

NETWORK!

FOR PEOPLE IN THE NETWORK SYSTEMS BUSINESS OF LUCENT TECHNOLOGIES

And the winners are ...

Thanks to all the *NETWORK!* readers who took this month's Lucent Technologies Challenge by sending in their quizzes. To beat the summer heat, the following winners will be cooling off in their new white Lucent T-shirts.

Congratulations to **Lisa Ambrosio, Anita Anthony, Bonnie Bailey, John Doucette, Joanne Gemar, Paul Kirk, Mark Mauriello, Jan Neuteboom, Wyley Robinson, and Jerry Zawistowski.**

Here are the correct answers:

Q. Who is the new Global System for Mobile Communications (GSM) Product Realization vice president?

A. Neil Whittington

Q. Name the new network software for building and delivering highly interactive network-based applications over any communications network.

A. Inferno™

Q. What is the Cheetah Program?

A. Introduced this year as a key element of Policy Deployment, the Cheetah Program is designed to improve the financial viability of Network Systems' business through flawless and speedy quote-to-cash execution.

Q. Name the new sales incentive program led by NS Global Marketing Vice President Angie McGuire.

A. Lucent Liftoff

Q. What's the rate of growth for international markets?

A. 10 to 11 percent

Get set to win more prizes next month when the quiz appears on June 20. The questions will be taken from the next four issues of *NETWORK!* □

Network Systems lands first wireless win in India

Network Systems has been awarded a U.S. \$107 million contract by Escotel to build and maintain a wireless communications network covering India's Haryana, Uttar Pradesh, and Kerala regions. The contract, which was signed on May 18, represents Lucent Technologies' first wireless win in India, a market growing at the rate of 35 to 40 percent a year.

Under the contract, NS will install and maintain a Global System for Mobile Communications (GSM) wireless network in three cellular circles, making it a significant win for our GSM business as well. GSM systems also have been deployed in Saudi Arabia, the United Arab Emirates, Malaysia, Brunei, France, Germany, and Switzerland.

Access to the world

Other components of the network include mobile switching centers based on the 5ESS@-2000 switch with remote switching-module capability. These new wireless networks will be fully interconnected to existing wireline networks, giving wireless customers access to any phone around the world.

"We are delighted with the opportunity to team with Escotel in building the infrastructure that will bring wireless services to consumers and businesses in India," says Jay Carter, president, NS - Asia/Pacific. "Lucent Technologies will be a total communications partner, bringing advanced technology, our global communications expertise and experience, and world-class wireless products to

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Marx to retire after more than 35 years with Western Electric, AT&T, and Lucent Technologies

Bill Marx, senior executive vice president of Lucent Technologies, announced last week that he plans to retire in mid-July. After more than 35 years with Western Electric, AT&T, and Lucent Technologies, Marx has distinguished himself as a leader in AT&T's global expansion, the turnaround of Network Systems, and the company's global manufacturing and procurement operations.

"As a director at AT&T, I've known Bill for more than 15 years,"

says Henry Schacht, chairman and CEO of Lucent Technologies. "There's no question in my mind that his leadership and vision for AT&T's equipment businesses helped create Lucent Technologies. He has been responsible for building the foundation upon which Lucent Technologies begins its new life, and we all owe him a huge debt of gratitude."

Until July, Marx will complete some of the restructuring work he's handling with the company's

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Consumer Products, MultiMedia Ventures & Technologies, and Paradyne businesses. Schacht has asked Marx to serve as a consultant and senior advisor to Lucent Technologies in his retirement. Marx also will continue representing the company as chairman of the Executive Committee of the National Minority Supplier Development Council, as a member of the Graduate School of Business Advisory Council at Stanford University, and as a member of the National Board of Directors of Junior Achievement.

"I'm proud to say that both AT&T and I personally have benefited from Bill's leadership and commitment over the years," says AT&T Chairman Robert E. Allen. "Whether working with customers, fixing a piece of the business, or triggering expansion into global markets, he has demonstrated he is a leader in the true sense of the word: inspiring, fair, disciplined and never afraid to do himself what he asked of his people."

