People, Events, Techniques

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Texas Hospital Plans Computer Installation to Free Nursing Personnel Of Much of Paperwork Burden; Other Hospitals Plan Similar Systems

Reductions in paperwork that must now be performed by nurses will, in effect, give the Santa Rosa Medical Center, San Antonio, the equivalent of 100 additional nurses once a Hospital Information System has been completely installed in 1967.

That's the prediction of Sister Mary Vincent, administrator of the 800-bed hospital complex.

The system, based on an IBM System 360/Model 30, and 38 communications terminal devices throughout the medical center, will tie the computer into every nursing station, laboratory, and major facility of the hospital including its business and admitting offices.

"Any qualified person can ask for or enter any type of data at these terminals," the administrator said. "For instance, when a doctor leaves his orders for medication and patient care, his instructions will be transmitted immediately to the computer through keyboard entry at the nursing station.

"If the orders call for tests or special food or drugs, the computer also sends the necessary information to the proper laboratory technicians, to the kitchen, to the pharmacy, and so on."

Furthermore, she added, the machine will retain the schedule in its memory, and send out reminder messages when the time for execution of the doctor's orders arrives.

Benefit: Womanpower saving

The most important advantage of the system is expected to be the freeing of professional personnel, who must now spend several hours a day on paperwork, to devote more time to their professional duties. Santa Rosa has found that its 500 nurses, for instance, spend an average of 40 per cent of their time—more than three hours a day—either gathering, recording, or referring to information. It is estimated that the electronic system will increase effective nursing time by 20 per cent.

The computer will also accumulate historical data in memory, eventually making possible statistical analyses recording incidence of illnesses by type, age, income group, geographic locations. Such analyses can be developed in minutes once a large enough amount of basic information on individual records has been stored in the machine.

Other hospitals and hospital groups across the country are either investigating, preparing, or have already installed systems roughly analogous to that planned for the Santa Rosa Center. These include:

The Veterans Administration, which plans a total Automated Hospital Information System

The Massachusetts General Hospital, Boston

The New York State Hospital Association, which expects to start such a system with about ten hospitals in the Albany, New York, area

The Chicago Hospital Council

The Children's Hospital, Akron, Ohio

The Fairfax, Virginia, Hospital Group

The Sisters of the Third Order of St. Francis, who are planning a centralized computer system for accounting applications in their 12 institutions

Montefiore Hospital, New York, which has already put accounting applications on a computer and is now experimenting with direct recording of laboratory work

Puerto Rico Hospitals, where 11 hospitals will be tied into one computer

Barnes Hospital, St. Louis, which already has accounting applications on a computer and is now expanding its operations to cover laboratory records.

Computer Sales Rising, Are Expected to Pass $2 Billion in 1966

The office equipment and furnishings industry has now passed a six-billion-dollar-a-year volume, Walter W. Finke, president, Electronic Data Processing Division, Honeywell, Inc., reported at the opening of this year's Business Equipment Exposition last month in New York.

Of this volume, over three billion dollars is accounted for by electronic data processing equipment and peripheral machines, Finke, who is chairman of the Business Equipment Manufacturers Association, the exposition's sponsor, reported.

He said that computer shipments and sales from U.S. manufacturers for 1965 would be about $1,750,-000,000, which represents a quarter-billion-dollar rise over 1964 figures. More than two billion dollars in sales is anticipated for 1966.

The difference between the figures he cited and the three-billion-dollar estimate for the industry as a whole is accounted for by the "peripheral equipment" needed in data processing systems.

On a unit basis, Mr. Finke reported, the end of the year will see approximately 27,000 computers installed and operating. Of these, 20,000 will be full-sized data processing systems; about 7,000 will be of the desk-size variety. He defined the essential difference between the two by saying that the full-scale systems have full capacity to be internally programed and peripherally expanded, while the desk-size systems do not. However, he conceded that the line of demarcation between the two types of machines is very hazy.

Next year, more than 8,000 additional units of both categories will be shipped, he predicted, for an installation rate of nearly three dozen per day throughout the entire year.

