

A world of opportunity

IDS' Global Services & Support entity has a new name, a new division and sky-high potential. Now comes the job of executing on its core business and its growth plans.



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– Tony Robertson, GS&S vice president, Maintenance, Modifications and Upgrades

By Liz Lane

In the wee hours of the morning, most people in the area around Altus Air Force Base, Okla., are asleep. But not Jean Olson.

She's a C-17 aircrew training device technician for Boeing at Altus, where she spends her nights working hard to ensure the C-17 aircrew trainers are ready for pilots when they arrive in the morning.

It's not easy work. To maintain the highly complex simulator, each night Olson tackles an extensive preventive maintenance checklist in addition to troubleshooting problems identified during the day by the instructors and pilots during training sessions.

“Making sure that pilots have the most reliable and realistic training available to help ensure their safety and success is a service I am proud to provide for our warfighters, amid the ongoing war on terror,” Olson said.

Olson is part of the Global Services & Support team at Boeing. GS&S, one of the businesses of Integrated Defense Systems, is made up of more than 16,000 people in more than 170 locations worldwide. These employees are dedicated to delivering affordable support and sustainment of Boeing military airplanes and provide numerous services, such as training and simulation for military systems. Collectively, they bring different skills to the table, but they share a simple, common goal: Ensure that customers can successfully execute their missions.

With a strong future need envisioned for GS&S' capabilities, Boeing sees this business as a major driver of growth, especially as GS&S moves into new markets. But turning this market potential into reality requires all GS&S employees being engaged in helping the organization achieve its goals, according to IDS leaders.

“Boeing's ability to support our customers' post-production needs is key to IDS' business health for the future,” said Jim Albaugh, IDS president and CEO. “Global Services & Support's successful move into new markets, as well as its

continued execution on key maintenance, upgrade and training programs, is critical to Boeing's growth. It is one of the real growth engines that we are looking to in IDS as we work to continue leading the defense industry in providing support and readiness to warfighters around the globe.”

Added GS&S President Dennis Muilenburg: “[GS&S] is a service business: We are successful because of what people do.”

RESHAPING THE BUSINESS

In September 2008, IDS renamed the business formerly known as Support Systems to Global Services & Support—a name that better communicated the organization's global potential. Accompanying that announcement was the launch of Defense & Government Services. This new GS&S division now is applying Boeing's large-scale integration expertise to deliver service solutions for infrastructure support, aviation and logistics, information, support operations, and managed communications, among other areas, in a market valued at \$400 billion in the coming decade (see box on Page 15).

The move takes the company into new territory: an attractive,



PHOTOS: (LEFT) Jean Olson works on a C-17 aircrew trainer at Altus Air Force Base, Okla. **BOB FERGUSON/BOEING**

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cost-driven marketplace filled with able mid-sized competitors. Succeeding in this field will require working to identify methods to minimize cost. Additionally, this arena, which rewards rapid responders, requires tremendous flexibility as well as tightrope agility.

“This marketplace requires support in a fraction of the time allowed in the traditional aerospace market,” Muilenburg said. “Because GS&S serves the end user directly, many requests need immediate response. Cost competitiveness is essential as well: A low-cost structure is key to winning business. Everyone must drive productivity and efficiency.”

Along with these changes comes a challenge to double the business in five years. That’s a tall order—but Muilenburg is confident GS&S can reach this target by expanding its core business, moving into adjacent markets and delivering new, innovative services.

“Our mission is to be the premier provider of defense and government services and support worldwide. We’re well on our way,” he said. “By focusing on employees and customers, we can deliver exceptional services on demand to assure the customer readiness needed in today’s marketplace.”

Fulfilling these growth plans requires flawless execution on core businesses, which includes: supporting such aircraft as the KC-135 Stratotanker, B-52 Stratofortress, KC-10 Extender, A-10 Thunderbolt, C-130 Hercules, F/A-18E/F Super Hornet, C-17 Globemaster, AH-64 Apache, CH-47 Chinook and other Boeing military airplanes; training and simulation for military systems; and other services.

Yet that’s only part of what GS&S needs to do to meet its goals. GS&S is following

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Introducing

Defense & Government Services



Global Services & Support's newest division, Defense & Government Services, was created last September to better serve customers in the expansive services market.

This organization, which includes the subsidiaries Boeing Service Company and Boeing Aerospace Operations, features four groups under the direction of an integrated management team. That setup helps create a low-cost rate structure by enabling development of a tailored suite of tools and processes. It also gives Boeing a capability-based organization that can tap expertise from around the company—which, in the end, reduces the overall price to market.

