



Ericsson GE Mobile Communications Inc.

The News

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Swedes call it 'Project #1'

The M-PA—Lynchburg-made, Europe-bound



Bob Shepard, Technician - Personal Area

It's a good product and I hope it sells well. More sales mean more jobs in Lynchburg. It makes me feel good that they're making it here instead of sourcing the radio. It'll be good for the company as a whole.



Barbara Greene, Assembler

That's just great! Quality is still the number one issue for this business. Even in Europe they must think quality is number one. The M-PA looks like it will be a good seller. It's so new.

Quality is very important to me, personally. When I'm out shopping for myself I look for quality, and when I'm here at work I do my best to produce a quality product.

The M-PA, that Lynchburg-designed, -engineered, and -assembled portable radio, will become EGE's first radio to be offered in the European marketplace through Ericsson's distribution system.

This development is a direct synergy created by the new joint venture between Ericsson and GE, and is expected to generate about \$5.5 million in sales annually. The M-PA will replace Ericsson's P300 portable as part of its product offering.

According to Jamie McConaty, Product Manager-PS Personals, Ericsson decided on the M-PA after considering several other alternatives.

"They looked at Japanese suppliers, contractors, and even considered making it in-house," he said. "Finally, they looked at spinning off from the M-PA to create their own next-generation portable."

The features of the M-PA that earned it a place among Ericsson's product mix were its smaller size, lower cost, more up-to-date technology, as well as the fact that its electronic specifications, the RF and software, meet tough European standards.

The radio will be designated the P400 among Ericsson's product offering to reflect the next generation of the "P" series portables.

In order to fully conform to European communications specifications, the software that operates the radio is being changed. A joint Ericsson-EGE team made up of engineers and marketing managers from both companies is working on the project.

"Our Stockholm counterparts call it 'Project #1' and it is of number one importance to them," noted Jamie.

On the Lynchburg side, the team is made up of Jamie, Craig

Szczutkowski, Manager-Secure Voice & Systems, and Tom Gaddy, Manager-Radio Equipment; and from Stockholm—Pat Murphy, Department Manager-Product Marketing (EGEMC), and Olaf Eriksson, Project Leader (Ericsson's Private Mobile Radio group).

The joint team meets every six weeks to review progress on "Project #1." Once they establish the software design and make the industrial changes to make the radio operational in Europe, it will be introduced as if it were a new product.

The new P400 will require beta-site testing, approvals from regulatory authorities in each country (similar to the FCC in the U.S.), promotional materials, training materials, environmental testing, and approvals for accessories like battery chargers from each country's equivalent to Underwriters Labs in the U.S.

The M-PA will be designed to operate as part of Ericsson's large-scale, comprehensive trunking system—the MRS 5000. A prototype of the system is being shipped to Lynchburg for test purposes.

See M-PA, page 2



The M-PA will become Ericsson's P400 portable in European markets. This project is just one of many synergy programs resulting from the joint venture between Ericsson and GE.



Donna Lewis, Assembler

It sounds very exciting. It says a lot about our quality. Anytime we can beat foreign competition we've done well. Quality must be as important to Swedes and other Europeans as it is to us.

M-PA (Cont. from page 1)

Once in Lynchburg, the system will be used as a base for further synergy projects.

"The MRS5000 will enable us to test more of our products for operation in European markets," Jamie said.

The principal users of the P400 are public safety agencies, like police and emergency medical services, but will also have applications for utilities, taxi operations, and trucking contractors.

The original concept for the M-PA was to create a high-spec replacement for the MPS that would save 30% in cost while bringing 1990 technology and appearances to the customer. It is considered a "platform product" that serves a large market due to its programmability and flexibility in design. With its modular design ap-

proach, a change of the front panel of the basic radio can provide a range of features according to a particular customer's needs.

It has applications in both B&I and PS markets in the U.S., and, now, in Europe and the rest of the world where Ericsson operates its MRS 5000 system.

Another recent development in the evolution of the M-PA was its application with the 16 Plus System which makes it the first 16 Plus product made in Lynchburg.

Overall, the M-PA has benefited not only the business by providing a strong quality product in the global marketplace but has benefited the people who make the radio right here in Lynchburg by giving them a chance to make a quality product they can be proud of.

Jack Welch on customer focus in the '90s

In the Nineties GE will face the toughest business decade in history, with more

The customers face and his needs are too often crowded off the screen.

GE customer service people are doing an increasingly better job, but if they became perfect it wouldn't be enough. We must move toward becoming a company where every employee—manufacturing, engineering, finance, whatever—shares a passionate commitment to serving the customer, who, after all, is the only guarantor of success and employment.

