

I.B.M. Picks New Chief Executive

The International Business Machines Corporation announced yesterday that John R. Opel had been elected chief executive officer, replacing Frank T. Cary, who will step down at the end of the year.

Mr. Cary, who previously announced his intention to relinquish the post, said he would remain as chairman of the board of directors as well as chairman of its executive committee.

The impending management change at the world's largest computer company was not unexpected. For some time, Mr. Opel has been considered the leading contender for the chief executive post.

In announcing the move, which is effective Jan. 1, 1981, Mr. Cary said, "John Opel has been involved in the key decisions concerning I.B.M. for more than a decade, and he is superbly qualified to lead the company in the years ahead."

Indeed, in the eyes of many industry observers, Mr. Opel's rise through a variety of assignments there was accomplished without a misstep.

Calling the choice "an excellent se-

Continued on Page D18

New Chief Executive at I.B.M.

Continued From Page D1

lection," Ulric Weil, an analyst who follows the computer industry for Morgan Stanley & Company, said Mr. Opel "is smart, intelligent and has wide experience in all key functions of the business."

Mr. Opel, who joined the company in 1949 as a salesman in Jefferson City, Mo., has long had a working familiarity with all phases of top management at I.B.M. Not only did he serve as assistant to two of the company's previous chairmen, T. Vincent Learson and Thomas J. Watson Jr., and work as a corporate officer in the areas of finance and planning, but he has also run the company's Data Processing Product group, I.B.M.'s largest and most profitable division.

Stock Hits 5-Year Low

Mr. Opel's election to the company's top management position comes at a time of some uncertainty for the giant computer maker's investors.

Earlier this week, for example, I.B.M.'s shares hit a five-year low, in part in reaction to the company's poorer-than-expected earnings performance in recent quarters.

Then, too, the company, which has always been known for its healthy balance sheet, has made a number of trips to the public credit markets.

Moreover, the company's profits fell 3.2 percent last year from the 1978 level, the I.B.M.'s first annual decline since 1951.

Much of the company's changing fortunes, which are considered by many to be temporary, can be attributed to a shift to leasing from outright purchase by customers of the company's large data processing machines, a shift that was prompted by the introduction by I.B.M. of revolutionary small mainframe computer, the 4300 Series, that offered far more computer power than the industry had expected.

But according to those who follow the company, Mr. Opel is well equipped to

deal with these setbacks, which are said by the analyst to be temporary at best.

"The salient quality about John Opel is his brain power," said Gideon I. Gartner, head of the Gartner Group, an affiliate of Dillon, Read & Company. "People who have seen him operate in meetings say he digs in deepest, pursues the most intelligent lines of thought and is best able to assess normally complicated subjects. This is perhaps just what is needed at I.B.M. at this time to sort through these problems."

Mr. Opel, who is 55 years old, has been president of the company since 1974. In addition to chief executive officer, he will also become chairman of the company's management committee and head of its corporate office.

In his statement, Mr. Cary, 59, said that as chairman he would "be concentrating primarily on board matters and also on relieving some of the time de-



John R. Opel

mands placed on I.B.M. management by the 11-year-old Department of Justice lawsuit and other litigation."

Mr. Cary became president and chief executive officer of I.B.M. in 1973.