At the business equipment show

IBM Display Unit 2250 (above) graphically shows planned course of Gemini space flight plotted by System/360. Olivetti Underwood Programma 101 small computer (right) is programed by magnetic card insertion.

itself, nearly 100 new products and services were exhibited for the first time. Among the most interesting were the Olivetti Underwood Programma 101, a $3200 desk-top computer, which fits Mr. Finke's definition since it is externally programed. However, the programs for the unit are stored on magnetic cards which can be created originally on the machine itself by keypunching, and which thereafter simply have to be inserted in the machine for repetitive instructions.

The Programma 101 can also make logical decisions according to the program. Results are printed out on paper tape. Since it is a completely self-contained unit, which can print its own programs, when they are first written, directly on blank magnetic cards inserted in the machine, no peripheral equipment is required. One hundred and twenty instructions may be written on a magnetic program card.

IBM, which introduced several
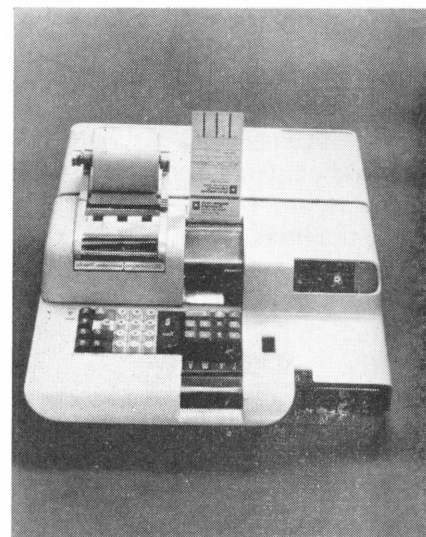
new products, showed a 2250 Display Unit that can be used with its System/360. The 2250, a television-like tube, shows graphically information extracted from the computer. The company demonstrated it by showing the simulated maneuvers of a Gemini spacecraft (unfortunately, the demonstration was first held on October 25, the same day the real Gemini flight was aborted), in which the various positions in the orbital flight were translated into the mathematical curve which the craft should have taken. Also shown were graphic representations of the structural design of a bridge translated from the

engineering calculations for the bridge design and an information retrieval technique for locating alphabetic and numeric information.

Drug Company Uses Market Model to Predict Success of New Products

Warner-Chilcott Laboratories, by using a model of the drug market, hopes to be able to predict future success or failure of a new product on the basis of its performance in the first three months after its release.

The plan was outlined by E. Rex Smyth, director of marketing research and planning for Warner-Chilcott, in a speech before the American Marketing Association in New Orleans last month.

He called the new program an "early warning system," planned to provide management with advance information on how well its new products are faring against those of competitors. This allows management to take quick appropriate action in terms of promotion, production, purchasing, and capital outlays.

Tested on accepted drugs

In the feasibility study that preceded installation of the new system, the computerized model was tested successfully on thirty previously marketed drugs on the basis of their sales figures for the first three months after their introduction.

Smyth pointed out that under the new program, if sales for the first three months indicate that a new product is getting a good response, additional support can be given it with even better results. By the same token, if early evidence shows that the product is not selling well, the company can drop it before too much money has been lost.

The same holds true for com-

petitive products, he said. The computer program could show whether a rival's product was worth giving serious battle, or could safely be ignored.

The Warner-Chilcott predictive model, developed over a period of two years, will be extended to forecast year-end sales for the entire product line, Smyth reported. Studies are also under way to see how computers can be utilized to help select media for advertising campaigns as well as to find the most profitable resource allocation for the marketing mix.

IBM Changes Discount Policy for Customers Renting Machines

IBM last month reversed its policy of giving large discounts to customers who first rent equipment from the company and subsequently decide to buy it.

The new policy doesn't affect equipment rented before October 1 of this year. All rentals after that date, though, are subject to the new rules.