"Work-out," the single-most important initiative this Company will undertake in the '90s, is designed to tap the intellect and creativity of every person in the Company and focus them on innovative practices that can help win in the marketplace. "Work-out" will mean better products and services, more quickly delivered, at more competitive prices—every innovative path leading directly to the customer's door.

If we implement "Work-out" with the passion and commitment it merits, I can envision a family of 298,000 customer service people, focused and confident, moving even closer to becoming the world's most competitive Company, and in the process making our customers ever more competitive as well.

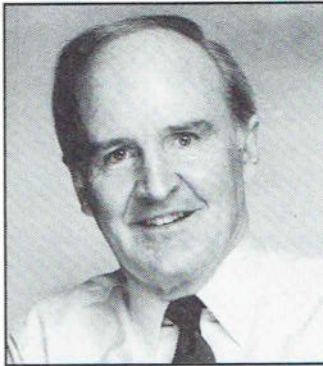
A customer focus on the part of every employee will be key to making the upcoming decade the best in our history.

This article is reprinted from Customer Focus, a bi-monthly newsletter published by GE Corporate

Marketing and Sales.

Welch's message on customer service is timely and very appropriate for EGEMC as the business prepares to compete in the Nineties.

His emphasis on Work-out underscores the importance of this philosophy for the customer-focused companies of the new decade.



competition, tougher competitors, and customers who will be judge, jury and executioner of any business that does not anticipate, satisfy, and care about their needs. We will be asking more of our suppliers and we are seeing more asked of us. There is no question that the customer is demanding of more attention, more

empathy, more solutions, and is no longer tolerant of the aloof self-absorption of large, comfortable, long-term suppliers.

GE's customer service levels, depending on the business, are better than some, worse than others, and light years from how good we must become in the '90s.

One of the worst enemies of customer service, in my view, is bureaucracy. Bureaucracy exists to serve and perpetuate itself, and like weeds, it tends to overrun, and eventually choke, truly productive functions in an organization. The pressures it exerts direct too much of the energy and attention of the organization inward, rather than toward the world, the market, the customer. It drives the ultimate personal measurement toward "How does the boss—or the system—view me?"

New EGE vacation plan to be phased in

All GEMC employees who became Ericsson GE employees in January have been credited with their regular "GE" vacation allotments for the calendar year 1990. Employees may take their vacation as they have in the past.

The new EGE Vacation Plan, which is being phased in this year, is different than the old vacation plan in a couple of ways.

- The EGE plan works on your yearly Service date instead of the first of the year. For example: If your Service date is July 1, then your vacation year would run from July 1 to June 30.

- You will be earning vacation as you work and accruing those days on a monthly basis. This enables you to retire at anytime of the year without losing vacation. For example: If you have 26 years of service, and your Service

date is March 1 and you retire September 1, you'll get paid for 12 1/2 days of vacation that you earned in those 6 months, plus any unused vacation you haven't taken.

- Another benefit under the new plan is the ability to carry over vacation from year to year. For example: If you get 4 weeks vacation and can only take 3 weeks because of working conditions, then you can carry over 1 week to your next vacation year. Maximum carry over of vacation is 1 1/2 times your annual allowance — for the person with 4 weeks, the maximum carry over is 6 weeks.

The examples below show how the "Transition" period will work to convert to the new EGE vacation plan in the next two years.



EXAMPLE 1: Mary has 26 years of service and a Service Date of July 1.

• January 1, 1990 received vacation earned in 1989	25 days	<u>To be taken between:</u>
• January 1, 1990 through June 30, 1990 earned	12 1/2 days	1/1/90 - 6/30/91
• July 1, 1990 through June 30, 1991 earned	25 days	7/1/91 - 6/30/92
• July 1, 1991 through June 30, 1992 earned	25 days	7/1/92 - 6/30/93
• July 1, 1992 through June 30, 1993 earned	25 days	7/1/93 - 6/30/94

In this example, Mary has 37 1/2 days of vacation between January 1, 1990, and June 30, 1991. On July 1, 1991, Mary gets her 25 vacation days for her new "Vacation Year" of 1991 - 1992. On July 1 of each year, Mary starts her new personal "Vacation Year".

EXAMPLE 2: Jim has 18 years of service and a Service date of May 1.

