

# NETWORK!

FOR PEOPLE IN THE NETWORK SYSTEMS BUSINESS OF LUCENT TECHNOLOGIES

## *In the News*

### Top Technology Stocks

New technology stocks created \$592 billion in shareholder value from 1980 to 1997, even after \$28 billion was deducted for losses incurred



by some companies, according to a recent Morgan Stanley & Co., Inc. study. Reflecting that change in computing, Microsoft turned in the best record of 987 companies. Microsoft's market value grew from \$519 million at the time of its initial public offering in 1986 to \$115.6 billion at the end of 1996, a gain of 16,575 percent. Right behind Microsoft was Cisco, up 11,633 percent to \$43.1 billion from \$226 million, its market value in 1990. Oracle, Compaq, Lucent Technologies, Inc., Computer Associates International Inc., First Data Corp., Seagate Technology Inc., Sun Microsystems and Dell Computer Corp. round out the Top 10 producers of wealth. (*CommunicationsWeeks*, May 12)

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### Lucent Announces Canadian Wireless Innovation Lab™

Lucent Technologies this week announced the creation of its Wireless Innovation Lab in Canada — a design, development and interoperability testing facility managed by Bell Laboratories. Initially, the lab will support product development for current and future customers—starting with Clearnet, Lucent's first wireless customer in Canada. The lab also will be used to test the interoperability of voice and data applications developed by

third-party vendors, ensuring the applications work with the Lucent wireless equipment that customers purchase.

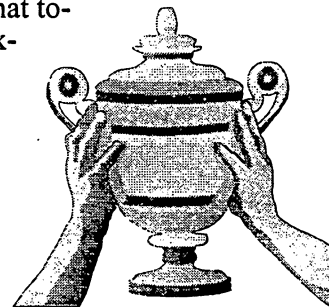
"We hope that our engagement with third parties will lead to deeper relationships, possibly on collaborative projects with Bell Laboratories in enabling network operators worldwide to introduce enhanced wireless services," said Gerald Butters, president, North America, Network Systems.

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### Network Systems Celebrates Quality

Sixteen different Quality Improvement Teams from around Network Systems gathered in Whippany, N.J. last week to celebrate their successes at the sixth annual Global Quality Team Excellence (QTE) Sharing Rally. Dan Stanzione, president of Network Systems, kicked off this year's event as teams from Saudi Arabia, Mexico, Hong Kong, Taiwan and the United States shared their quality stories. "I can't stress strongly enough the importance of what these awards stand for," said Stanzione. "They recognize true excellence in quality teams and outstanding achievement of the teams in support of NS goals. And they celebrate the enormous team efforts that went into ensuring the competitive success of our business."

The rally is also a celebration of the efforts of many capable, dedicated and focused people that together exemplify the Lucent values of "teamwork"



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## Executive Changes

### Bell Labs VP Named President of New Network Systems Software Unit

J. Carl Hsu, formerly vice president-Advanced Technologies Bell Laboratories, has accepted the position of president-Network Systems Software Unit.

The software unit is one of the new business units announced in March as part of Network Systems' reorganization (*NETWORK!*, March 12 issue). The software unit focuses on open, standards-based, hardware-independent software products and services for Network Systems customers. By creating a dedicated software business, Network Systems is sharpening its focus to capitalize on the explosive growth in the software market.

In his new assignment, Hsu will provide the strategic leadership for enhancing Network Systems' efforts in network and communications software. He brings to his assignment a depth of knowledge and extensive experience in information systems design, development and leadership in both Bell Labs and Network Systems.

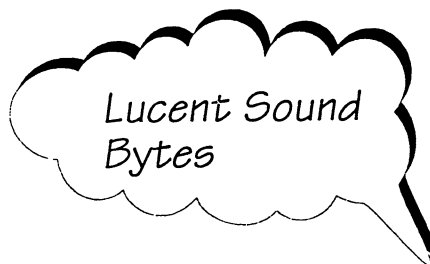
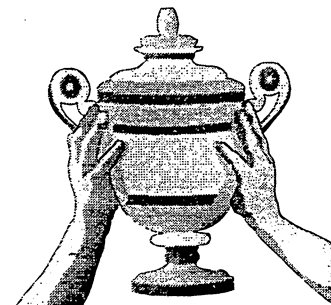
Hsu will become a member of the Network Systems Operations Council (NSOC) and will be supported by Network Systems President Dan Stanzione. Until a successor is named, the Advanced Technologies Leadership Team will report directly to Dan Stanzione. Hsu will continue to be a member of the Bell Labs Council and will have executive oversight for the Bell Labs China operations. Hsu replaces Jim Zucco, who recently resigned from Lucent. □

