

Amdahl's Year 2000 Program

Are We Ready for the Next Century?

by William Flanagan

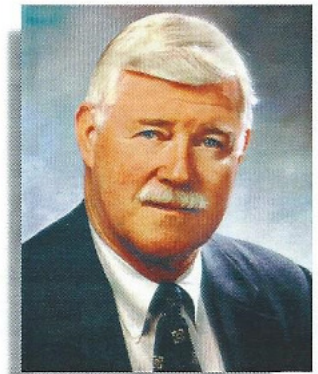
The Year 2000 problem has been with us since Amdahl Corporation was founded. Now we must ensure that our company and its subsidiaries solve this problem at all levels of the organization within the next sixteen months.

While this is certainly a challenge, it is also an excellent opportunity. To take advantage of it, though, each employee must make a concerted effort to help the company throughout the process. As "Team Amdahl," we can change our culture where appropriate, make sound business decisions, and simplify our business processes and IT systems, making Amdahl a much more competitive organization. Each team member must take responsibility for their business processes, applications, and hardware to assume they are Y2K ready by July 1999.

The Challenge

Achieving Year 2000 compliance is a complex and risky initiative. It involves taking apart entire infrastructures, modifying individual components, and following an orderly approach to putting the systems back together again while maintaining overall functional integrity.

The problem is not limited to applications; it involves all aspects of the IT infrastructure including hardware, telecommunications, and operating systems, as well as third-party software. It also involves all processes that have embedded dependence on IT systems such as security and process control systems, microwaves, and elevators. And it is not limited to the systems over which we have direct control; any dependence on suppliers, customers, or business partners is a potential problem. Each of these dependencies must be managed to ensure that one of these relationships doesn't corrupt the effort we put into making our systems Year 2000 compliant.



**William Flanagan,
Sr. Vice President
and Y2K Program
Officer**

Photo courtesy of Victor Inouye

Our current challenge stems from the long-accepted convention of representing a date with six digits: YYMMDD. This approach is adequate as long as all the years are within the century; the two leading digits can be assumed to be "19." This two-digit representation breaks down, however, for any calculations using dates beyond 1999. As there is no way to register the year 2000, it will in effect default back to 1900. This will impact all kinds of computer processes, including:

- ▶ Date calculations—The date 12/31/2000 minus 12/31/1999 equals one year, but 001231 - 991231 equals negative 99 years.
- ▶ Database and file sort sequences—001231 will sort ahead of 991231.
- ▶ Selection criteria—An instruction to select all records with a date greater than 990101 will exclude dates from the year 2000.
- ▶ Effective dates—An instruction to find the latest price with an effective date less than or equal to the current date will fail to find dates more recent than 000101.
- ▶ Expiration triggers—Some programs may assume a conditional with a year 2000 date has expired because it seems to be older than the current date.

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- ▶ Archive/purge routines—Files with year 2000 dates may be mistaken for out-dated information and archived or purged incorrectly.
- ▶ Fielded data—Many screens have a hard-coded "19" in date fields to print or display a date such as "January 1, 19xx."

The two-digit standard is a legacy still embedded in most main-frame applications using common programming languages. It is also implemented in many files and databases, although more current products such as DB2, Sybase, and Oracle support a four-digit year. The lack of a standard naming convention for date fields complicates things, as does the use of two-digit dates in purchased applications and their integration into newly developed client-server applications. The potential for disaster is clear.

The most important consideration is time. Unless altered, many existing systems will fail before the year 2000. With an inflexible deadline, we are faced with the possibility of systems failure in less than sixteen months in an industry where 86% of projects have historically been delivered late.

Amdahl has three primary Y2K objectives:

- ▶ Keep the business going and maintain profitability
- ▶ Become Year 2000 compliant
- ▶ Improve significantly the company's infrastructure, which is too costly for the size of the business to compete effectively

These three objectives are equally important for the survival of Amdahl.

Amdahl's Y2K Program Progress

The Y2K program at Amdahl was established several months ago [ed. note: see broadcast memo from David B. Wright dated 3/2/98] with several key decisions and structures put into place. The executive Y2K steering committee includes the president and his direct reports; DMR has been selected as the Y2K consultants; and the Y2K management team has been established consisting of William Flanagan, Y2K Program Management Officer; André Fournier, CIO; Jim Wendling, Internal Audit; and Paul Collier, DMR. In addition, Y2K coordinators have been assigned for all business areas. The level of the people assigned shows a strong commitment by the Amdahl executives to solving the Y2K problem in a very short time frame.

