
Data General Corp.: Vendor Profile

Corporate Headquarters

Data General Corp.
4400 Computer Drive
Westboro, MA 01580
(508) 366-8911

Company History

Data General (DG) Corp. designs, develops, manufactures, and markets general-purpose computer and communications equipment as well as related peripherals and associated software products. Founded in 1968, DG has 29 subsidiaries in 54 countries, and employs 11,700 people. In 1989, 51 percent of its revenues were derived from customers outside the U.S.

DG, which traditionally based its business on proprietary systems in the minicomputer market, experienced revenue losses due to this environment's decline. The company regained competitiveness in 1989 with the introduction of its UNIX-based AViiON workstation and server series.

Officers

CEO: Ronald L. Skates.
Director, Chairman-Executive Committee: Frederik R. Adler.
CFO: Michael B. Evans.

Product Line Overview

DG's flagship product is its Eclipse MV/Family of 32-bit superminicomputers. Targeted toward businesses of all sizes, the Eclipse high-performance, fifth generation was announced in August 1990.

DG's AViiON series of UNIX-based workstations and servers was introduced in February 1989. Its Dasher line of IBM-AT compatibles competes in the personal computer market.

DG's products, marketed both directly and through third parties, are used in a variety of applications in business, industry, government, and scientific areas.

Installed Base

DG has a cumulative installed base of 275,000 systems.

—By *Marlene H. Schulke*
Associate Editor/Analyst

Sales and Marketing Strategies

DG targets a variety of business, industry, government, and scientific areas including the manufacturing, financial, technical, retail, health, automotive, and insurance markets. Direct marketing is conducted from offices in the United States and Canada, as well as in Western Europe, the Far East, and Latin America. Indirect marketing is accomplished through VARs, OEMs, and a distributor network which encompasses 32 countries.

The company also markets its products through telemarketing and catalog sales using a program called DG DIRECT, which offers "quick ship" response to orders.

Market Position

DG products compete with IBM, Digital Equipment, Hewlett-Packard, Sun Microsystems, Wang, Prime, Bull, NCR, and Unisys.

Financials

DG reported revenues of \$1.31 billion for fiscal-year 1989, down 3.7 percent from \$1.365 for the previous year. Operating loss was \$127.4 million, up drastically from \$5.9 million. Net loss increased to \$119.7 million from \$15.5 million.

Revenues for the first three quarters of 1990 totaled \$907.9 million, compared with \$957.3 million for the same period last year. Operating loss

for the nine-month period was \$44.4 million, compared with an operating loss of \$45.1 million in the prior year.

Although still being impacted by sluggish demand for proprietary computer systems and competitive pricing pressures throughout the industry, DG's losses are gradually being countered by increased revenue from its UNIX-based systems.

Service and Support

DG maintains its own service organization, offering users several maintenance options ranging from a normal workday to 24-hour response time. The maximum uptime service assures the user of a 96 to 99 percent service availability. Service programs include the On-call Agreement and the Multiyear Plus Agreement.

Education courses for customer training are available at five geographic locations in the U.S. Self-study course material and on-site training are optionally available.

Terms and Conditions

DG offers lease financing plans to end users, VARs, and VAR customers. Lease terms can be structured a wide variety of ways for commercial, state, and federal government customers.

Systems are warranted on-site for 90 days. Systems mailed in are warranted for one year. Peripheral warranties are in effect for one year. ■