The old markdown system worked in this way: A customer who did not want to make the heavy initial investment of buying a computer could rent one from IBM. But if he later changed his mind and decided to buy, IBM would give him a 5 per cent purchase discount on the equipment he was already renting one year after installation and 10 per cent after two years up to a maximum of 55 per cent for equipment 5½ years old.

Ostensible reason for the switch in policy: Improved maintenance and reconditioning make it possible

to "provide equivalent performance levels in machines with different dates of manufacture." In other words, age of a machine is no longer a measure of its economic value.

Skeptical observers, however, noted that the change in policy would make it much less attractive to customers to hold on to present equipment, and, consequently, much more attractive to install new equipment. And IBM began making deliveries of its brand new System/360 computers this past April.

The manufacturer also announced a new purchase option plan under which the old deposit of 1 per cent of the purchase price required of the customer in taking an option to buy has been dropped. Under the new plan all customers who rent equipment will get a credit that can be applied against the purchase of the machine. The credit amounts to about 12 per cent of the cost of the machine. Significantly, however, the credit is based on the prime shift rental of the machine for the first twelve months. Thus, after he has rented a machine for one year, the customer has gained his maximum credit. Further rental will give him no added purchase benefits.

360 deliveries delayed

IBM has advised its customers that most 1966 deliveries of System/360s will be 60 to 120 days behind schedule.

The company cited as reason for the delay: "problems in building up the rate of production of the System/360 as rapidly as necessary to meet the unprecedented customer demands for the new equipment."

In order to meet these production requirements IBM is building new plants in Boulder, Colorado; Raleigh, N.C.; Montpellier, France; and Vimercati, Italy. It is also expanding present facilities at Owego, Fishkill and Endicott, N. Y.; Burlington, Vermont; and San Jose, California.

Mrs. Marie Kiefer, NARGUS executive director, and Frank L. Brown, merchandising director, inspect detailed data summarized and classified for retailers' guidance.

Grocers' Group Publishes Operating and Financial Standards as Yardsticks

Comprehensive operating and financial standards to be used as guideposts by supermarkets were published last month by the National Association of Retail Grocers of the United States.

Designed to provide food retailers with key operating figures and financial data for comparing and analyzing store operations, the 154-page volume is based on detailed data assembled from more than 400 varied-volume food stores. The data were summarized and classified in a computer program developed by NARGUS and Purdue University.

"Food retailers can now quickly compare operating costs, profit, inventory turnover, sales per man-hour, departmental operating ratios, parking areas, and scores of other key areas with stores of like size and type," Mrs. Marie Kiefer, NARGUS executive director, explained. "Key operating data are provided in the most modern, usable form ever developed for the food industry."

Information in the book is grouped by several characteristics:

This afternoon, have your clients make just one entry for statement, ledger, journal and receipt simultaneously.

And come in late tomorrow morning.

It's easy with McBee's new low-cost General Records Poster. In fact, it's as close as you can come to "automated" pen and paper bookkeeping. And it can save your client up to 75% of the clerical time he now spends on his accounts receivable. While providing *you* with more systemized records to work with.

And it's equally as time-saving with Accounts Payable, where they get complete budget, cash and account control with simultaneous posting.

Or payrolls, where they get payroll check, journal, and individual earnings record with simultaneous posting.

All posted on the proper lines. Automatically. With just one entry. At the rate of just *one-a-minute!*

The McBee low-cost General Records Poster. Start your clients on it this afternoon.

And you'll both be able to sleep an extra half hour tomorrow.

(For details, fill in this coupon and return it to us.)
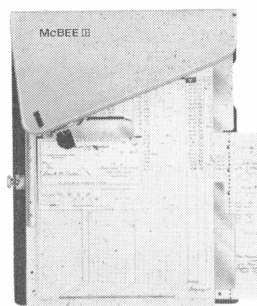
population, type of customers served, labor factors, major supply sources, size and type of business organization, store area, store hours, promotional activities, and sales volume and geographical location.

Wholesale groups using centralized accounting services cooperated with NARGUS on the study as did individual accountants retained by participating stores.

"NARGUS Financial and Operating Standards for Supermarkets" sells for $20, and may be ordered from NARGUS, 360 North Michigan Avenue, Chicago.

