

EDS offers buyouts to 12,000

By Bloomberg News | September 13, 2007

[Electronic Data Systems Corp.](#), the second-largest computer-services company, plans to offer early retirement to 12,000 employees, a quarter of its US workforce, after orders plunged last quarter. The cost of the cuts will be \$70 million to \$130 million in the fourth quarter, the company said in a regulatory filing. Employees have until Oct. 30 to accept the severance package, EDS said yesterday.

EDS shares have dropped 17 percent since Aug. 1, when the computer services provider said bookings fell 20 percent last quarter. **Chief executive Ronald Rittenmeyer, who took over Sept. 1 from Michael Jordan, is hiring workers in India to replace more-expensive US employees and revive profit.**

"Employees that were at the forefront of IT service provision 20 years ago don't have the same skill sets they need today," said Joseph Vafi, an analyst at Jefferies & Co. in San Francisco. "Increasingly, you can find those around the world."

EDS, whose customers include [General Motors Corp.](#) and Commonwealth Bank of Australia, faces competition from [International Business Machines Corp.](#), the biggest computer-services provider, and Indian outsourcing companies such as Tata Consultancy Services Ltd.

Shares fell 49 cents to \$21.89 in New York Stock Exchange composite trading.

Founded by H. Ross Perot in 1962, the company has about 50,000 US employees and 136,000 globally. Officials don't have an estimate for how many will take the offer or what the savings may be, spokesman Bob Brand said. The decision is separate from any job cuts the company may make later, said spokesman Bob Brand said.

EDS will pay the costs from its pension plan, he said, and related expenses won't hurt cash flow. Outsourcing companies are hired to manage computers, set up networks, run finance and human-resources services, and develop and integrate software. Those can be labor-intensive jobs, and **it's cheaper to pay workers overseas to handle the tasks.**

EDS plans to increase its workforce in emerging markets to 45,000 by the end of next year, up from 38,000, mainly in India, Brazil, the Czech Republic, Hungary, and China. ■

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Ronald A. Rittenmeyer

Chief Executive Officer, President, Executive Director, Member of Office of the Chairman and Member of Executive Committee, [Electronic Data Systems Corp.](#)



Age Total Annual
Compensation

This person is connected to **17** board members in **3**
different organizations across **4** different industries.

58 **\$1,080,833**
As of Fiscal Year 2006

[See Board Relationships](#)

BACKGROUND*

Ronald A. Rittenmeyer (Ron) has been the President and Chief Operating Officer of Electronic Data Systems Corp., since December 2006 and a Member of Office of the Chairman since May 2006. Mr. Rittenmeyer is responsible for overseeing EDS' worldwide delivery operations and capabilities. Previously, he served as Co-Chief Operating Officer of Electronic Data Systems Corp., since October 28, 2005 and also served as Executive Vice President of its Service Delivery from July ...

[Read Full Background](#)

CORPORATE HEADQUARTERS*

5400 Legacy Drive
Plano, Texas 75024-3199

United States

Phone: 972-604-6000

Fax: 972-605-6033

BOARD OF DIRECTORS MEMBERSHIPS*

2007-Present

**Chief Executive Officer, President,
Executive Director, Member of Office of
the Chairman and Member of Executive
Committee**

[Electronic Data Systems Corp.](#)

2001-Present

**Former Chairman of the Board, Chief
Executive Officer and President**

[Safety-Kleen HoldCo., Inc.](#)

1999-Present

**Chairman of the Board, Chief Executive
Officer and President**

[RailTex, Inc.](#)

**President, Chief Operating Officer, and
Director**

[Ryder TRS, Inc.](#)

**Former Chief Executive Officer,
President and Director**

[McLane Foodservice, Inc.](#)

Director

ANNUAL COMPENSATION*

Salary	\$770,833
Bonus	\$310,000
Total Annual Compensation	\$1,080,833

STOCK OPTIONS*

Restricted Stock Awards	\$1,373,374
Long Term Incentive Plan	\$1,190,000
Unexercisable Options Amount	450,000
Unexercisable Options Value	\$2,312,125
Total Options Value	\$2,312,125
Total Options Amount	450,000

TOTAL COMPENSATION*

Total Cash Compensation	\$1,080,833
Total Annual Compensation	\$1,080,833
Other Long-term Compensation	\$1,507,854
Total Compensation	\$5,399,527

Sterling Chemicals, Inc.

Director

Merisel Inc.

Director

North Texas Kidney Association

EDUCATION*

BS

Wilkes University

OTHER AFFILIATIONS*

Safety-Kleen HoldCo., Inc.

RailTex, Inc.

Ryder TRS, Inc.

The Cypress Group

Frito-Lay, Inc.

Burlington Northern Santa Fe Corp.

McLane Foodservice, Inc.

Wilkes University

Sterling Chemicals, Inc.

Merisel Inc.

North Texas Kidney Association

Pepsi-Cola International Ltd.

*Data is at least as current as the most recent Definitive Proxy.

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