PHOTO: (LEFT) Matthew Whitby, a structural mechanic at Boeing's San Antonio site, works on the pressure box cutout for the Small Laser Transmitter Assembly on a C-17 aircraft. The work is part of the installation process for the Large Aircraft Infrared Counter Measures modification. **LANCE CHEUNG/BOEING**

PHOTO: (TOP) Employees monitor a simulated exercise at the Boeing Virtual Warfare Center in St. Louis. This simulation capability is among the services offered by the new Defense & Government Services unit of Global Services & Support.

RICHARD RAU/BOEING

"Essentially, we are redefining effective and efficient service delivery," said Greg Deiter, vice president of D&GS. "It is all about working together and smarter across the enterprise. We deliver value by helping our partners harness resources to drive business efficiencies, and we're starting in our own backyard."

— Liz Lane

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– Torbjorn Sjogren, GS&S vice president, International Support Systems



a growth strategy that requires rethinking of business models—and emphasizes four approaches to serve the market and fuel expansion: delivering performance-enhancing innovations, leveraging expertise to support non-Boeing platforms, expanding international capabilities and serving new markets.

IDEAS, INNOVATION, IMPROVEMENT

It’s easy to envision how maintenance work on an aircraft helps support customers’ abilities to execute missions. Yet GS&S is offering innovative ways to improve its customers’ performance.

Consider Boeing’s C-17 Globemaster III Sustainment Partnership contract, the world’s first performance-based logistics (PBL) program. To ensure that aircraft are ready when needed, a PBL provides incentives to hit established metrics such as platform readiness.

Boeing is working to increase PBL performance in a

PHOTO: Alsalam Aircraft Company employees provide support to the Royal Saudi Air Force F-15S fleet. Boeing’s partnership with Alsalam reflects Boeing’s interest in expanding its international service capabilities. ALSALAM AIRCRAFT COMPANY

surprising place—the contracting office. Contracting specialists have teamed with modeling and simulation experts to analyze many factors. Through exhaustive analyses and experimentation, they have introduced new contract terms, conditions and pricing models to achieve program objectives while balancing risks and rewards for all parties.

“When you weave an innovative contracting structure together with our strong supply-chain capabilities, accurate forecasting and logistics expertise, you get a powerful tool to exceed customer requirements,” said Jim O’Neill, Integrated Logistics vice president and general manager. “This ability, coupled with

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People first

Boeing's talented, dedicated employees are its heart and soul. Recognizing this, Global Services & Support embraces a "People First" mind-set by focusing on and partnering with employees to engage them in the strategic plan and develop leaders for the future.

"Our people generate the ideas to grow our business. And, invariably, where employees have taken ownership of their work environments, they increased efficiencies and helped us become more competitive," said GS&S President Dennis Muilenburg.

Here are a few GS&S teams that have done this.

West Coast Missileers and Frozen Chosen teams: These Employee Involvement teams—the West Coast Missileers and the Frozen Chosen—help support the Ground-based Midcourse Defense system, the core of the Missile Defense Agency's ballistic missile defense program. Using Lean+ methodologies, these teams reduced the cycle time to process a missile interceptor by more than 55 percent and saved the program more than \$6 million, with another \$5 million in queue.

Proposal Acquisition Cell team: The Proposal Acquisition Cell team applied bar-code technology to the procurement process. By scanning Apache helicopter spare part orders, team members simplified tracking, cut order backlog by nearly 83 percent and reduced order process time by nearly 74 percent. Thanks to this new system, the group projects annual cost savings of about \$500,000. Other sites are adopting this system.

KC-135 Programmed Depot Maintenance team: The Breakers, a KC-135 Programmed Depot Maintenance team, developed aircraft tooling that is resistant to flexing and provides a more positive fitting location. The easier-to-install tooling has reduced the number of hours on task from 22.4 to 12.8 per aircraft, delivering an estimated annual savings of more than \$93,800.

E/A-18G Aircrew Trainer System team: The E/A-18G Aircrew Trainer System team developed a larger share of the software application in-house on a dedicated development device. By using economical processes and meeting an accelerated schedule to deliver the training simulator at the same time the first E/A-18G was delivered to the U.S. Navy, team members provided significant cost savings.

— Liz Lane

PHOTO: Michael Gutierrez, a flight operations general mechanic, performs a post-flight brake inspection on a KC-135 aircraft at Boeing's San Antonio site. The site is home to Boeing's KC-135 Programmed Depot Maintenance program, which has made numerous process improvements. LANCE CHEUNG/BOEING



efficient program execution, continual cost reductions and performance enhancements, provides real value.”

