



# TODAY

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## COMSAT Ventures: A 'Skunk Works' Primed To Do Business In Japan

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(2005)



Dr. J. Beitchman



Stephen Day



John Berres



Dr. John Evans



Russell Fang



Mike McAllister

The traditional view about Japan's domestic markets is there's no room at the pagoda inns for U.S. and other foreign firms.

Officially, the door mats may be out, but in practice, they rarely read, "Ir-rashimase!," the Japanese word for welcome.

But appearances can be deceiving. Stephen Day and Dr. James (Buzz) Beitchman are the one-two marketing punch behind COMSAT Ventures, a

small group of COMSAT employees that are showing U.S. firms how to win a piece of the Japanese pie.

Ventures makes its living selling COMSAT services and technology all over the world. In Japan, where it focuses about 30-40 percent of its activi-

ties, Ventures principally deals in COMSAT technology, getting a piece of the action for every product eventually developed and sold.

It's a man-bites-dog story about how Ventures and other COMSAT divisions have secured more than 12 contracts with Japanese companies over the last five years.

"COMSAT wins opportunities in Ja-

*(continued on next page)*

## COMSAT Ventures

(continued from page 1)

pan because it recognizes the normal path in Japan is a slog," a long march that rewards companies that pay their dues and play by Japanese rules, says Day, the man behind Ventures and a vice president for COMSAT Systems Division. "The Japanese view short-term profits as a quick and dirty path to getting rich," says Day. "This frightens most U.S. firms, whose fortunes often live or die on those quick returns."

Day says Ventures can play the game and win in Japan because it costs COMSAT relatively little money. "We're not a bureaucracy, we're a skunk works," explains Day. "We get things done because we beg, borrow, and steal from our Japanese partners and at home." At COMSAT, Day jokes, his least favorite word is "charge-code."

But COMSAT's Japanese partners don't seem to mind a bit. In fact, one of Japan's oldest and largest trading companies, Sumitomo Corporation, recently took the unusual step of opening up its own office space to create a joint marketing shop with COMSAT.

With more than \$110 billion in annual sales, Sumitomo is a powerful ally, bigger in sales than either GM or Exxon. Ventures also considers the partnership a future staging ground to offer satellite communications services using satellites to be launched later this year by Japan.

"Over a relatively short period of years, COMSAT has gained unusual access to Japanese markets," points out Day.

Two prominent COMSAT achievements in Japan include two have-your-cake-and-eat-it deals. Under these agreements, Japanese companies foot certain COMSAT R&D costs and also give COMSAT a piece of the action for each product sold, says Day.

One deal, with Ikegami of Japan, a large, highly respected maker of commercial video equipment, involves the development and marketing of a video multiplexer. Day is high on the multiplexer because it allows up to three video channels over a single transponder. "This is a significant development

in Japan, where satellite time is three to four times more expensive than in the U.S.," Day explains.

Another deal, with Matsushita Electric Works, began a few years ago and today is being managed by COMSAT Video Enterprises. COMSAT and its Japanese partner developed and marketed a product that today shows great promise: the brief case-size, flat-plate antenna, a potentially superior and less expensive alternative to the satellite dish. The flat antenna, about one year away from U.S. introduction, is already being sold in Japan and is being test marketed in Europe. It sells for about \$425 in Japan.

"People, people, people," are the reason behind COMSAT's early successes in Japan, according to Day.

He credits much of Ventures' success to COMSAT's world-class group of scientists and engineers, singling out Labs Vice President Dr. John Evans, Bob Sorbello and his flat antenna group, in addition to Russell Fang, Lin Nan Lee, Yih-Sien Kao, and the Labs video multiplexing group.

Shepherding Ventures activities through the elaborate mazes of international law and business regulation are COMSAT attorneys John Berres and Mike McAllister. Day also singles out the special contributions of Beverly Webster, McAllister's secretary.

"She must hold the world record for getting out confidential agreements and memorandums of understanding," smiles Day. "Of course, having the support of Joel Alper (CSD President) also is a critical factor, too."

