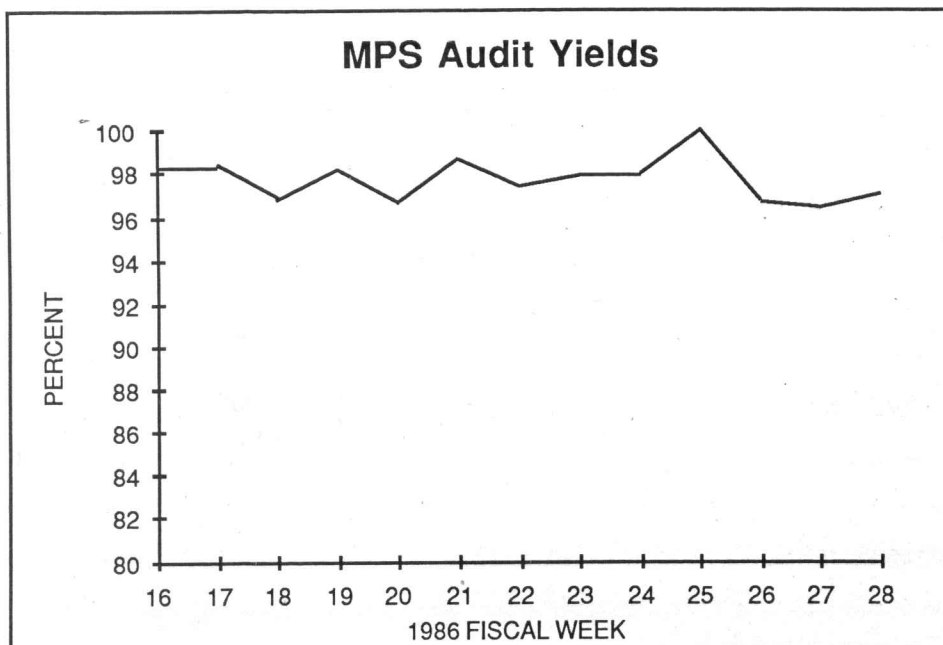
Two new awards have been added to GE's company-wide Quest for the Best (QFB) program, says Owen Stinnette, coordinator for MCBBD's "Quest" program.

"The new awards were announced recently by Paul Ode, Manager -- Customer Financial Services and Insurance in the Corporate Treasury Operation," Owen says. "The new series includes a \$250 (after tax) award for the QFB award nominee selected as the 'best of the best' for each month, June through December 1986."

The other new award is a \$500 (after tax) award for the ten best ideas submitted, accepted and implemented which can be applied generally by various GE components in reducing customer disputes. In the event of an idea submitted by a multi-functional team, consideration will be given to multiple awards. This contest will last from July through December of 1986.

"In addition," says Owen, "there will be a grand prize

--See "Quest awards" on page 4--



SUMMARY OF KEY EVENTS (Continued from Page 1) . . .

