

## Business Description

Our ten diverse business streams all embody a culture of service excellence, whether they are “support” or “specialist” in nature.

Support services are largely transactional, widely used and with common processes that mean we can focus on service quality and cost effectiveness. These include: HR, IT, facilities management, procurement of non-production goods, financial ‘backoffice’ and corporate air travel.

Our specialist services are knowledge-based, tailored to customer’s needs and focus on adding value. These include: the provision of research and technology capability, technical information services, design and construction services for facilities and infrastructure projects, insurable risk management and real estate and environmental services.

## Business Highlights

Customer Information Services (CIS), Design and Construction Solutions (DCS), the MAS IT Procurement and Capital and Constructions Procurement teams joined Shared Services at the start of 2009 to further enhance our offering.

We have actively supported Mergers and Acquisitions activity across the company, particularly with Tenix, Detica and BVT Surface Fleet Solutions, and have established a structured framework to support and promote engagement with the home markets.

During 2008, Technology and Engineering Services (TES) made significant investments into the development of technologies and capabilities aligned to future business unit requirements and delivered critical protection for frontline military personnel under an Urgent Operational Requirement (UOR) for the UK MoD. TES scientists and engineers continued to enhance our brand and reputation with extensive media coverage for their work on biologically inspired technologies and the BAE Systems UK Sport Technology Partnership.

Property and Environmental Services increased its support to internal customers - to Land Systems under Project MASS and to home market customers.

In 2009 we will continue to drive ‘service excellence’ through all our businesses, for example, our new SAP platform will deliver more value and grow our financial offering to BAE Systems businesses.

“Our constantly improving, value adding services enable BAE Systems businesses to focus on their core activities.”

## 2008 Performance Highlights

### Deliver performance

- Delivered £74m of savings to BAE Systems businesses compared with the 2007 5-year IBP and identified further opportunities of £40m+, including 32% insurance cost savings, with significantly improved cover, for BVT
- On target to deliver £14m indirect procurement savings to businesses
- Improved our 5 year IBP by 10% profit and 17% cash over IBP period 08-12
- On plan to achieve profit and cash targets for 2008

### Improve service levels to our customers

- Improved availability of PC services by 50% to average lost time of 15 minutes per device per month
- Online corporate purchasing card approvals implemented for Concur and Maconomy environments
- Real Estate management software implemented; collated global real estate information

### Add value to our customers, supporting their strategy delivery

- Concur electronic expenses system rolled out to AEI, Piper and RAF bases
- Corporate Air Travel (CAT) contracted to provide Regional Aircraft with Continued Airworthiness Management support for their 250 aircraft portfolio at significantly lower than market cost
- Additional CAT support to Land & Armaments in Washington and Tornado aircrew utility aircraft
- Property and Environmental Services (PES) support to Land Systems under their munitions longterm contract (Project MASS)
- Insurable Risk Services (IRS) engaged with Air Mission & Support Services to undertake a detailed risk profiling review of current and proposed support contracts

Testing of contaminated land samples at the Property and Environmental Services laboratory in Chorley.

# 1,350

Number of Employees

# 36

Number of Locations



## Execute our projects to time, budget and scope

- Jupiter Urgent Operational Requirement (UOR) delivered on time and under budget to MoD customer
- Over 1000 Radar Absorbent Material panels delivered for Type 45
- IT Transformation Project '06 delivered for £16m against £21m budget
- Delivered remediation contracts at Fleetwood, Featherstone, Northfield and Chorley on programme and ahead of budget
- Relocated 420 employees at Farnborough to complete letting of two buildings to Zurich Insurance; refurbished Portway House, Preston, for BAE Systems
- Relocated airfield apron at Filton for Northfield development
- Upgraded SAP and Maconomy, transitioned SAP to enterprise environment, with two centre locations for disaster recovery capability

## Assurance

- Rated Level 3 against Safety Maturity Matrix
- TES achieved OHSAS18001, the benchmark Health and Safety Standard

## Enablers

- Employee Opinion Survey responses up to 79% from 64% in 2006
- Strategic Training Plans developed for each business area
- IPS designed and launched its Integrated Skills Training programme; to complete delivery to all 80 procurement professionals by early '09
- 53 people will have completed the One Manager training by early '09

## Key Priorities for 2009

### Further enhance our Service Excellence culture

- Upgrade Open Options and Concur and migrate into enterprise environment; improve reporting out of Maconomy through Analytix toolset
- Embed specialist enterprise external recruitment service in first half of 2009

- Continue to build the CIS Lean Team to implement lean principles within CIS

## Continue to develop as a high performance business

- Embed Financial Controls Framework
- Lead the Facilities Management (FM) Community of Practice; promote FM guidance

## Demonstrate Corporate Responsibility

- Embed the new Code of Conduct
- Continual improvement against the Safety Maturity Matrix
- Ensure a robust approach to sustainability in our supply chain

## Proactively support the home markets

- Deliver facilities projects in the Kingdom of Saudi Arabia
- Ensure an appropriate level of “in country” insurable risk capability in the US

## Respond to the through life capability implications in all that we do

- Support Land Systems Project MASS by delivering milestones in the new manufacturing facility at Radway Green; support the Birtley move
- Further development of Sentinel corrosion prediction technology

## Create competitive advantage through discriminating technologies and capabilities

- Deliver the 2009 Integrated Technology Programme
- Establish Customer Information Services as BAE Systems' provider of choice for technical information supply with an end to end information flow approach

## Optimise the value of BAE Systems' real estate portfolio for shareholders

- Achieve: planning consents for Chorley and Bishopton; landfill and remediation applications for Bishopton; value from Great Baddow and Waterlooville sites
- Integrate Detica, E & IS and CIS into the Workplace Services portfolio

Left: Additive layer manufacture process “grows” components from metal powders using infra-red light at a new ATC Technology and Engineering Services facility.

Right: DCS provides design and construction consultancy support to Insyte at the Detachment Engagement Trainer, North Luffenham.