But Day reserves his special praise for Buzz Beitchman, who is COMSAT's man in Japan. Beitchman

has combined his Japanese fluency and technical expertise in an effort to crack the cloistered sanctum of top business circles in Japan, where deals are made and broken.

"Buzz really makes it happen for us," says Day. Beitchman, who has a PhD in physics, "understands the Japanese business mind and culture probably better than most U.S. business executives in Japan.

"Our accomplishments to date are really just small pieces building a base for bigger opportunities in Japan," notes Day. "Realistically, you can't make a living off consulting services or licensing COMSAT technology to Japan," but the most important thing is it gets you market access and develops presence.

"The real plum for Ventures will be a service business," predicts Day. "Cable penetration in Japan is limited to 500,000 homes, but the market potential is more than 50 million households. Day says the major opportunity would be getting a piece of the video service business in Japan, hand-in-hand with savvy players such as Sumitomo and other powerful Japanese information, broadcasting and manufacturing companies.

According to Day, COMSAT could provide much the same services it provides through CVE today, namely a direct-to-viewer TV distribution system in Japan. "System design, network management and control, plus software, and addressability services are what COMSAT brings to the party, as well as an investment opportunity," he says. "Getting a piece of those multi-million dollar contracts and annual recurring revenues is our ultimate goal." ■

## COMSAT's Bad Weather Policy

Six inches of snow on the ground, schools are closed, and the power's out because of downed trees. So you still plan to go to work today?

When in doubt, check it out. COMSAT has established procedures for winter weather.

If you are concerned about COMSAT being open, call the Plaza at 863-

6000 or Clarksburg at 428-4000. As early as 5:30 am, a pre-recorded message will instruct employees about a closure or a delay in operation.

What's more, employees can get the same information from WMAL radio, AM 63. The station also will announce a COMSAT delay or closure by 5:30 am. ■

# New Training and Development Program Announced

- TECHNICAL SERIES**
- ✓ Telecommunications & Satellite Technology I
  - ✓ Telecommunications & Satellite Technology II
  - ✓ Project Management
  - ✓ Federal Contracts, Proposals & Programs
  - ✓ Technical Writing & Presentations

- MANAGEMENT SERIES**
- ✓ Effective Supervision
  - ✓ Management Skills I
  - ✓ Management Skills II
  - ✓ Management Skills III
  - ✓ Leadership Development Program
  - ✓ Executive Program

- COMSAT SEMINARS ON REQUEST**
- ✓ Active Listening
  - ✓ Building Self-Confidence
  - ✓ Conducting Effective Meetings
  - ✓ Conflict Management
  - ✓ Cross-Cultural Short Course
  - ✓ Customer Relations Across Cultures
  - ✓ Dealing Effectively With The Media
  - ✓ Developing People Skills
  - ✓ Effective Communications
  - ✓ Employee Relations For Managers
  - ✓ Leadership Problem Solving
  - ✓ Lotus 1-2-3
  - ✓ Managing For Success
  - ✓ Negotiating Skills
  - ✓ PC DOS
  - ✓ Priority Management
  - ✓ Public Speaking Skills
  - ✓ Scope (COMSAT Project Management Software)
  - ✓ Spanish Conversation
  - ✓ Telecommunications Policy
  - ✓ TypeTalk: Understanding Yourself And Others

- SALES & MARKETING SERIES**
- ✓ Professional Selling
  - ✓ Account Management
  - ✓ Presentation Skills
  - ✓ Customer Service
  - ✓ Multinational Marketing

- PC SERIES**
- ✓ Introduction to PC's
  - ✓ MAC I
  - ✓ MAC II
  - ✓ Power Point
  - ✓ Excel
  - ✓ Word
  - ✓ MAC Draw II
  - ✓ MAC Project
  - ✓ Networking

- ADMINISTRATIVE SERIES**
- ✓ Professional Office Skills
  - ✓ Writing Workshop
  - ✓ Time Management
  - ✓ Team Skills



**Bren White**

Want to sharpen your office skills, get some Macintosh training or study project management? How about technical writing & presentations, the ins and outs of professional selling, or a leadership development program?