In the beginning

Bill Marx started his career in 1961 as an engineer at the Fairlawn Shops, a satellite plant of the Kearny Works. In the early days of his career, when Marx was in an operations assignment, he became the first Western Electric manager to use outsourcing as a strategy, breaking out of the traditional "it-must-be-made-here" management mold. In later assignments, Marx established many of the first purchasing policies and models that have evolved to be global standards today. In the 1970s, he was one of the leaders who introduced the concepts of product management and account management at Western Electric as that business started looking at new markets.

Putting innovative ideas into business practice was a hallmark wherever Marx went in the business. "The jobs I enjoyed the most were always the ones that no one had done before," says Marx.

Commitment to the customer

After divestiture in 1984, Marx ran the first sales organization that dealt with the regional Bell operating companies (RBOCs) as genuine, external customers.

"Bill's honesty and integrity forged strong relationships with our RBOC customers and later with customers around the world," says Schacht. "His understanding and commitment to customers have made him a role model for our businesses."

"We sometimes acted like all our customers were the same," says Marx. "We had to quickly accept that customers had different needs. In that sense, divestiture forced us to take our first steps toward customer focus."

Going global

Marx's operational expertise and commitment to customers served him well in leading the globalization of Network Systems and AT&T as a whole. In the early '90s, Marx led Network Systems' aggressive pursuit of global opportunities, and international business grew fourfold under his leadership. As an AT&T executive vice president from 1993 to 1995, Marx was responsible for planning the company's global purchasing and manufacturing operations and spearheading its expansion in the Asia/Pacific region.

"Years ago when we first expanded outside the U.S., we thought we could make better decisions in New Jersey than in-country," says Marx. "But we've been able to change that and build a culture that is more market-driven and where decisions are made as close to the customer as possible."

Network Systems' turnaround

If Marx's career and successes were boiled down to a basic ingredient, it would be "customer-focus." He's had that focus from the beginning and throughout his 30 years with Western Electric and AT&T Network Systems. And he's brought that same focus to other assignments, such as key executive positions at AT&T Teletype Corporation and AT&T Computer Systems. He eventually rose to lead the multibillion-

dollar Network Systems business in 1987 and helped turn it around in the '90s.

"In 1991, we had to do some soul-searching at Network Systems and accelerate the pace of change in our business," says Marx. "I'm proud of the way our leadership team faced that challenge -- communicating more with our people and focusing more individually on our customers. It made a difference to the business and led to its successful turnaround and growth today."

"Bill has been my mentor and friend for many years," says Dan Stanzione, president of Network Systems and Bell Laboratories. "He has taught me more about the value of business discipline and operational intricacies than anyone I've ever met. His expertise and leadership on a day-to-day basis will be missed."

"I am personally grateful to Bill for his counsel and friendship as we launched this new company," says Schacht. "He will be missed by the people who know him, by the customers who trust him, and by the leadership team that has always counted on him." □

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-- Dan Stanzione, NS president

Moscow's Telmos picks Lucent to modernize network

On May 16, Lucent Technologies and Telmos, a private network operator, signed a contract valued at U.S. \$25 million to modernize the Telmos network.

Telmos, a joint venture (JV) of Moscow Local Network Operator (MGTS), Rostelecom, and AT&T, provides telecommunications services in Moscow for business and private subscribers. AT&T owns 40 percent of the JV; MGTS has a 40 percent share, and Rostelecom controls 20 percent.

New services

Telmos intends to install up to 70,000 subscriber lines as part of its modernization and digitalization plans. By the time the project is completed by the end of 1999, Telmos also will be able to offer new services to its subscribers such as ISDN lines, voice mail, data transmission, and calling card services.

Network Systems will supply switching equipment, as well as related software. Telmos will deploy Synchronous Digital Hierarchy (SDH) transmission systems with fiber-optic technologies to connect to the MGTS transport network, which will significantly increase network volume. For example, one fiber-optic line can support up to 8,000 simultaneous subscriber calls. In order to maintain network integrity, Lucent Technologies will supply Telmos ITM-SC (Subnetwork Controller), also known as 1-2000 Element Management System, developed by Bell Laboratories.

