

# Industry Overview

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# International Environment

## Integrated Defense Systems

Environment	Customer Reaction	Implications to Industry
<ul style="list-style-type: none"><li>• Global Financial Crisis</li></ul>	<ul style="list-style-type: none"><li>• Program delays/cancellations</li><li>• Purchase of 'pre-owned' systems</li><li>• More risk averse</li></ul>	<ul style="list-style-type: none"><li>• Increased opportunities for legacy platforms</li><li>• Opportunities delayed</li></ul>
<ul style="list-style-type: none"><li>• Rise of Hybrid Warfare</li></ul>	<ul style="list-style-type: none"><li>• Increased special Ops, UAS and border security</li></ul>	<ul style="list-style-type: none"><li>• Need for intelligent security solutions</li><li>• ISR opportunities</li></ul>
<ul style="list-style-type: none"><li>• Struggle for natural resources; use of energy as a 'weapon'</li></ul>	<ul style="list-style-type: none"><li>• Increased regional conflicts</li><li>• Emphasis on energy security, efficiency, and alternative sources</li></ul>	<ul style="list-style-type: none"><li>• Increase customer demand for multi-mission maritime aircraft</li><li>• Opportunity for energy services</li></ul>
<ul style="list-style-type: none"><li>• Greater US reliance on allies &amp; coalition partners</li></ul>	<ul style="list-style-type: none"><li>• Need for increased interoperable systems</li></ul>	<ul style="list-style-type: none"><li>• Training and Support opportunities</li></ul>
<ul style="list-style-type: none"><li>• Increased Global Competition</li></ul>	<ul style="list-style-type: none"><li>• Growing commercial and security relations with China and Russia</li><li>• Purchase from countries that don't have US technology release restrictions</li></ul>	<ul style="list-style-type: none"><li>• Need to work releasability issues to ensure a level playing field</li></ul>

# Competitor Landscape

## Integrated Defense Systems



### AIRBUS

- Commercial airplanes and services
- A320, A330, A350, A380
- Presence – **UAE** (ME HQ), KSA, Qatar
- Mkt share - 47% current fleet; 62% backlog

### THALES

- Aircraft and land systems, warships, Control & Communications' and ISR, security, IT services
- C4I
- Presence – KSA, **UAE**, Qatar



### EADS

- Space, satellite communications
- Eurocopter (maintenance center - UAE)
- A330 Tanker; Derivative Aircraft
- Presence – High level relationships – EADS International (**UAE**, KSA, Qatar)

### BAE SYSTEMS

- Design and manufacture of aircraft, warships, integrated system technologies, support services
- 3<sup>rd</sup> largest global defense company
- Typhoon



### FINMECCANICA

- Design and manufacture of helicopters, sensors, airborne systems, communications systems
- C27J

## Emerging



- Fighters; Trainers; Upgrades; Mods; R&D
- Presence – No offices but developing strong industry cooperation within the region; 10 10 (Top ten aircraft maker)

### Russia (Almaz-Antei; MiG)

- Anti aircraft Missiles; Fighters; Rotorcraft; Weapons
- Presence – No offices internationally but becoming a strong competitor.

## Intense Competition

# FMS Process Achievements

## Integrated Defense Systems

- Total Package Approach
  - Material Fielding, Maintenance and Training
- Government to Government Support
  - Military and Operational Planning
  - Deployment Concepts
- Contract Administration
  - USG to Industry
- Access to Depot Level Repair Facilities



***Full Support of U.S. Government***

# FMS Process Challenges

Integrated Defense Systems



- Adapting to Ever-Changing Customer Requirements
- Meeting Customer Expectations
  - Processing Time of Request
  - Schedule Flexibility
  - Customization
- Cooperative Strategy for Hybrid Cases
  - Industry and Government Alignment

*Timeliness of Completion*



# Working Together

## Integrated Defense Systems



- “One Team” Approach Critical
  - Common Messaging
- Relationships Key to Success
  - Industry-U.S. Government IPTs
- U.S. Government Advocacy Key
  - Technology Release
  - US Advocacy & Hill Support
- Industrial Participation
  - Industry-U.S. Government Cooperation
  - Use of US supply base “Team Approach”
- Support of Existing International Customer Fleets

***Working Together to Achieve Customer Satisfaction***