Next month, COMSAT will inaugurate its 1989 training curriculum program for employees, offering a wide variety of courses and seminars designed to promote professional growth of COMSAT employees.

"The courses reflect our recent survey of employee needs," said Bren White, training consultant. "All instructors and materials have been screened to assure top quality." Outlin-

ing some of the finer points of leadership development will be COMSAT Chairman Irving Goldstein, World Systems President Bruce Crockett and Corporate Development Vice President Susan Mayer, some of the many special instructors, White pointed out.

White also emphasized the special program "fits COMSAT's needs and reflects where COMSAT's going."

One thousand catalogs will be distributed this month. A corporate training calendar outlining available courses, time & cost, and instructors will be distributed separately. All the courses and seminars will be taught at both the Plaza and Clarksburg. Semi-

nars will be offered according to employee interest.

Courses are open to all employees, with your supervisor's approval, White said. About 30 different courses and up to 21 different seminars will be offered.

Courses and seminars vary in length from 4 to 40 hours and are taken over a period of days or up to three months. The courses aren't graded, White pointed out, but progress is reviewed. The cost of courses is charged back to the participant's department.

"Employees interested in career development are strongly urged to participate," White said. "It's an opportunity you don't want to pass up." ■

## CVE Hits Jackpot In Vegas

Ric Swift and his COMSAT Video Enterprises sales team recently cracked the lucrative casino hotel market with the signing of the Riviera Hotel in Las Vegas.



**Ric Swift**

The contract provides in-room video entertainment and Guest Room Services in all 2,200 rooms, making it the largest hotel in the CVE Network.

"Traditionally, casino hotels have resisted in-room entertainment because they believed it would take customers away from gambling, shows, and entertainment provided in the hotel," said Swift, vice president of network development for CVE. "With our new advanced Guest Room Services System, huge casino hotels are taking a long, hard look at what we have to offer."

Guest Room Services will provide selected large hotels with in-room checkout services, video messages,

instant room inventory, and a variety of valuable hotel services.



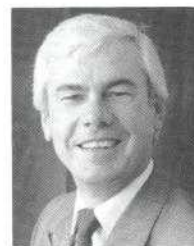
**Susan Mayer**

Benschneider, the hotel's general manager. "In-room checkout, folio review, room service ordering and guest messaging are especially important."

With as many as 1,500 guests checking out each day, it's easy to see why they need CVE's Guest Services. ■

**Photo Above: Left, Ric Swift, vice president of network development for COMSAT Video Enterprises, announced the signing of Riviera Hotel in Las Vegas. Right, Susan Mayer, vice president of corporate development, will help direct this venture as the new acting general manager of CVE.**

Riviera officials also are pleased. "COMSAT has high quality, first-run movies and outstanding interactive services," said Brian



## COMSAT Opens London Office

**Peter Goldsmith**

London, England, the seat of Britain's government, monarchy and business muscle, has a new kid in town: COMSAT World Systems Division.

The first overseas location for WSD, the COMSAT office opened this month at 1 Angel Ct. in downtown London.

The reason for the new office reflects a fundamental change in the world's shipping industry: The U.S. shipping fleet is shrinking in proportion to growth taking place in other countries. "For business reasons, it makes sense," said Jerry Shipley, director of int'l sales.

"Great Britain was a natural choice because it's INMARSAT's home, and a lot of shipping traffic is generated there."

The London office will be staffed by three: Peter Goldsmith, manager of European sales; Rick Walton, director of European Business Development, and a secretary hired locally. ■

## 401 (k) Rules For Hardship Withdrawal

COMSAT's Benefits Department announced this month some new rules for hardship withdrawal from its Savings and Profit-Sharing Plan.