As part of the contract, Lucent will organize training courses for Telmos specialists at Lucent Technologies' Training Center in St. Petersburg, Russia, as well as in Hilversum, the Netherlands, and the United States. □

Interesting stuff

AT&T CBU sets the stage for '96

Some 400 AT&T Customer Business Unit (ACBU) team members and their AT&T customers recently gathered to set the stage for a year of dynamic growth and excitement. What was unique about this workshop is that, in keeping with its theme -- "Teaming to Win in '96" attendees extended beyond the traditional sales teams to include individuals in the rest of the ACBU, others in Network Systems with a stake in serving the AT&T customers, and some of the customers themselves.

Rich McGinn, president and chief operating officer of Lucent Technologies, stressed the importance of the AT&T customer to Lucent's success, noting that

AT&T will represent 10 to 15 percent of Lucent's revenues. "AT&T is our biggest customer," added ACBU President Joe Colson. "And I want it to stay that way."

Dan Sheinbein, director of Network Planning for AT&T, agreed with Colson's statement by describing that the AT&T network is a differential and a competitive advantage.

"We want to distinguish AT&T from all competitors by providing superior, reliable service, building capabilities to deliver bundled services, and drive toward a best-in-class, low-cost infrastructure," Scheinbein said. He also stated that he viewed Lucent as a strategic partner that he wants on his team. □

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benefit Escotel and its customers," he says.

A strong and reliable partner

"In Lucent Technologies, we have a strong and reliable partner," says Rajan Nanda, chairman of Escotel Mobile Communications, Ltd. "Together we will build quality GSM networks that provide our customers with reliable and affordable wireless services," he adds.

A joint venture of Escorts India, Ltd. and First Pacific Company of Hong Kong, Escotel expects the network to begin operating in all three circles by year end. Full service to all major cities and towns within each region is expected by the end of 1997.

Escorts India Ltd. is a diversified company with interests in major industries such as telecommunications and machinery. First Pacific provides telecommunications, banking, marketing, and other services in Asia, Europe, and North America. □

Industry watch

MCI and BellSouth link local networks

The MCI Communications Corporation and the BellSouth Corporation said that they had agreed to link their local telephone networks in five states. It is the first such multistate agreement between MCI and a regional Bell phone company.

The two-year interconnection agreement sets terms under which customers buying local service from MCI -- primarily high-volume business users in major cities -- will route calls to non-MCI clients served by BellSouth, which is based in Atlanta.

The agreement provides for customers to keep their phone numbers if they switch to MCI, sets terms of how MCI and BellSouth will pay each other for connecting calls, and gives MCI

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Two more ISO 9002 registrations expand Lucent's global reputation

Few would argue that our success in the global marketplace requires positioning our brand name in countries all over the world. One way to achieve wider acceptance of the Lucent Technologies brand name, and to expand our global reputation for quality and innovation, is to register our manufacturing and development processes in those countries.

This month, two more Lucent joint ventures (JVs) achieved ISO 9002 registration, bringing our total number of certified manufacturing and development organizations to 73. The registrations are part of an overall effort to achieve ISO registration for all our JVs and subsidiaries around the world.

Maintaining customer confidence

"A number of our global customers have become accustomed to the AT&T brand name," says John Walz, Network Systems Quality Systems Improvement technical manager. "But as we transition to our role as a stand-alone company, these certifications can assure our customers that Lucent is committed to consistently meeting their requirements and thus, maintaining our customers' confidence."

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-- John Walz, Network Systems Quality Systems Improvement technical manager

This week, AT&T Network Technologies (Thailand) Ltd. (soon to be renamed as part of Lucent Technologies), became the first telecommunications equipment manufacturer to achieve ISO 9002 registration in Thailand. The company is a joint venture with

Thai entrepreneurs to manufacture and market telecommunications network application products. Earlier this month, Tianjin Cable Co., our cable JV in China, also achieved ISO 9002 registration.

Worldwide acceptance

ISO 9002, the internationally accepted standard for quality management, is granted to manufacturers whose management system consistently produces products that meet published technical specifications or customer specifications.

Somkuan Musig-in, managing director, AT&T Network Tech-

nologies (Thailand) Ltd. praised the certifications, adding that employee dedication was the key to achieving the honors. "After lengthy application processes, we are honored to receive this prestigious certification," says Musig-in. "The certification is the result of all our employees' relentless dedication to quality-control processes. We will continue to aim for the best," he adds. □

Polish Telecom signs nine more modernization contracts

Telekomunikacja Polska, S.A. and Network Systems signed nine contracts on May 23 worth a total of U.S. \$18.5 million for the modernization of telecommunications networks.