January, 1985	"Destination Excellence" Sales meeting stresses teamwork, builds on themes of quality, customer service, meeting commitments.
January, 1985	Production employees attend sales meeting for the first time
March, 1985	Suggestions sought from all employees for "fixing" business
March, 1985	MCBD makes a profit for first time in three years
March, 1985	Suggestion Panel announces WIN TEAM program
April, 1985	Trani conducts his first MCBD All-Employee Meeting. Business plan promotes simplifying the business, restoring operating effectiveness and becoming competitive through better quality, improved customer service and lower cost
April, 1985	Boxed radio program and other customer service task force accomplishments highlighted
June, 1985	Results seen from Phoenix IMPACT line, TEAM DELTA
June, 1985	Colorado debut of voice guard products meets with outstanding customer approval
July, 1985	Industry publications highlight MCBD progress
July, 1985	New Credit & Collections information system comes on-line to better serve customer and business needs
August, 1985	Timberlake moves to MVR
August, 1985	New QC program pays dividends as each operator becomes his/her own inspector
Sept./Oct., 1985	Integrated Station Control program launched at MVR
October, 1985	WIN TEAM successes continue to drive down costs
November, 1985	Payroll joins ISO as the initial movement of FAB operations to MVR begins
November, 1985	Trani's Winner's Cup recognition lunches begin. Honor outstanding achievements throughout the Division on a monthly basis
January, 1986	New community/market based pay plans announced for all employees
February, 1986	MCBD reports 1985 in the black, first time since 1981!
February, 1986	About 300 people laid off despite steady sales as competitive efforts pay off
March, 1986	"ALERT GE" customer service decals appear on shipments
April, 1986	CARFONE acceptance shows continual increases in shipments, share growth
May, 1986	RCMP awards \$2.4 million VOICEGUARD contract!
May, 1986	All-employee meeting marks successes in quality, on-time delivery, record-breaking new product introductions, cost controls while describing smaller, more efficient, competitive MCBD of the future
June, 1986	About 50 people laid off as employment levels are adjusted
August, 1986	All of manufacturing celebrates as RIP inventories reach six-year low, substantially reducing operating costs
	GE announces appointment of Trani to Medical Systems post

QUEST AWARDS (Continued from page 3)

year-end lottery for five individuals (each with a guest) who will be flown to EPCOT for three days of VIP treatment, fun and entertainment. Those eligible for the lottery include all QFB winners (since the inception of the program) and two nominees from each quarterly award-winning component. Components which are repeat winners may nominate two individuals for each winning quarter.

EMPLOYMENT OPPORTUNITIES

EXEMPT

Service Development Manager, Domestic Sales, Pacific Region, J.G. Webb, 1st shift, California, 26.8-33.6.

NON-EXEMPT

LG05 (MG-9), Temporary Clerk (** to generate tapes for A/I equipment using IBM personal computers. Assignment to last 3 to 4 months), W.F. Bell, 1st shift, MVR.

HOURLY

LH19 (LR-8), Drafting Detailer/Tracer, R.S. Birch, 1st shift, CSC.

Managers should use the latest FIN report for tardiness and absenteeism figures.

All forms should be in by Tuesday August 12, 1986. Information on exempt jobs can be obtained from the weekly postings or by contacting Margaret Dinkle at extension 7786. Information on hourly and non-exempt jobs can be obtained from the weekly postings or by contacting C. deBernard at extension 7601.

GE NEWS

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GE's gas turbine manufacturing to be consolidated in Greenville

SCHENECTADY, N.Y. -- GE's gas turbine business, suffering from a severe lack of customer orders for a decade because of a drying up of its market, is consolidating its manufacturing operations in Greenville, S.C.

Overcapacity at GE's existing gas-turbine facilities in Greenville and Schenectady, along with market preferences for larger-sized units currently produced at Greenville, led to the decision.

Schenectady, where Turbine Business Operations (TBO) currently employ about 7000 people, will continue to be the management, marketing and technology headquarters for TBO. It will also remain the primary manufacturing location for steam turbine and turbine-generator products for commercial markets.

About 550 manufacturing jobs in Schenectady will be phased out over the next several years. No significant increase in employment is expected in Greenville.

Some 700 Turbine salaried positions also will be eliminated in Schenectady by the end of 1986.

Many of the employment reductions will be made through planned retirements, normal attrition, and placements in other open GE jobs. GE's employee benefits program will be available to those eligible for provisions covering work transfer, extended layoff periods, and employment termination.

GE's total earnings up 5% in second quarter

General Electric's earnings for 1986's second quarter (April, May, June) were 5% higher than those same months in 1985. Sales were up 14%.

Earnings for the entire company amounted to \$621 million, and sales were \$7.79 billion. Profits, as measured by net earnings as a percentage of sales, were 8.0%.

GE shareowners in late July received a dividend of 58 cents on each share of stock.