The responsibility of the Program Management Office (PMO) is to oversee an enterprise-wide effort. The PMO will plan, coordinate, and initiate projects; manage the risks and benefits; and control the direction of program activities. The program office is not responsible for the delivery of a solution, but it is accountable for project success by ensuring that problems or related issues are properly addressed.

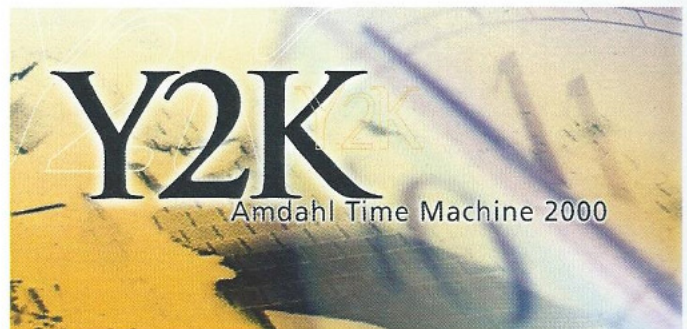
Significant progress has been made in establishing the process, deliverables, and skills requirements for both the current enterprise-wide assessment (EWA) phase and the PMO. The EWA for North America is coming to an end: the inventory is almost complete and we expect that the assessment phase will be finished by mid August. The PMO documentation is progressing on schedule, and Y2K programs are underway in Europe and the Pacific Basin.

The inventory is complete for the approximately 300 custom North American and corporate applications. We have gone through a first cut in the determination to retire, replace, or remediate. Project teams are in place to install Oracle, 10.7 financials and the Clarify suite of applications replacing approximately 21 systems.

The next steps will require users throughout the company to make crisp business decisions about application use and proposed changes, as well as systems and business practices. This is where "Team Amdahl" can make a significant difference by converting a Y2K expense—i.e., remediation—into an investment by installing new systems (Oracle, the Clarify suite, etc.) with minimal modification, helping the company simplify process, practice, and systems. Over the next few months, I will be sending out broadcast messages and writing periodic articles for *Update* which will provide more detail on how each individual can take responsibility for their own desktops and other equipment to ensure Y2K compliance while streamlining our business practices. In the meantime, please contact your local Y2K coordinator or my office if you have any questions.

Becoming Y2K compliant is a challenge. I am confident, however, that with our excellent executive support and the Amdahl "can do" attitude, we will not cause our customers, business partners, or ourselves a problem when the clock turns to January 1, 2000.

William Flanagan is a senior vice president and Amdahl's Y2K program officer. You may also read his comments about Y2K compliance in the August 3-9, 1998, edition of the San Jose Business Journal, or online at: <http://www.amcity.com/sanjose/stories/080398/editorial4.html>.

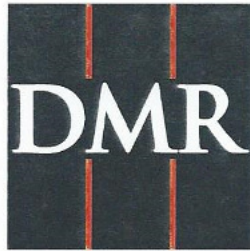


DMR News

DMR to Implement Land Registry Reform for Quebec Government

DMR has a new agreement with the Quebec government to implement a land registry reform program. The agreement stipulates that DMR will develop, implement, and maintain the registry system for a period of 15 years, bringing \$50 million in revenue to the company. The development phase alone—set to begin in October 1998—represents a \$20 million contract.

The land registry system will be developed in conjunction with DMR business partners Bell Canada, Pierce Leahy, and Notarius, and will use a variety of technologies, including the Internet, electronic commerce, digital image processing, and electronic certification of users and their business transactions



An Amdahl Company

DMR Wins BellSouth Y2K Testing Contract

Based on a successful strategic test planning effort by DMR, BellSouth Telecommunications has awarded the company a significant contract for Year 2000 testing. DMR will test the core processes of BellSouth's Customer Record Information System (CRIS) billing records. The CRIS records contain approximately 40 million lines of code, while the core processes have close to 10 million lines.

BellSouth—a \$21 billion company—performed its own remediation, and selected DMR to do the quality assurance testing to affirm that all code will perform the same before and after the year 2000. The DMR testing will also provide a clear audit trail for proof of due diligence.