A short time before the NARGUS announcement, the nation's third largest food chain, Kroger Company, offered to sell to grocery manufacturers weekly figures on shipments of branded goods from warehouses to its 20-state-area 1,300 retail outlets.

Purchasers of the service will be able to gain exact breakdowns on sales of their products in Kroger stores as compared with their competitors' sales, the prices paid for all brands, and their share of the total Kroger market.

Charge for the service is $150 a week for each product group, $100 if five groups are bought, and $50 for each additional category over five products.

The weekly reports are based on figures furnished by Kroger's automated inventory system. As other large retail chains switch to keeping inventory records on computers, it is probable that they will offer similar services, industry spokesmen predict.

ADAPSO Offers Directory Of Processing Centers

A directory of data processing centers in each of the fifty states, Canada, Latin America, and Europe has just been published by ADAPSO, The Association of Data Processing Service Organizations, Inc.

The directory contains the name and address of each service center which is a member of ADAPSO. Qualifications for membership: "'for profit' organizations which utilize their own equipment, on their own premises, assume full responsibility for the finished product, and which have completed one full year of successful operation."

Copies of the 1965-66 directory may be ordered from ADAPSO, 947 Old York Road, Abington, Pa. 19001, for one dollar each.

United Air Lines Expands Ticket Accounting System To Accept Cross-Payments

United Air Lines plans to expand its automatic ticket accounting system by exercising an option to purchase the Electronic Retina Computing Reader it has been leasing from Recognition Equipment Incorporated and has ordered additional equipment to be leased in the future.

The present system, in use since October, 1964, eliminates almost all manual keypunching of data from United's automated ticket accounting operation.

Airline tickets, even if torn or crumpled, are fed into the Retina Computing Reader as they are received from United ticket offices from all over the country. Like other types of credit cards, the tickets are precoded with plastic matrices which indicate ticket number, route, total fare, actual airline carrying the passenger, and account number if it is a charge sale. The system reads this information from the ticket, edits and stores it on magnetic tape, and automatically sorts tickets.

More than 2.5 million documents, including airline tickets, airbills, and refund checks, are processed each month, yet the system has a total rejection rate of less than 2 per cent.

Units included in the existing system are:

Electronic Retina and Recognition Unit, which, using a technique based on a study of the retina in the human eye, reads and identifies numerals and symbols in two different type fonts

A Document Carrier, which transmits 600 documents per minute through the system and can handle intermixed papers from nine-pound to card stock, and

A Programed Controller, which directs the entire system and records data.

The additional new leased equipment will enable United's accounting operation to include nonstandard tickets from travel agencies and cross-payment forms between airlines, plus a variety of page-size statistical accounting forms.

Recognition Equipment Incorporated also has agreed to develop an electronically controlled securities quotation display for Trans-Lux Corporation.

The quotation display is a much smaller version of the 45-foot quotation board installed by Recognition Equipment at the New York Stock Exchange last July.

On the new display device, stock symbols and prices will be shown as bright green, two-inch-high characters, moving from left to right across the display.

Letters and figures will be formed by thousands of tiny discs mounted on a moving belt. Jets of air will flip the discs to form various characters just before they move into view on the display.

Each disc will be painted a bright luminous yellow-green on one side and black on the other. Ultraviolet lights will make the discs glow clearly and brightly against a black background, so that a man standing more than 75 feet away will be able to read the characters easily, even in a well lighted room.

From 40 to 80 characters can be seen at once, depending on the length of the display, and the display will operate at speeds up to 900 characters a minute, depending on the amount of trading activity.

Portion of Recognition Equipment's stock quotation display at the New York Stock Exchange. Smaller unit has been developed for brokerage firms.

Trans-Lux, which has the option of buying the displays from Recognition Equipment or manufacturing them itself, will market the new device under the trade name "Trans-Jet."

First delivery of the new display is planned for 1966.