The new COMSAT guidelines reflect changes in IRS regulations for 401(k) plans. Effective Jan 1, 1989, employees must satisfy two criteria to meet the hardship test.

First, if you have an "immediate and heavy financial need," — such as catastrophic medical expenses, home foreclosures, primary home purchases, or post secondary education expenses — you may be eligible. Required is documented evidence of a financial need along with a hardship application.

For other immediate and heavy financial needs, hardship applications are reviewed on a case-by-case basis by the Benefit Plan Committee.

A second test is a "financial need which cannot be satisfied from other

resources reasonably available." In short, this means a signed statement, certifying you have exhausted all reasonable means of borrowing money.

"This includes a reasonable liquidation of assets, insurance or other form of reimbursement, discontinuance of contributions to the Plan, distributions or nontaxable loans from COMSAT's or any other employer plans as well as borrowing from commercial sources on reasonable commercial terms," writes Denise Baker, COMSAT's benefits representative.

An alternative to signing this statement is a one-year suspension from the plan, which also allows employees to withdraw their contributions without certifying that other resources are not reasonably available.

But note the drawbacks of electing suspension. Employees cannot contribute to their plan during the suspension

period and during the same period, receive no matching contribution from COMSAT. Also, employees the next year may contribute up to a specified limit, minus the amount withdrawn in the previous year.

Distribution of hardship withdrawals will be limited to pre-tax contributions only. This means you cannot withdraw accrued interest. In addition, recipients of withdrawals are generally subject to an extra 10 percent penalty tax, though exceptions do exist for certain medical expenses and early retirement distributions.

These are only some of the highlighted changes for hardship withdrawal in 1989. For a more detailed understanding of the new IRS regulations, please be sure to read the recently distributed Benefits Newsletter, titled "Savings and Profit-Sharing Hardship Withdrawal Rules," or contact Denise Baker at X6622. ■

# COMSAT's New Reference Center Can Save You Time & Money

- You need to write a speech. Your boss wants punchy one-liners, anecdotes on industry trends, and insights from industry leaders.

"I want to be more quotable than Bartletts," he barks.

- A need-to-know memo is assigned. Your task is to outline the telecommunications players, policies and priorities for W. Germany. "Get me the revenues, case histories, industry outlook, and market priorities," directs your boss. "And, by the way, tomorrow is not okay."

- It's market study time and you're a new employee. The chief sees a "new growth opportunity for COMSAT but competition's on the beachhead." Your task is to sketch the players and wanna-bees, available manufacturers and costs, market demands and outlook. One final task: "Check and see if this one has been pitched at COMSAT before."

Sound familiar? Well, wading through these weighty tasks may sound cumbersome. But coming up with the vital fodder isn't so tough, provided you know where to start.

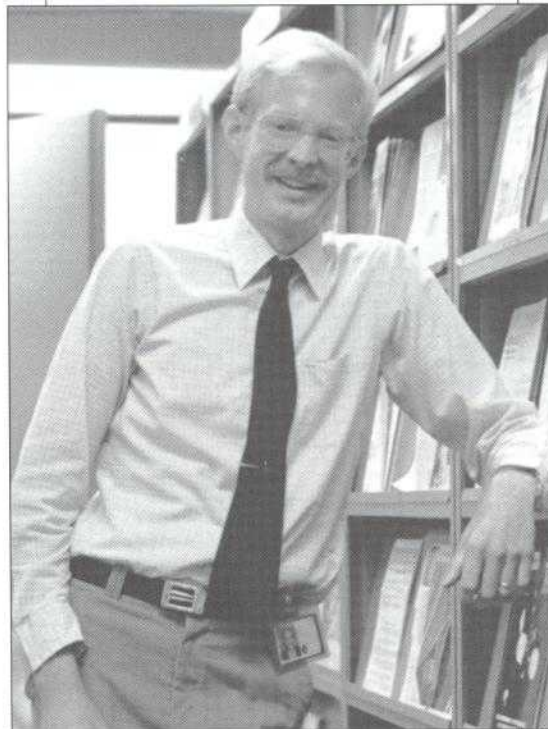
Just ask Lou Kemp, keeper of COMSAT's reference center and reading room, newly relocated on the Plaza 7th floor. Kemp is COMSAT's answer man, a deft handler of those off-the-wall questions and project demands, who just may save you hours of research time when those "special" projects creep up.