Managing supply chains is the root of another GS&S innovation for improved customer performance. A military strategy may be genius, but without logistics it’s all for naught. So Boeing last year announced it was acquiring two leading software firms, Tapestry Solutions and Federated Software Group. These companies offer logistics command and control (LogC2) tools that are de facto standards used by the customer to track equipment, parts and personnel, and integrate information to help with logistics decision-making. The addition of these two companies lets Boeing develop new integrated applications and solutions.

The real value of LogC2 comes from increased supply-chain efficiency. Tapestry’s Battle Command Sustainment Support System tracks military assets with in-transit visibility from point of origin through delivery. By analyzing and tracking logistics at this level, GS&S can optimize supply-chain performance from

factory to foxhole. The result: more items moving through a distribution system at the lowest possible cost across all modes of transportation.

BEYOND BOEING PLATFORMS

Interestingly, GS&S’ growth plans include using the extensive expertise of its people to support non-Boeing platforms.

GS&S has received three contracts, with a fourth under consideration, to modify the A-10 Thunderbolt, a Fairchild-Republic-built aircraft. GS&S’ Maintenance, Modifications and Upgrades division tapped into the best of Boeing to optimize performance and minimize expenses, beginning with upfront cost savings of \$200 million. A key factor in winning those contracts was MMU’s progressive tooling and advanced assembly techniques.

“Boeing is recognized as the industry leader as far as supporting legacy platforms goes,” noted Tony Robertson, MMU vice president. “It is the only company that has a truly complete,

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PHOTO: A-10 Wing Replacement Program team members Terry Saville (left) and Derek Bennett survey an existing A-10 wing. More than 200 new wing sets will be delivered to the U.S. Air Force under the contract. RON BOOKOUT/BOEING

across-the-board sustainment capability.”

The largest A-10 contract, the Wing Replacement Program, calls for engineering and manufacturing more than 200 wing sets. With more than 50 suppliers and 10,000 parts, WRP requires unerring program management. In a textbook example of performance excellence, program leaders engaged the team, suppliers and the customer from the start to address and resolve issues before delving into execution. This tight program control was a factor in receiving two follow-on modeling contracts, Robertson said.

LOOKING ABROAD

Another growth area GS&S envisions is expanding its international capabilities. The business unit’s International

Support Systems division is expanding globally through investments and partnerships with local aerospace companies.

“It’s imperative we continue to look for innovative ways to position ourselves in this challenging global economy,” said Torbjorn Sjogren, ISS vice president. “As the world changes, our strategies must be agile enough to react, to help us maintain our market strengths.”

Boeing partner Alsalam Aircraft Co., based in Riyadh, Saudi Arabia, supports the Royal Saudi Air Force and other customers. Boeing Defence Australia serves the Royal Australian Air Force with a broad range of support. In the United Kingdom, Aviation Training International Ltd., a joint venture with Westland Helicopters, trains crews to fly Britain’s Apaches. Efforts are under way for ISS to establish similar ventures in other countries.

By teaming around the world, ISS can capture new business by combining its expertise with that of other companies. For instance, it has teamed with Italy’s Alenia Aermacchi to offer logistics support and training for the M-346 and M-311 jet trainers. GS&S will supply the simulators and logistics expertise; Alenia Aermacchi will supply the aircraft. The approach is a win-win scenario for GS&S, its partner and future customers.

EYE ON THE GROUND

The final strategy in GS&S’s growth plan is to serve new, non-aviation markets.

Boeing is using expertise gained supporting aircraft fleets to create solutions on the ground. The new Route Clearance Vehicle Modernization Program marks a first step in tactical wheeled-vehicle sustainment. Prime contractor VSE Corp. tapped Boeing as its primary teammate to modernize RCVs that detect and neutralize mines and improvised explosive devices. Under the contract, GS&S will deliver logistics support and supply-chain management services.

“Before the deployment of RCVs, improvised explosive devices were causing death or significant injury to hundreds of U.S. troops in Iraq. We understand the value this program brings, and remember that what we do today may save a soldier or a marine’s life tomorrow,” said Jim Napier, program manager of the Route Clearance Vehicle Modernization Program in Long Beach, Calif.

PLANS ... AND PEOPLE

Yet just as critical as the growth plan are the people who execute it. The business has adopted a “People First” mind-set that focuses on and partners with employees to engage them in the strategic plan and develop future leaders (see box on Page 17).

“Employees are right at the heart of it,” Muilenburg said. “Competing in our market requires leadership to take a ‘People First’ approach. ‘People First’ means developing people’s skills, encouraging and rewarding risk-taking, insisting on a culture where it is a strength to ask for help. We are being inclusive, leveraging everyone’s perspectives and talents. It’s going to be a high-energy, high-satisfaction place to come to work.” ■

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