## Celebrating Quality Continued from page 1

and "commitment to excellence." To get to this year's rally these representatives vied among 150 teams made up of 2,000 Network Systems employees. The teams delivered tremendous value, both in dollars saved and in improvements in other critical metrics. Because of the quality improvements they instituted, the 16 teams achieved \$83 million in combined cost savings, increased revenue by \$63 million and reduced accounts receivables by \$30 million.

"The QTE program is designed to give executive leaders an opportunity to recognize the contributions quality teams make to our business,"

says Bill Robinson, Network Systems Quality and Customer Satisfaction director. "The program also emphasizes the linkages of the teams' results to our Policy Deployment goals." □



*Starting with this issue, NETWORK! will periodically print excerpted remarks about our business, made by Lucent and Network Systems leadership.*

At the press briefing announcing the Canadian Wireless Innovation Lab, Gerry Butters, president, North America Network Systems, commented on the wireless market:

"The customer base for wireless communications is growing at a phenomenal rate. At the end of last year there were 125 million wireless subscribers worldwide. By 2010 there will be about 1.45 billion wireless subscribers. We predict that by then the number of wireless subscribers will outnumber the wireline subscribers by about a half a billion." □

## In the News Continued from page 1

### Different Views Of Data Networking

Because of their voice backgrounds, Lucent and Nortel have gone after the data networking market under the umbrella of "multimedia solutions." But that term means something totally different to the two companies. Lucent officials emphasize how wonderful it would be if users could dial up and share video and data in real time along with a telephone conversation.

To do that, Lucent says, requires that telephone features such as hold, conference and transfer be incorporated into computer networks. To Nortel, multimedia simply means taking existing voice and data traffic—real traffic, the stuff you lose sleep over—and putting it all on the same network infrastructure. (*Network World*, May 12) □



## Of Interest



### **Web Sites On Product Management And New Product Introduction**

Two new web sites have been created describing Network Systems' efforts to improve product management and development processes. The first, the Network Systems Product Management Web Site for product and business managers, highlights tools and training needed to attain best-in-class product management status such as benchmarking results from top performing companies. It also provides Network Systems-specific definitions of product management roles and responsibilities, along with information on the Product Management Professional Development Program, a new training and certification program currently being piloted in several Network Systems Business Leadership Groups. The site is sponsored by the Network Systems Business/Project Management Leadership Council and can be accessed at <http://pm.web.lucent.com>. For more information contact Nancy Barone at [nbarone@lucent.com](mailto:nbarone@lucent.com).

The second, the Network Systems Project Lightning Web Site, provides the latest information about this Network Systems Policy Deployment initiative that was launched in February to accelerate new product introduction processes. Project Lightning's goals are to make breakthrough improvements in product development intervals, product realization expense, and in meeting customer commitments and reducing product costs. The Project Lightning Web Site can be accessed at <http://infoview.lucent.com/lightning>. For more information contact Carol Schur at [schur@lucent.com](mailto:schur@lucent.com).

### **Network Systems Sales Academy Relocates**

The Network Systems Sales Academy, which delivers training for Network Systems sales teams worldwide, has moved to a new location in Atlanta: **3343 Peachtree Road NE, Suite 1400, Atlanta, GA 30326**. The new location boasts state-of-the-art classrooms as well as improved access to hotels and mass transit. Now, instead of renting a car, students flying into Atlanta can take a train directly from the airport to the Academy's building. In addition, four hotels are located within a half block of the Academy. For more information, call **404-504-2800** or visit the Sales Academy web site at <http://salesacademy.lucent.com/atlanta>.