"Nothing is too menial for me to look up," insists Kemp, who joined COMSAT in September. Kemp is one of four information specialists, joined by librarian, Merilee Worsey, who together tackle the varied requests of staff at the Plaza and Clarksburg.

"I've tracked down quotes, foreign exchange rates, and put together info packets on VSAT earth stations," says Kemp, a Ph.D candidate in history from

George Washington University. "From time to time, I've even settled a few bets. Kemp and his colleagues glean their answers from a wealth of information, stored at the Plaza reference center, the much larger Clarksburg library, and the COMSAT archives. The Plaza reference center is valuable but underused, says Kemp. He attributes this to the center's new location and the number of new COMSAT employees.

The new reference center on the 7th



Lou Kemp

floor shares its space with the law library. Stacked neatly inside are several daily newspapers and along one wall, a wide selection of more than 50 periodicals, newsletters and technical journals. Several hundred reference books also are available to Plaza users.

In addition, complete records of all COMSAT publications are kept, as well as speeches and news releases, going back 25 years.

Since September, Kemp has indexed the periodicals and newsletters by sub-

ject. Whether it's COMSAT or industry news, Kemp can retrieve it through his IBM computer, a free service for employees. "The only time we charge back to departments is when employees want to use on-line news services," says Kemp, a one-time newspaper copy editor.

"If we can't find your answer here, I can usually get it from Clarksburg," says Kemp.

Hard-to-find documents and special periodicals have occasionally directed Kemp to go outside, searches that involve lunch-hour jaunts to other libraries nearby, such as at the Department of Transportation, George Washington, even the Library of Congress.

"I once had to verify a Reagan quote," Kemp explained. "Marketing wanted to use it for a direct mail brochure." Kemp got his answer. But marketing didn't get its quote. "As far as I could determine, the president never said what they thought."

With the three info specialists at Clarksburg, Kemp also maintains many records no longer stored in COMSAT's departments and divisions. "The majority of the material comes from COMSAT's legal, financial and personnel arms," Kemp points out.

COMSAT is required to keep many documents for years, Kemp says. All totalled, about 2900 boxes are stored, and each is carefully indexed into a central IBM computer, a task recently completed by the Clarksburg staff.

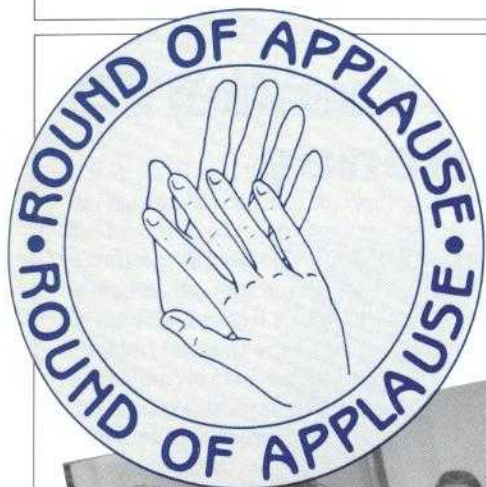
"We're in the process of developing a historical archives," Kemp says.

"These are papers COMSAT no longer is required to keep, but at the same time, have a historical value to the corporation and the general public."

