
AT&T: Vendor Profile



Corporate Headquarters

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In Canada:

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Company History

AT&T was founded in 1885. Until the early 1980s, AT&T existed as a regulated monopoly in the United States. In 1982, the company relinquished its monopoly in response to litigation brought by the U.S. Justice Department.

In 1984, AT&T entered the commercial computer market. The AT&T Computer Systems Group is responsible for the design, development, manufacture, and distribution of computer products, related peripherals, and software, as well as products for connectivity with local and wide area networks.

The company employs over 280,000 people worldwide.

Officers

CEO, Chairman of the Board: Robert E. Allen
CFO: Morris Tanenbaum
Presidents, AT&T Computer Systems: Gordon J. Bridge, Richard A. McGinn

Product Line Overview

AT&T's Computer Systems Unit produces networked computers, personal computers, minicomputers, StarServer FT and E, local area networks, and related software. Computer systems include the 3B Series, the Workgroup Series, and the new System 7000 Series of RISC-based, UNIX servers.

Installed Base

Information not available from the vendor.

Sales and Marketing Strategies

AT&T uses direct and indirect channels to market products. Direct sales originate through 152 sales offices in the U.S. International sales are managed by AT&T Computer Systems International. Indirect channels include VARs, OEMs, and retailers. Approximately 900 locations are included in the dealer network.

In 1989, AT&T announced a long-term partnership agreement with Pyramid, under which AT&T will resell Pyramid's MIServer line on an OEM basis through its 600-person sales force. Pyramid and AT&T will also jointly develop a new line of high-performance systems to be marketed by Pyramid and resold by AT&T, also on an OEM basis.

Target markets for AT&T computer systems include financial services, retail, lodging, health care, education, transportation, telecommunications, and government.

Market Position

AT&T's System 7000 Series competes against products from Digital Equipment, IBM, Hewlett-Packard, Amdahl, and Sequent.

Financials

AT&T's total revenues for 1989 were \$36.1 billion, up 2.6 percent from 1988. Net income for 1989 was \$2.7 billion, a considerable improvement over 1988's \$1.7 billion loss, and almost a 30 percent increase over 1987.

For the first quarter of 1990, AT&T reported earnings of \$688 million, up 12 percent over the same quarter a year ago. Revenues were up 2.7 percent to \$8.89 billion. But in the second quarter,

earnings, at \$657 million, were down 6 percent on revenues of \$9.03 billion; down 2.5 percent compared to the same period last year.

AT&T is slowly but surely recovering from the divestiture. Product sales and service revenues are steadily increasing; the company shifted more of its people into sales or sales support jobs to further strengthen its position in the market. To meet a growing demand from its customers, AT&T decided to speed up its conversion to an all-digital long-distance network. This accelerated digitization program resulted in a \$6.7 billion write-off in 1988. AT&T's actions to increase sales, modernize, and reduce expenses enhance its earnings potential.

Service and Support

AT&T offers a number of maintenance and support options. In general, maintenance contracts are drawn for one year with charges based on the product type and service. Optional plans include a Hotline service, a Mail-In service, a Business Day service, a Dedicated service, and a Per-Occurrence service. In addition, a range of Professional Services are available as well as a 60-day customer satisfaction guarantee.

Terms and Conditions

AT&T computer products are available for purchase or lease. AT&T does not offer a rental plan at this time. It does provide for leasing and the lease terms vary by product type. Volume discounts are available, generally for VAR and OEM purchases.

Products are warranted for one year, including parts and labor. ■