Six Federal Employees Honored for Contributions To Simplification of Government Paperwork By Administrative Management Society

Six Federal management employees were recently honored at an Administrative Management Society banquet for their contributions to the simplification of Federal Government paperwork requirements.

Awards were based on the greatest effectiveness in achieving economies "in terms of cost savings opportunities."

Congressman Arnold Olsen, Montana, toastmaster for the banquet, stated that since the Administration's "War on Waste" began, savings in Federal paperwork have amounted to over $100,000,000.

From the 22 nominees for AMS Paperwork Management Awards, those selected for top honors were: Sam C. Beckley, Veterans Administration; Edwin G. Callahan, Housing and Home Finance Agency; Marden D. Kimball, Department of Agriculture; Thomas J. Pugliese, Atomic Energy Commission; Edward Rosse, Department of Health, Education and Welfare; and Donald J. Somon, Department of State.

The Administrative Management Society is a professional society of administrative managers whose purposes are "to promote improved management and administration in business, government, and other organizations through various educational processes."

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Dr. Harry C. Jordan, Dr. Gerald L. Davey, and John T. Gauss, Credit Data Corporation's president, vice president, research, and vice president, western region, respectively, check hard copy credit information produced by computer. Operators in background respond to phone queries with credit information extracted from computer.

Los Angeles Company Starts Regional Information Center for Pooling Credit Records of Area Residents

Credit Data Corporation in Los Angeles has inaugurated what it calls the "world's first fully automated regional information center to pool credit experience."

"Instant" credit information contributed by subscribing banks, oil companies, department stores, and other credit-granting agencies is stored in computer files where it can be made available almost immediately on inquiry from another subscriber.

Credit Data Corporation says that it can furnish data on any individual in its file within 90 seconds.

More than 225 firms in the four counties of Los Angeles, Orange, Riverside, and San Bernardino had subscribed to the service by its opening date, September 22.

Each business entering the system agrees to furnish credit information on each of its customers. Thus individual credit records in the computer are constantly updated. When anyone applies for credit at any subscribing com-

pany, a telephone call to CDC headquarters giving his name, address, and identifying information produces all information noted on his credit record.

No evaluations

Credit Data Corporation emphasizes that it in no way evaluates a person's credit standing, but merely reports on the credit experience other subscribing companies have had with him.

Other centers, similar to the one in Los Angeles, will soon be opened, according to CDC spokesmen, and by next spring it is hoped that the system will cover the entire state. Eventual goal: electronically linked central credit files serving all population centers in the nation.

Cost of inquiries at the Los Angeles center is estimated at 63¢ per query on applicants for whom information is filed; 33¢ for those on whom no credit record is available.

Ream Appointed to Head Federal Computer Center

Norman I. Ream, former director of systems planning for Lockheed Aircraft Corporation, has recently been appointed by the Federal Government to head its new Computer Science and Technology Center.

The new Computer Center is part of the National Bureau of Standards. Its purpose is to aid government agencies in the selection, acquisition, and use of EDP equipment.

One of the Center's immediate projects in the area of standardization will be to guide an executive branch development program to measure and test voluntary computer standards.

Other functions of the Computer Center will be: to recommend techniques and language standards for equipment and services acquired by the government; to provide consulting and advisory services to Federal agencies interested in developing or installing new EDP systems; and to conduct research on information systems design and on computer sciences.

'Myths' Hampering Work Measurement Attacked

The four myths that have been impeding improved productivity and lower costs in office work are fast disappearing, according to Harold W. Nance, president of Serge A. Birn Co., Inc., a management consultant firm located in Louisville and New York.

Speaking before an American Management Association seminar, Nance outlined the four myths surrounding clerical tasks as:

"That the job requires a lot of creative ability and would be impossible to measure;

"The amount of judgment needed for this job precludes measurement;

"Measurement would hurt mo-

labor and
ization; and
expressed as a percentage.
equipment schedule for one issue
would take six to eight man-weeks

"We need all our people for
peak loads."