For more information about the archives or COMSAT's reference services, call Kemp at X6834 or Clarksburg at X4512. ■

TODAY

# COMSAT Honors



## 20 YEARS

Front Row (L-R)  
 Sylvia Walker  
 Jean Davis  
 Nancy Thomas  
 Gerry Robinson  
 William Burch  
 Henry Williams  
 John Reynolds  
 Lydia Olivia  
 Robert N. Smith

Back Row (L-R)  
 Donald Tucker  
 Bob Meyer  
 Barbara Swaylik  
 Larry Westerlund  
 Sam Wax  
 Russell Fang  
 Andrew Meulenberg  
 Ed Slack  
 Paul Schrantz  
 Chris Mahle  
 Martin Earl  
 with COMSAT Chairman  
 Irving Goldstein



## 10 YEARS

(L-R)  
 Bernie Gusman  
 Don Flora  
 Larry Burch  
 Gloria Ford  
 Shirley T. Pitts  
 Claudia Toy  
 Patricia Milazzo  
 Michael E. Reed  
 Betty Kewer  
 Scott Ackland

## 10 YEARS

Front Row (L-R)  
 Pat Baker  
 Richard Thorne  
 Glenda Morris  
 Bob Sorbello  
 Amir Zaghoul  
 Cathy Waters  
 John Champagne  
 Ruth Ann German  
 Karen Cheatwood  
 Jack Singer

Back Row (L-R)  
 Mary Lou Sweeney  
 Don Dopp  
 John Geiling  
 Victor Schendeler  
 Russ Eicher  
 Olivia Piontek  
 David Jupin

# Employee Anniversaries

## 15 YEARS

photo on right (L-R)  
George Hannah  
Rhonda Fleming

### Front Row (L-R)

Jay Cox  
Carl Frisby  
Julia Wallick  
Pam Woods

### Back Row (L-R)

Wally Wells  
Dave Weinreich  
Jim Proctor  
John Bleiweis



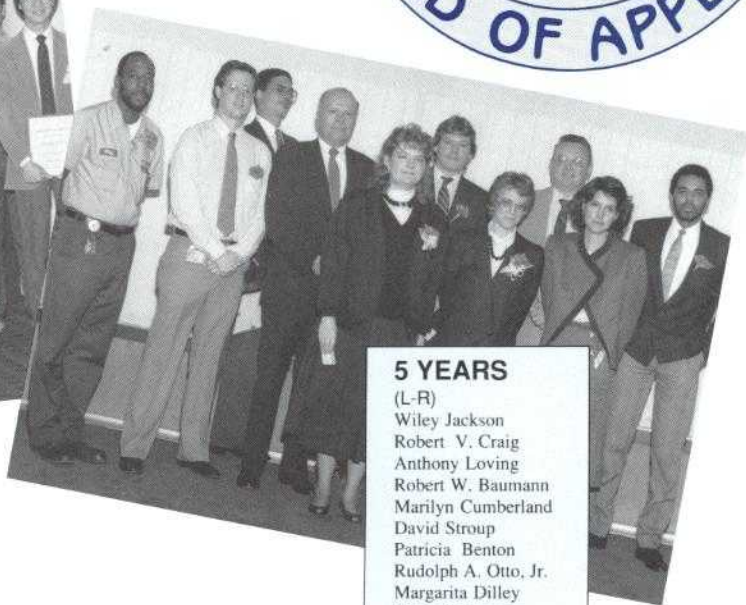
## 5 YEARS

### Front Row (L-R)

Jackie Arnold  
Carl Washenko  
George Wok  
Anna Stephens  
Ho Huang  
John Bass  
Richard Tai

### Back Row (L-R)

Stephen Stackwick  
Tom Bent  
Donald Power  
Jason Braun  
Mike Troiano  
Jeffrey Allison



## 5 YEARS

### (L-R)

Wiley Jackson  
Robert V. Craig  
Anthony Loving  
Robert W. Baumann  
Marilyn Cumberland  
David Stroup  
Patricia Benton  
Rudolph A. Otto, Jr.  
Margarita Dilley  
Richard Johnson



Martin Luther King Day

January 16, 1989

## COMSAT Wins Media Awards

COMSAT's Corporate Affairs Department has been awarded one silver and two bronze medals in the 2nd annual Mercury Awards competition, recognizing excellence in media communications.

