

TRACK RECORD OF SUCCESS

BAE Systems Large Aircraft

Mr Tim Deacon, Nimrod Project Engineering Manager says of the IFS solution:

“Integrated Asset Management is an innovative solution developed from an IFS Defence COTS package. The solution is designed to produce and track the maintenance documentation for BAE Systems Large aircraft division during aircraft depth maintenance.

“At present the solution is supporting RAF Waddington for the E3-D Sentry aircraft.

“This application is a web based solution that provides us with a maintenance management tool that has the benefits of producing MOD maintenance documentation for maintenance actions. These are tracked through the maintenance cycle for critical path analysis. This allows us to deliver scheduled maintenance incorporating modifications/repairs within the shortest timescales, providing benefits to the customer for aircraft capability availability and at a lower cost.”

THE BENEFITS



Nimrod MR2

A £75m PBL Support contract that increased Aircraft availability to the RAF by 40% with costs down by 8%.

Tornado

IFS Supporting BAE Systems providing ATTAC (Availability Transformation: Tornado Aircraft Contract) guaranteed availability of Tornado aircraft for the UK RAF.

Facts/Figures

2001: Partnered approach to repair structural items
 2002: 8 year ‘power by the hour’ contract for the radar
 2004: 10 year support service for 2nd power system (SPS)
 2005: Combined Maintenance & Upgrade (CMU) contract
 2006: ATTAC, Phase 1, £947m

Performance

- Radar availability 98%, savings >£5m
- SPS support 35% less than historic cost
- CMU reduce cost of supporting fleet by £100m
- 85% of LRUs exchanged within an < hour
- SPS savings 20-40% vs traditional support
- CMU reduced maintenance manhours by 50%
- Support has been undertaken at 23% less than the historical costs

MOD savings

£510 million over 10 years - Includes on-aircraft maintenance, spares & technical support & training.

BAE SYSTEMS

ABOUT BAE SYSTEMS

BAE Systems is a global defence, security and aerospace company with approximately 107,000 employees worldwide. The Company delivers a full range of products and services for air, land and naval forces, as well as advanced electronics, security, information technology solutions and customer support services. In 2009 BAE Systems reported sales of £22.4 billion (US\$ 36.2 billion)



ABOUT IFS DEFENCE

Aerospace & Defence is a key vertical industry focus for IFS Defence and IFS Applications™, and for more than 10 years, IFS Defence has delivered value-adding business Solutions to customers in this sector. IFS' project-based solutions support: Fleet Operators, MRO suppliers and OEMs deliver Asset & Fleet Management, MRO, Supply Chain Management and Product Lifecycle Management—where our application development is driven to meet the rigorous demands of this changing market. IFS Defence has an unrivalled pedigree in helping leading military and civil Aerospace & Defence organizations in the UK, EMEA, USA and across the globe adapt to the challenges of transformation. IFS offer the Aerospace & Defence industry a unique, evolutionary and agile solution to meeting the transformation challenge; by providing flexibility in a single product and a step-by-step approach to implementation, enabling a faster ROI and ongoing lower TCO. Solutions that underpin the delivery of significant reductions in inventory investments and increased fleet availability and visibility for enhanced operational readiness.

More details can be found at www.IFSDEFENCE.com.

For further information, e-mail to sharon.cade@ifsdefence.com



IFS Applications™ for

PERFORMANCE BASED LOGISTICS (PBL)





IFS DEFENCE IS A LEADING GLOBAL PROVIDER OF DEFENCE INFORMATION SOLUTIONS AND BAE SYSTEMS IS ONE OF ITS PRIMARY CUSTOMERS.

BAE SYSTEMS IS A LEADING GLOBAL PROVIDER OF READINESS AND SUSTAINMENT SOLUTIONS FOR MANY INTERNATIONAL COMMERCIAL AND MILITARY LAND, SEA AND AIR PLATFORMS.

SYSTEM SUPPORT STRATEGIES.

Performance-Based Logistics (PBL), often called Contractor Logistics Support (CLS), is a range of strategies for system support. Primarily developed within Defence (initially in Air) but now widely used in Land, Sea and Civil Aviation.

It was introduced as a better strategy for supporting weapons systems Logistics processes that benefits both MODs/DoDs and Industry.

WHAT ARE THE KEY DIFFERENCES OVER TRADITIONAL METHODS?

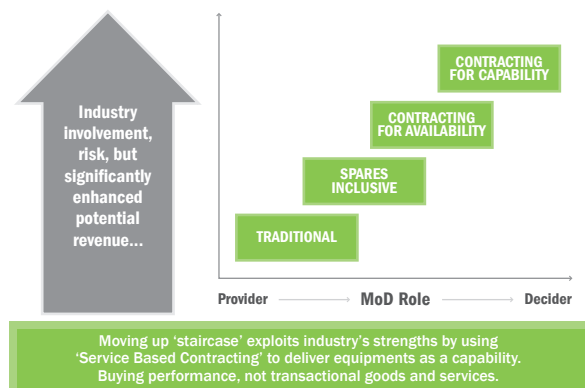
Instead of acquiring goods and services transactionally, support is based upon an integrated performance package designed to optimise system readiness.

HOW DOES IT OPERATE?

The supplier (not necessarily the Original Equipment Manufacturer – OEM) meets performance goals for a weapon system, or part of a weapon system, through a support structure of Performance-Based Agreements (PBA) with clear lines of authority and responsibility.

ARE ALL CONTRACTS THE SAME?