DMR estimates the current contract will be worth \$5-10 million, with potential future work valued at \$10 million.

Organizational Change Proves Positive

Amdahl Global Services in Central Europe Doubles Results

At any company these days—especially in the high tech industry—organizational change seems unavoidable, and sometimes incomprehensible. Amdahl has been no stranger to change during the past few years, but the business results are now beginning to show that these new structures can have long-term benefits for the company.

One example of a new structure that is facilitating positive results is Amdahl Global Services in Central Europe, previously known as the Systems Service Group. Formed in Q4 '97 by combining Amdahl educational and operational services with DMR consulting [ed. note: see Update, February 23, 1998], the group is already experiencing significant success.

By Q5 '97, AGS was outpacing their goals and had earned \$500,000 in revenue and orders. In Q1 1998, that number nearly doubled, generating a margin of almost \$1 million for the company.

These figures are not the only factor indicating that the team is on the right track. Some important businesses have joined the customer list (e.g., Commerzbank), and, more importantly, more than a few people within Amdahl are learning that selling services can be a perfect way to leverage the hardware business.

—Claus-Dieter Schaefer, Amdahl Global Services CEU

United Way Victory Celebration

Amdahl Wins Gold Spirit Award

Amdahl employees are among the most generous in Silicon Valley.

And while we may have all suspected as much, the fact was publicly recognized at the victory celebration for the 1997 United Way of Santa Clara Valley (UWSCC) giving campaign. Amdahl received a "Gold Spirit" award for results totaling more than \$100 per capita. Including employee pledges and the company's corporate match, Amdahl pledged to donate more than \$380,000 during the 1997 campaign.

"Amdahl has always been a strong supporter of the United Way campaign," said Gwen Roberts, UWSCC Campaign Manager and representative for Amdahl. "The company has a long tradition of giving generously to the community, and this award acknowledges that generosity."

The 1998 United Way campaign at Amdahl will run from September 28-October 9.

Is Intelligence Genetic?

Amdahl Progeny Nab Merit Scholarships

They're winners. And they're ours.

Well, sort of.

Each year, Amdahl awards scholarships to those children of U.S. employees who qualify as National Merit Scholarship finalists. The National Merit Scholarship Corporation (NMSC) chooses finalists through a rigorous competition that weighs grade point average, standardized test scores, extracurricular activities, personal essays, and recommendations. Fewer than one percent of the nation's high school seniors are designated semifinalists and become eligible for selection as finalists. When finalists have been selected, the names of children who are employees of Amdahl and its subsidiaries are forwarded to Amdahl by the NMSC.

This year, Carol Hu and Elizabeth Dzeng both achieved that distinction and were named 1998 Amdahl Merit Scholars. Carol is the daughter of Sandra Hu, who has worked in the Amdahl Storage Group for 13 years. Elizabeth's father, Edward, is a systems engineer with the Amdahl Federal Service Corporation (AFSC). Both students will receive an annual scholarship of \$1,000 for up to four years during their college careers.

In addition to the scholarships, both students were presented with certificates at luncheons held on July 15 in their honor. Elizabeth and her father (her mother was out of the country) were hosted by AFSC President John Notaro and senior executive management at a restaurant in Virginia. David Wright, President and CEO of Amdahl, hosted Carol and her parents at a luncheon at headquarters in Sunnyvale.



David Wright, Amdahl President and CEO, presents Carol Hu with a certificate announcing her Merit Scholar award. Carol is the daughter of 13-year employee Sandra Hu (far left) and Ken Hu (far right).

Carol and Elizabeth join 11 other children of employees who have been awarded Merit scholarships since Amdahl began participating in the program in 1995. Children of all U.S. Amdahl, DMR, and CE Services employees are eligible for the scholarships. Students who would like more information about scholarships may ask their high school counselors for a copy of the *Guide to the National Merit Scholarship Program*, or write to the National Merit Scholarship Corporation; 1560 Sherman Avenue, Suite 200; Evanston, Illinois 60201-4897.

AFSC President and Director John Notaro (center) poses with Merit Scholar winner Elizabeth Dzeng (right). Elizabeth is the daughter of Amdahl employee Edward Dzeng (left).