COMSAT competed against more than 850 public relations agencies, corporations, associations and independent designers. The awards cited COMSAT for effective use of communications materials and their ability to meet stated objectives. The awards also recognized COMSAT's use of imaginative and original solutions. ■

## Art Auction Set



Jerry Breslow

day, February 18.

The Patrician Galleries of Marietta, Ga. will provide the artwork which includes lithographs, etchings, watercolors, original oils, serigraphs and engravings by such artists as Salvador Dali, Jane Wooster Scott, and Pablo Picasso.

The show and auction will be held at St. Francis Episcopal Church, 10003 River Road, Potomac Village, Md. Refreshments and entertainment begins at 6:30 p.m., the auction at 7:30. Admission is \$6, proceeds to benefit the National Chamber Orchestra. For more information, call 762-8580. ■

Jerry Breslow, vice president and secretary of COMSAT, will serve as chairman of the National Chamber Orchestra's second annual art show and auction on Saturday, February 18.

# COMSAT Asks FCC Okay For Aeronautical Services

Warning that foreign providers of satellite services may seize a boomlet market in the U.S. for aeronautical services, COMSAT has asked the FCC for immediate authority to equip two earth stations to handle the air-to-ground satellite services.

"We need to begin construction and have our regulatory status clarified," said Ron Mario, vice president and general manager of COMSAT Maritime Services. In a Dec. 14 regulatory filing, Mario said quick action is needed to avoid yielding a future aerosat market to foreign competitors already eyeing potential U.S. markets.

The proposed aeronautical services were approved by INMARSAT late last year, and COMSAT sees a strong growth opportunity.

COMSAT already has won support for its FCC filing from the Depts. of State and Defense, the Federal Aviation Administration, and the Commerce Department's National Telecommunication Information Agency.

The FCC had denied a previous COMSAT proposal to market the aeronautical services under the eight satel-

lite INMARSAT system.

In its new filing, COMSAT notes the same satellites and coast earth stations would be used for both maritime and aeronautical services.

COMSAT said there is sufficient legal authority to okay its proposal, since "a well-established legal principle" allows corporations to undertake any "ancillary or incidental activities authorized by statute or charter."

COMSAT also requested an FCC waiver, allowing it to spend up to \$5 million this year to equip two coastal earth stations in Southbury, Conn. and Santa Paula, Calif.

Winning FCC approval means COMSAT can begin offering the airline industry an interim, low-speed data service by late this year, providing transmissions speeds up to 300 bits per second for both private and commercial airlines. High-speed data and digital voice services could be marketed as early as 1990, offering a full range of communications services for flight crews and passengers on international flights. ■

## CVE Ads Score Big

Trade ads for COMSAT Video Enterprises are scoring big in the minds of magazine readers.

A recent readership survey by *Hotel & Motel Management*, the industry's major trade magazine, found CVE's full-page, four-color ads are among the industry's most memorable, according to magazine readers.

"The last two years, our advertising has scored number one and number two ... with our "Upstage Your Competition" ad," said Fred Del Toro, CVE's vice president for marketing and programming.

Of the 62 advertisements included in

**UPSTAGE YOUR COMPETITION.**  
WITH THE BEST VALUE IN-ROOM ENTERTAINMENT SERVICE

COMSAT Video Enterprises is a leading provider of satellite-based entertainment services for hotels and resorts. Our services include live satellite TV, video-on-demand, and interactive satellite services. All services are provided through a single satellite dish, making installation and maintenance simple and cost-effective.

**COMSAT Video Enterprises**  
Satellite Entertainment Services

the 1988 survey, CVE's ad enticed 90 percent of the magazine's readers to read at least a portion of the ad. The readership percentage was higher than all the other ads, except one, said Del Toro.

"*Hotel & Motel Management* readers are precisely the hotel decision makers

we need to reach," explained Del Toro. "Every objective measurement indicates the magazine is definitely our best advertising medium; that's why the readership survey is so significant. ■