The contracts are extensions of previously signed contracts, which were fulfilling the basic needs of the following Polish regions: Leszno, Plock, Jastarnia, Dobrzykow, Susz, Dabie, Zamosc, Zielona Gora, and Jelenia Gora. The modernization program will cover numerous rural areas, offering access to telecommunications to even the most remote subscribers in the regions. The contracts cover switching and transmission equipment, providing some 87,000 new subscribers access to the most advanced services, such as ISDN. □

Are you keeping up with the Network Systems business?

For the past few weeks, **NETWORK!** has been running a series of articles explaining the Network Systems organization.

The first article, "An overview" appeared on April 4. The second, "Our Globalization Strategy," ran on April 25. The third, "1996 Policy Deployment," ran on May 9. If you missed any of those and want a copy, please send e-mail to atmail!nsnews or a fax to 201-606-3309.

Want to learn even more about the business? Be on the lookout in the coming months for more in-depth articles on investing in people, the Customer Business Management organization, the Product Realization organization, Marketing, and the Business Leadership Groups. □

FYI

Global publications available online

Infoview, Lucent Technologies' Virtual Library Network, is now offering Global Telecom Newsletters on its Web site. You can access *European Telecommunications* and *European Media Business & Finance* publications for \$30 a month each from Phillips Business Information, Inc. For also \$30 a month each, you can access *China Telecom*, *India Telecom*, *Mexico Telecom*, and *Russia Telecom* from Information Gatekeepers.

These publishers are offering a special discount to the Lucent Technologies Library Network in order to sample electronic delivery via the Web. Sign up now by sending e-mail to alert@library.att.com, or call 908-582-4840, option 2. You can visit InfoView at <http://infoview.att.com> □

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customers access to the 911 emergency system.

The agreement covers Florida, Georgia, Tennessee, Alabama, North Carolina, and may include other states under similar terms. (*The New York Times*, May 17, 1996)

Remember the four Network Systems priorities:

- Focusing on customers and flawless execution;
- Investing in people (training);
- Demonstrating innovation and product vision;
- Overhauling our internal processes.

The WaveLAN of the future

In the world of wireless local area networks (LANs), customers have a limited ability to mix and match equipment from various vendors. To address this need, Lucent Technologies, Aironet Corporation, and Digital Ocean just announced they will work together to develop an IEEE 802.11-compliant interoperability protocol that allows the companies' LAN products to work together.

The specification for the IEEE-compatible protocol, dubbed the Inter-Access Point Protocol (IAPP) specification, also will be made publicly available. The three companies expect the open specification to spur the development of IAPP-specification-compatible products that ensure industry-wide wireless LAN interoperability.

The IAPP specification defines how access points from different vendors communicate with each other to support mobile stations roaming across cells. The three companies are working on a specification for a protocol that defines how access points will communicate across the backbone network to hand over mobile stations.

With installations in more than 50 countries, Lucent Technologies is a market leader in wireless LANs with its award-winning WaveLAN® wireless local area network product line. Through its chairmanship on both the IEEE 802.11 and ETSI HIPERLAN committees, Lucent also is a leader in the development of worldwide standards. □

Letters to the editor

Word-ly ways

Some feedback on word choice I see in *NETWORK!* and heard on the quarterly broadcast:

Words used: "Domestic," meaning U.S.; "International," meaning non-U.S.

What does "this quarter's domestic sales" mean in the context of a broadcast from Hilversum? Sales in Netherlands? Of course not! Also, I see the same word usage in *NETWORK!*

Please, please lets agree to *eliminate* the use of the word "domestic" when we really mean "U.S."

Remember Yoda -- "we're not

going to *try* to eliminate it, we're going to *do*."

-- Jane Reinhart, Murray Hill, N.J.

Editor: Jane, you're absolutely right! Thanks for pointing out how important language is for us as we globalize -- and for keeping us honest. We'll be more careful in the future.

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.

NETWORK!

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