Amdahl Field Employees Receive Gym Membership Benefits

Amdahl has now extended its corporate gym membership program to include all U.S. field staff. Amdahl Wellness Solutions has negotiated memberships at 24-hour Fitness (1-800-204-2400) and Bally Total Fitness Gyms (1-800-2GETFIT) across the country. Both clubs have several locations in the U.S. The 24-hour Fitness membership discount is available through August 31 only, so act quickly. The Bally Total Fitness membership discount is available through December 31, 1998. Fliers with more information have been distributed throughout the field. If you would like additional fliers, please call (408) 746-6830 and leave your name and mail stop information. These memberships have been negotiated at no cost to Amdahl.



The staff at Amdahl Wellness Solutions is committed to helping you achieve your health and fitness goals. Please feel free to call any of our consultants, and be sure to check out the AWS web site at <http://www.hr.amdahl.com/fitness> or by Lotus Notes at fitness_center@amdahl.com. We welcome the opportunity to meet with you whenever you are visiting Amdahl headquarters.

Best of luck on your health and fitness journey!

—Janet Schumacher, Fitness Center Manager

Got Mail?

Making Sure The Paper Finds you

If your office—anywhere in the world—has gone through a significant change recently in physical location, telephone number, or headcount, the mail staff needs to know. Please help Corporate Mail Services deliver your mail as efficiently as possible by providing the following details to them:

- ▶ The current physical address of the office
- ▶ Telephone number
- ▶ Contact person within the office who will handle mail distribution questions
- ▶ Number of people in the office

Mail Services would also like to know if you are receiving the correct number of copies of *Update* each month, and whether you have experienced any delivery problems such as late or missed delivery or too many or too few copies delivered within the past several months. The last edition published was dated June 1998 and should have reached all offices worldwide no later than July 8.

Please send an email with this information to Rod Sison, Manager, Corporate Mail Services, at rod_sison@notes.amdahl.com, or call (408) 992-2064.



- Amdahl External Web Sites -

The following is a list of selected external web sites that Amdahl employees may find useful. This list is by no means complete, and if you know of a web site that you think would be of interest to people in the company, please send the URL to christy_lang@amdahl.com.

Amdahl Around the World

- **Amdahl External Home Page** - View the company through the eyes of customers and potential customers.
<http://www.amdahl.com/>
- **Amdahl in the Community** - Read about how Amdahl supports the local Bay Area community. Programs such as Read to Succeed, Good Government, and Teacher Link are profiled.
<http://www.amdahl.com/doc/events/commun.htm>
- **DMR Web Site** - This is the gateway to information about Amdahl subsidiary DMR.
<http://www.dmr.com/corporatif/index.htm>
- **Fujitsu Ltd. Web Site** - Learn more about Amdahl's parent company and the rest of the Fujitsu Group.
<http://www.fujitsu.co.jp/index-e.html>
- **Worldwide Locations** - A listing of Amdahl/DMR offices worldwide.
<http://www.amdahl.com/about/offices.htm>

Amdahl Products and Services

- **Consulting Page** - Information about DMR Consulting and Amdahl Services and Support.
<http://www.amdahl.com/doc/products/prof.htm>
- **Product Offerings Page** - Research Amdahl's product offerings.
<http://www.amdahl.com/doc/products/products.htm>
- **Technical Support Home Page** - Get technical and support information for Amdahl's products.
<http://www.amdahl.com:80/support/non/pub/>
- **Year 2000 Product Information** - Check out the Y2K compliance status of Amdahl's products.
<http://www.amdahl.com/y2k/>

Customers

- **Customer Profiles** - Enjoy the fruits of your labor! Read about how Amdahl is helping customers worldwide.
<http://www.amdahl.com/success/sucstor.htm>

News and Events

- **Amdahl Press Releases** - Read the latest publicly-released information.
<http://www.amdahl.com/cgi-bin/press-index>
- **Upcoming Events Page** - Information about upcoming trade shows, conference, and expos.
<http://www.amdahl.com/doc/events/upcoming.htm>
- **What's New Page** - Brief summaries about the latest business stories at Amdahl.
<http://www.amdahl.com/whatsnew/>

Working at Amdahl

- **Employment Opportunities** - Investigate the range of employment opportunities at Amdahl.
<http://www.amdahl.com/doc/employment/>

UPDATE

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We value your feedback.

Please let us know if you have story ideas or comments about *Update*. We want to know what is going on in your corner of the world and how this publication can best serve all Amdahl employees. Contact us at:

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