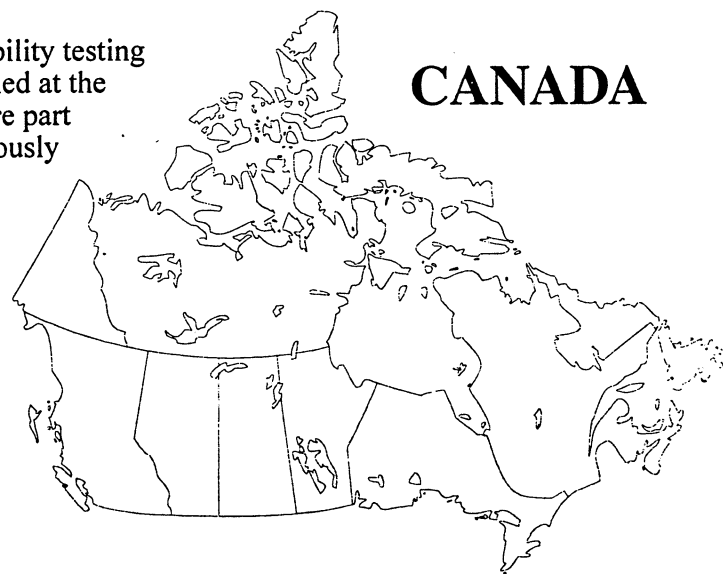
### **Check Out *Lucent Technologies Today***

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## **Canadian Wireless Innovation Lab**

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The interoperability testing functions performed at the Innovation Lab are part of Lucent's previously announced Open Systems Innovation™ program, which provides Lucent's customers and their customers the benefits of a multi-vendor market.



### **Facts about Network Systems in Canada:**

- ◆ Last year, Lucent won a \$US 350 million contract to supply personal communications services (PCS) equipment to Clearnet Communications.
- ◆ Number of employees in Canada: Network Systems—90; total Lucent—298. □

## Industry Watch



### AT&T/SBC Merger Talks

AT&T Corp. and SBC Communications are holding talks to join forces in a \$50 billion-plus merger, which would easily be the largest such transaction in history. If completed, the unprecedented combination could spur more mergers as executives race to position their companies for new competition. One possibility: Bell Atlantic/Nynex may seek a major long-distance connection, possibly with the nation's No. 3 carrier Sprint. The impact of an AT&T-SBC merger would have a ripple effect on suppliers such as Lucent, Northern Telecom Ltd. and Telefon AB L.M. Ericsson. AT&T and SBC have overlapping wireless strategies, for example, leaving open the possibility that AT&T could cancel or shift billions of dollars in investments in wireless licenses and equipment orders. (*Wall Street Journal*, May 27)

[The merger] is sparking hot debate over whether such a megagiant would simply be too big for the country's—and consumers'—good. The effort could ultimately collapse as negotiators tussle over terms and power structure.

Even if an accord is reached, federal regulators will give hard scrutiny to a deal so big that it would create the largest U.S. collection of telecom assets since the old American Telephone & Telegraph was broken up in 1984. (*Widespread coverage*, May 28)

### AT&T/Nynex Pact

Paving the way for the nation's biggest long-distance telephone company to enter the country's most lucrative local telephone market, AT&T reached an agreement with Nynex to connect the two companies' networks in New York State. (*New York Times*, May 21)

### Cisco In China

Cisco Systems won its biggest contract to date in China, a multimillion dollar agreement to provide switches for a new data network linking the country's major banks and other financial institutions. The network will provide the information infrastructure for the People's Bank of China, the nation's central bank. (*Wall Street Journal*, *Investor's Business Daily*, May 21)

### Nortel Scores Major Order With Qwest

In the clearest example yet that the industry is accepting OC-192 technology, Qwest Communications has agreed to purchase up to \$150 million worth of OC-192 equipment from Nortel to be used throughout Qwest's 13,000 mile fiber optic network. (*Phillips Business Information*, May 19)

### New Wireless Technology

[Lloyd Carr] is using a new type of radio technology that blasts voice, video and data through the air at much higher speeds. He's one of the first customers of CellularVision USA, which invented the technology known as local multipoint distribution service, or LMDS. It's been described as the wireless equivalent of fiber-optic cable. LMDS creates a network of fat data pipes in the sky, each wide enough to carry telephone, television and high-speed Internet access at the same time. (*USA Today*, May 27) □

### Letters to the editor



**NETWORK!** will publish signed letters as space permits — reserving the right to edit for clarity. Please include your name, work location, and a contact number where we can reach you. Opinions expressed in the Letters section do not necessarily reflect the views of Network Systems management. See our contact information at right.

## NETWORK!

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May 30, 1997 Vol. 6 /Issue 23

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