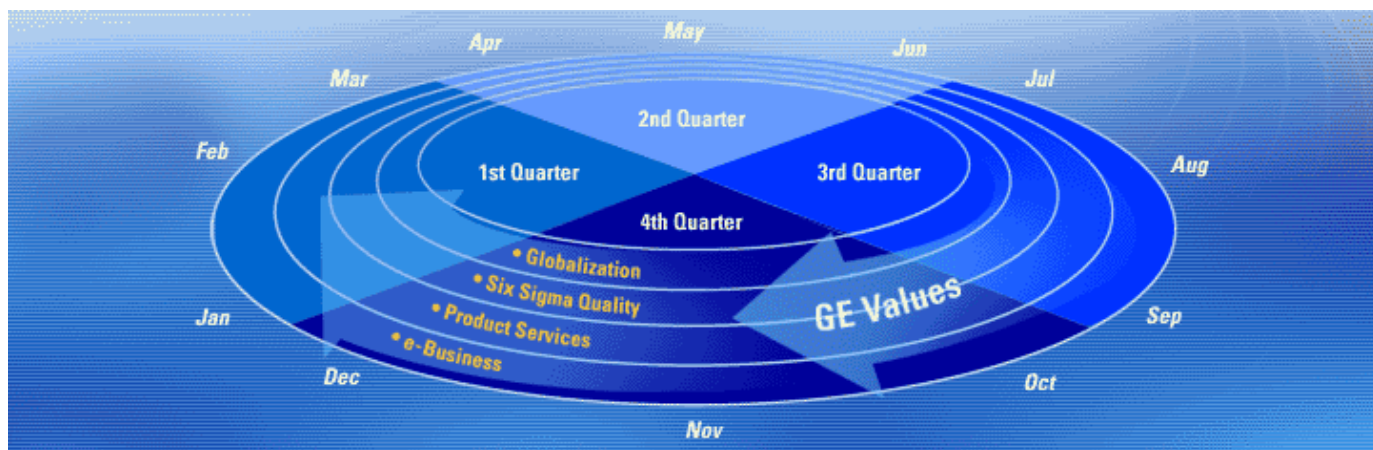


GE Operating System



What is it?

The GE Operating System is GE's learning culture in action. It is a year-round series of intense learning sessions where Business CEOs, role models and initiative champions from GE as well as outside companies, meet and share intellectual capital. The central focus is always on sharing, and putting into action, the best ideas and practices from across the Company and around the world.

How does it work?

Meetings take place year-round, in an endless process of enrichment. Learning builds from previous meetings, expanding the scope and increasing the momentum of our Company-wide initiatives. Driven by the Company's values - trust, informality, simplicity, boundaryless behavior and the love of change - the Operating System allows GE businesses to reach speeds and performance levels unachievable were they on their own.

What are the results?

The GE Operating System translates ideas into action across three dozen businesses so rapidly that all the initiatives have become operational across the Company within one month of launch, and have always produced positive financial results within their first cycle. Globalization has been enriched through more than a dozen cycles, Six Sigma is in its fifth cycle, Services is in its sixth, and e-Business its third.

GE Operating System

First Quarter

600 global GE business leaders gather each January to evaluate last year's performance and determine the coming year's key initiative(s). Subsequent events in GE are then centered on making these initiatives happen.

January

Operating Managers Meeting; 600 leaders; INITIATIVE LAUNCH

- Case for New Initiative
- Outside Company Initiative Experience
- One Year Stretch Targets
- Role Model Presentations
- Re-Launch of Current Initiatives

February

- Intense Energizing of Initiatives Across Businesses

March

Corporate Executive Council; 35 Business and Senior Corporate Leaders

- Early Learning?
- Customer Reaction?
- Initiative Resources Sufficient?
- Business Management Course (BMC) Recommendations

Second Quarter

People leading and practicing the year's key initiatives present their progress to GE leadership. At the same time, an anonymous CEO survey is sent to GE employees for candid feedback on the progress of initiatives.

April

Anonymous Online CEO Survey; 11,000 Employees

- Do You "Feel" Initiative Yet? ... Do Customers Feel It?
- Sufficient Resources to Execute?
- Messages Clear and Credible?

May

Leadership Performance Reviews at Business Locations; All Business Staffs

- Initiative Leadership Review
- Level of Commitment / Quality of Talent on Initiatives
- Differentiation (20% / 70% / 10%)
- Promote / Reward / Remove

June

Corporate Executive Council; 35 Business and Senior Corporate Leaders

- Initiative Best Practices
- Review of Initiative Leadership
- Customer Impact

GE Operating System

Third Quarter

Role models and heroes from across GE (and across the world) present to the 150 Corporate Officers at an annual meeting - a platform where each business can measure its progress against the best of its peers.

July

Session I: 3-Year Strategy

- Economic / Competitive Environment
- General Earnings Outlook
- Initiatives Update / Strategy
- Initiative Resource Requirements

August

- Informal Idea Exchanges at Corporate and Businesses

September

Corporate Executive Council; 35 Business and Senior Corporate Leaders

- BMC Recommendations
- Clear Role Models Identified
- Outside Company Best Practices Presented
- Initiative Best Practices (All Businesses)
- Customer Impact of Initiatives

Fourth Quarter

As one cycle ends, another begins. Budgets, personnel and business plans are finalized for the coming year. Continued review and analysis ensures that the right people are in the right jobs for long-term success.

October

Corporate Officers Meeting; 150 Officers

- Next-Year Operating Plan Focus
- Role Models Present Initiative Successes
- Executive Development Course (EDC) Recommendations
- All Business Dialogue: What Have We Learned?

November

Operating Plans Presented; All Business Leaders

- Initiatives Stretch Targets
- Individual Business Operating Plans
- Economic Outlook

December

Corporate Executive Council; 35 Business and Senior Corporate Leaders

- Set agenda for January's Operating Managers Meeting
- Individual Business Initiative Highlights
- Business Management (BMC) Course Recommendations