• January 1, 1990 received vacation earned in 1989	20 days	<u>To be taken between:</u>
• January 1, 1990 through May 1, 1990 earned	6 2/3 days	1/1/90 - 4/30/91
• May 1, 1990 through April 30, 1991 earned	20 days	5/1/91 - 4/30/92
• May 1, 1991 through April 30, 1992 earned	25 days	5/1/92 - 4/30/93
	(Hits 20 years of Service)	
• May 1, 1992 through April 30, 1993 earned	25 days	5/1/93 - 4/30/94

In this example, Jim has 26 2/3 days of vacation between January 1, 1990, and June 30, 1991. On July 1, 1991, Jim gets his 20 vacation days for his new "Vacation Year" of 1991 - 1992. On July 1, 1992, Jim will get 25 days for his "Vacation Year" of 1992 - 1993.

Your vacation allotment will be posted on your paycheck right after your Service Date. Any questions at that time, see Payroll.



Eating for a healthy heart

Along with lifestyle changes, like quitting smoking and exercising regularly, you can reduce your risk of heart disease by making simple changes in your dietary habits. Understanding how certain food substances — like saturated fats and cholesterol — affect blood "fats" and heart health, can help you modify your diet and eat for a healthy heart.

When the fat levels in a person's blood rise excessively, he or she is at risk for developing coronary artery

disease. Two kinds of fat that are closely watched are cholesterol and triglycerides. Cholesterol and triglycerides are found in the blood in a complex substance known as lipoproteins.

Lipoproteins that have small amounts of cholesterol and other fats and large amounts of protein are called High Density Lipoprotein or HDL. Studies have shown that HDL, the "good" cholesterol actually removes cholesterol from arterial walls.

Lipoproteins that contain

large amounts of cholesterol and other fats and a small amount of protein are called Low Density Lipoproteins or LDL. LDL, the "bad" cholesterol causes fatty deposits called plaque on arterial walls that results in decreased blood flow (and oxygen) to the heart.

Research has shown that foods can affect your blood lipids and to increase your use of those fats that lower blood lipid levels. Keep in mind that your total fat intake should not exceed 30% of your daily calories. The average, healthy person should try to eat no more than 300 mg of cholesterol daily.



February

20 Years

Carlton Logan

Pat Ogle

Barbara Tweedy

30 Years

Phil Brown

Gordon Campbell

Jim Carwile

Alberta Clisham

Bill Denton

Minnie Grogan

Betty Hudson

Hazel McGuire

Francis Moorman

Frank Smith

35 Years

Ron Sisson

*Omitted from November, 1989 Salute to Service was Bob Woody - 30 years.

Tax and business travel

The IRS has begun supplying The NEWS office with information regarding filing your taxes. Due to the volume of information they have provided it will be impossible to print all of it in The NEWS. If you would like to review the package of information, please come by The NEWS office, Room 1566.

The information also includes the names of free IRS publications and how to obtain them.

Beginning in 1989, some business travelers will not be able to deduct some of their business deductions if they are reimbursed by their employers for their expenses and yet, are not required to adequately account to their employer for their travel or other business expenses. Also, a deduction may not be permitted if they keep any allowance or reimbursement in excess of the expenses for which they do adequately account.

This occurs because the employer reports allowance or reimbursements paid under a nonaccountable plan as part of the employee's wages on Form W-2. The employee, however, can deduct as miscellaneous itemized deductions, only the expenses that exceed two percent of his or her gross income.

In the past, employees could deduct all of their reimbursed expenses as an adjustment or reduction to their gross income, regardless of whether the expenses were adequately accounted for, or if any excess reimbursements were returned.

Business travelers who (under their employer's accountable plan) are required to account for all of their business expenses, and, have reimbursements equal to their expenses, or return any excess reimbursement of allowance to their employer may not deduct business expenses since they aren't reported on W-2s.

For more information of the deduction of travel expense, taxpayers can obtain the free IRS Publication 463, *Travel, Entertainment, and Gift Expenses*, by calling toll-free, 1-800-424-3676.

SPECIAL NOTICES

State of the Business video available

Videotapes containing excerpts from John Kese's "State of the Business" message to key managers have been distributed to managers and supervisors throughout the business for use at roundtable meetings.

If you have not seen this important message, please contact your supervisor or call Employee Communications at 7511.

On answering the phone...

To clear up any confusion, when answering the phone, please use "Ericsson GE Mobile Communications" or simply, "Ericsson GE."

JOB OPPORTUNITIES

Hourly

LH15 Assem. Test Insp. A, 1st shift, R. Coleman, MVR.

LH15 Assem. Test Insp. A, 1st shift, A. Mack, CSC.

(3) LH15 Assem. Test Insp. A, 2nd shift, A. Mack, CSC.

LH18 Check/Ship/Receive C, 1st shift A. Mack, CSC.

LH33 Cust. Svc. Syst. Tech., 2nd shift, A. Mack, CSC.

See posted job descriptions. All forms should be in by 2/20/90.

ERICSSON



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