No - There are several different approaches such as Contracting for Availability (CfA) or Contracting for Capability (CfC). These are usually introduced based upon acceptable levels of risk transfer. The level of risk transfer is itself driven by the maturity of the equipment or aircraft as well as the maturity of the DoD/Supplier partnering relationship. All are aimed at transforming logistic support to the Front Line by delivering improved reliability and availability.



CfC differs from CfA in that in CfA the supplier is responsible for delivering platforms and equipment to agreed performance and output standards whereas,

under CfC the supplier is responsible for providing a capability (e.g Air to Air Refuelling) to agreed performance standards. Underpinning all approaches is the need for an end-to-end and through life strategy that optimises logistic support (and support solutions) and provides opportunities and incentives for industry to align with DoD/MOD operational requirements.

Individual industrial providers have developed specific strategies to align with their customers demands such as the BAE Systems flagship Readiness & Sustainment (R&S) strategy.

INFORMATION IS KEY

Like all sensible ideas execution success for all such solutions often depends upon the ability to provide the information solutions, applications and tools for the detailed data analysis, through-life. This is required to ensure contractors understand and meet their contractual obligations and business objectives, DoDs/MODs achieve the strategic and operational goals, contractors achieve profit and risks on both sides are managed.

MOD/DOD DRIVERS

The rising cost of maintenance, operations and support coupled with the need to mitigate the increasing complexity of equipment and systems as well as the difficulty of providing resources (cost of staff, complexity of training and staff retention) places increasing pressure on budgets.

The spectrum of PBL solutions can therefore act as a catalyst to enable Logistics Transformation and incentivises a cost-down, availability up outcome.

INDUSTRY DRIVERS

Equipment purchase budgets have been declining and performance based contracts such as CfA or CfC have offered access to increased revenue (typically up to 70% of the through life revenue). Traditional Spares inclusive contracts, whilst potentially lower risk, only give industry access to typically 30% of available through life revenue. In addition, increased reliability of complex equipment further reduces long-term spares revenue.

By linking profit and performance, industry are incentivised for achievement of low maintenance down times, minimum spares usage and high reliability and in return achieving operational feedback data to improve future engineering design.

THAT DELIVER!

WHAT INDUSTRY NEEDS TO DELIVER AGAINST MOD/DOD OPERATIONAL REQUIREMENTS

Improve Reliability

Industry need to use operational usage data and reliability information from the IS support solution to focus and drive engineering and support improvements and then make recommendations to the MOD/DoD which in itself can generate additional revenue. Improvements, backed by information, that are implemented by industry can reduce support costs for the contracted target availability so increasing savings.

Optimise Inventory in the Supply Chain

MOD/DoDs can only optimise the inventory they own and control – not that in industry. Industry can drive out costs across the whole end-to-end Supply Chain under a PBL strategy if it's supported by good operational usage information feedback.

Robust Maintenance/Configuration Control

Optimised maintenance processes reduce cost. Therefore good configuration control avoids costly errors and these need a robust and underpinning information capability.

Minimise Contract Risk

Good control of process data and operational usage feedback reduces contract risk to both MODs/DoDs and Industry.

Optimise Availability to Maximise profits

CfA or CfC contracts typically specify % target availability eg 85%. Optimising availability increases operational capability for MODs/DoDs and profit for industry.

BAE SYSTEMS READINESS & SUSTAINMENT (R&S)

BAE Systems Readiness and Sustainment (R&S) is the preparation of a force (or fighting) element to a mission-ready state and the support of this capability (during preparation, operations and aftermath) over a period of time, potentially through life.

The UK MOD Defence Equipment & Support (DE&S) organisation equips and supports the UK's armed forces for current and future operations. DE&S acquires and supports equipment and services, including aircraft, ships, vehicles and weapons as well as continuing to supply general requirements and supplies.

However, the UK MOD has increasingly moved from being a provider of support and services to an intelligent 'decider' of how best to deliver the end-to-end support required by its front line commands. DE&S has worked closely with industry through partnering agreements and much of this support is now provided through a range of PBL type solutions.

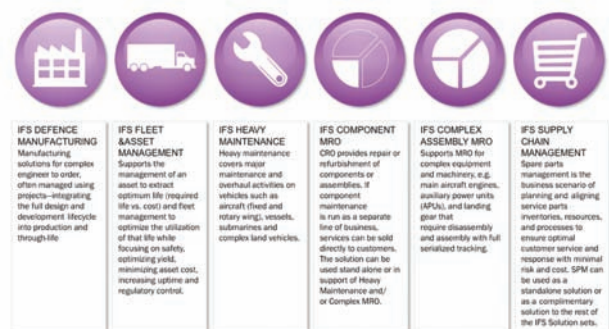
The UK MOD's leading partnership is with BAE Systems and it has been at the forefront of providing a range of transformational PBL type solutions.

BAE SYSTEMS AND IFS DEFENCE

Regardless of the PBL support solution adopted be it 'Traditional' or 'CfC' good business and operational decisions rely on good quality information. It is information that links every stage of a platform's life-cycle - from its initial design to support and ultimately to disposal.

One of the main drivers for BAE Systems working with IFS Defence within its R&S strategy was the desire to produce better quality information together with ways of sharing it more intelligently, rapidly and effectively. This targets information at the people who really need it. In this way it is able to deliver its R&S performance based capability solutions into key BAE Systems customers – eg the UK MOD.

IFS is a fully Modular application and IFS Defence has packaged the enterprise solution to form the following A&D Packaged Solutions:



BAE Systems have worked with IFS Defence and have integrated the IFS A&D Packaged Solutions to form a capability directly aligned with the operational and business strategies of BAE Systems for its home markets, R&S support offerings and various MOD/DoD customers.