In rebutting these beliefs, Nance
stated that the creative and judg-
ment aspects of clerical work were
vastly overrated, that work mea-
surement in an office often serves
to boost morale since employees
know what is expected of them,
and that "peak load" problems can
be solved effectively by inter-
departmental cooperation and shar-
ing of available personnel.

On Line Time-Sharing Services for Municipal Bond Dealers Offered

Munitype, Inc., a New York City
computer center, is now offering an
on line, time-sharing computer sys-
tem to municipal bond under-
writers and dealers in the New
York area.

Teletype machines in sub-
scribers' offices will be directly
connected by telephone wires to a
central General Electric computer
(located at Munitype). The sys-
tem can handle up to 100 lines
simultaneously and will provide
answers to complex statistical and
bidding problems within seconds.

The system includes a GE-215
computer, a disk storage unit ca-
pable of filing 5 million charac-
ters of information, and a Datanet-
30 communications processor for
transmitting information in and out
of the computer.

The system works like this:

First of all, pertinent information
on new bond issues is fed into the
computer.

Subscribers will then relay over
teletype lines information on cou-
pon and reoffering yields for each
maturity, desired profit, and the
date for gross production.

The computer will then proceed
to calculate the dollar price of each
maturity, gross and unit produc-
tion, bid figure earning desired
profit, gross interest, net interest

All this will take only seconds.

The primary advantages of the
new system, according to Muni-
type, are the rapid preparation and
computation of statistics on new
bond issues, and the availability
of such a comprehensive computer
system to smaller bond houses.

Although the new time-sharing
system is being offered initially as
a bond service, Munitype expects
the general purpose system eventu-
ally to extend to other areas and
broader applications.

Basic cost to subscribers is $300
for the private line guaranteeing
unlimited access to the central
computer, and $125 for line charges
for telephone service.

Magazine Controls Set For Split Run, Regional Editions by Computer

Problems of production and dis-
tribution of the "split run," re-
gional edition magazine are being
solved by Meredith Publishing
Company, Des Moines, Iowa, with
an IBM 360 computer.

Split run? Regional edition?
They're magazine terms, and they
represent a growing headache for
most national magazines.

Better Homes and Gardens, for
instance, is Meredith's largest pub-
lication, with a national circulation
of 6,750,000. But any one issue can
have as many as 70 regional edi-
tions, which vary each from the
other in advertisements and some
editorial matter. In addition, each
of these localized publications is
divided again, with different vari-
ations for newsstand sale and home
delivery. So in all one issue can
represent 140 different products.

The problem is twofold: getting
the magazine designed for the
Southern California area to Los
Angeles and the one designed for
New England to Boston and doing
it all on a tight timetable to meet
mailing requirements.

Experiments showed that pre-

with manual methods. But *Better
Homes and Gardens* is a monthly
publication, and that much of a
time lead was obviously impossible.

The computer, on the other
hand, when fully operational, is ex-
pected to find the optimum sched-
ule for labor and equipment
within minutes.

Executive Search Firm Publishes 'Profile' of Chief Financial Officer

His median age is 53, and he has
held his present job for less than
five years. He's a college graduate
and, in many cases, holds a post-
graduate degree. Usually he started
his career in an accounting or
clerical job.

That picture of the chief finan-
cial officer of the nation's largest
companies emerges from a study
recently issued by Hedrick and
Struggles, one of the country's
oldest executive search firms. The
study was based on a survey taken
of financial men in America's 500
largest industrial concerns, 50 larg-
est utilities, 50 major merchandis-
ing organizations, 50 leading life
insurance companies, and 50 ma-
jor transportation companies.

The composite financial execu-
tive's college is most likely to have
been California, Illinois, the Uni-
versity of Pennsylvania, or Yale.
His postgraduate degree — and a
very high percentage hold such
degrees — is most apt to have been
taken at Harvard.

His salary usually is high. Three
out of five of the executives sur-
veyed make over $50,000 an-
nually; one in five of those in the
very largest companies makes more
than $100,000.

He has worked for two or more
companies, but he has definitely
not been a job-hopper. Less than
one per cent of those surveyed had
worked for six or more companies.