MID-POINT REVIEW FOR BOEING COMPUTER SERVICES

STRATEGY REVIEW

July 3, 1985

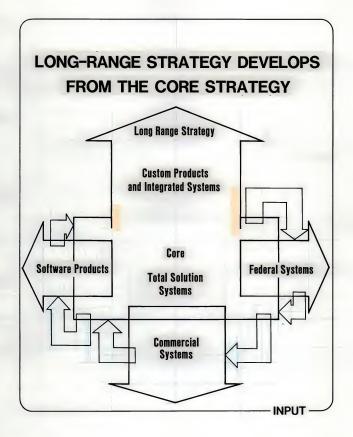


BOEING LONG-RANGE STRATEGY

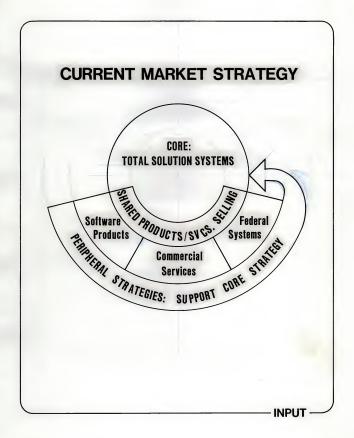
- Boeing will intercept the emerging demand in very large organizations for "total solution systems" that require distributed workstations, major software development, network design and management and sophisticated project management.
- Boeing's focus is to serve the Processing FM and Professional Services needs of the Federal Govern – ment and other very large target industries, primarily manufacturing, communications and energy.
- BCS will employ strategic partnering and acquisitions to complement its existing strengths in the target industries.

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IDENTIFIED COMPETITION

BOEING	Fed.	E&S	Ergy.	Mfg.	Major Sys.	Fed. Sys.	Soft- ware	Ed.
EDS	X	L03	Ligy.	wirg,	3ys.	зуз. Х	ware	Lu.
CDC	x	x	x	x		^	_	
MMDS	x			X		x		
CSC								
McAUTO	X	x		х		X		
		X						_
IBM	X			х			х	
PRC						х		
COMSHARE							X	
IRI							х	
EXECUCOM							х	
ASK							х	
Hewlet-Packard							х	
CULLINET							х	
Western Data							Х	
ADR							Х	
INTECH							х	
PHOENIX								х
OTHER	-							
MITRE	x					Х		
GEISC0				х				
AT&T								

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BUSINESS UNIT MEASUREMENT

SPECIFIC COMPETITORS	BUSINESS UNIT							
		FEDERAL	SOFTWARE PRODUCTS					
	DENTIOLO	0101110	TRODUCTS					
Total								
Growth								
Boeing Growth								
Boeing Share This Period								
Prior Period								
General Competitors								
Growth								
Boeing Growth								
Boeing Share This Period								
Prior Period								
Competition by VFW Data								
VFW Growth								



LINE OF BUSINESS PRODUCT/SERVICE MEASUREMENTS

SPECIFIC COMPETITORS	PRODUCT /SERVICE						
		-					
				-			
Total							
lotal							
Growth							
Boeing Growth							
Boeing Share This Period							
Prior Period							
General Competitors							
Growth							
Boeing Growth							
Boeing Share This Period							
Prior Period							
Competition by VFW Data				-			
VFW Growth		-					







INTERIM OBSERVATIONS

- Strategy
- Boeing Commitment
- Organizational Structure
- Image

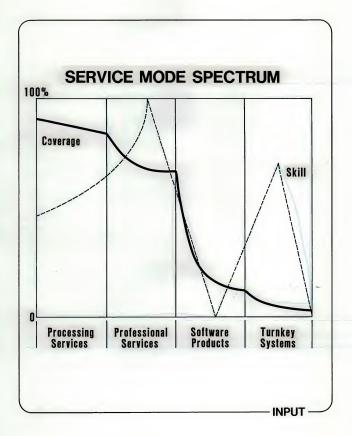
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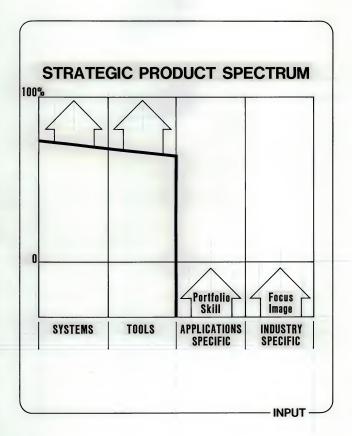
PROJECT SCHEDULE

Week Ending:	5/17	5/24	5/31	6/7	6/14	6/21	6/25	7/5	7/12
ACTIVITY									
Questionnaire Draft	x	<u> </u>							
Questionnaire Final		×	 ×						
Analyze BCS Data	×		— ×						
Scope BS Markets		×—						~~	
Develop Measurement Structures, Results, Investments			*				~* –		×
Conduct Interviews					ж				
Analyze Interview Data						x x			
Develop Strategies/Tactics/Objective						×	*		×
Define Audiences							×	*	*
Communication Structure & Technique				×					
Intelligence Model						>			
Prepare Presentation							×		<u> </u>
Review Presentation									X ?
Deliver Presentation									x
Report									

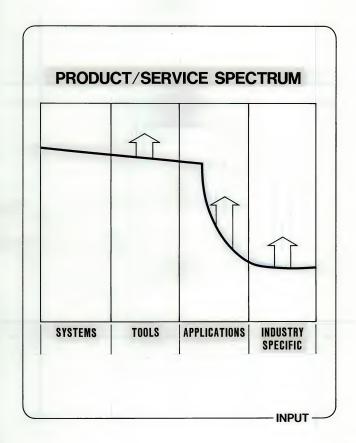




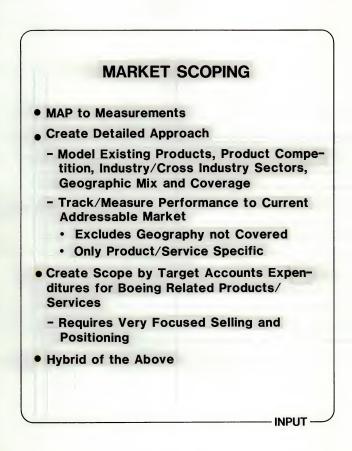














BOEING LONG RANGE STRATEGY

BCS will position itself as a provider of high quality, large scale, complex systems. underpinned by customer satisfaction, service and support; thus leveraging its strengths of competing for, winning and executing complex systems projects. BCS will also leverage strengths derived from its internal information system.

BCS will participate in the commercial market for growth, profit and competitive technology transfer. BCS will continue to be a leader in its internal information systems to grow its systems business and to maintain a competitive edge in the Boeing Company's basic manufacturing business.

BCS will develop, acquire or license products both to participate in high growth markets and to assemble strategic product or service modules needed to intercept the emerging demand for large scale "custom" integrated systems.

BCS will create an environment to retain and develop its existing highly skilled professional and to attract and retain the additional human resources required to conceive and implement the systems of the future.

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STRATEGY COMMUNICATIONS

• Define Audiences

- Internal

Boeing Management

Field Operations

Boeing Customers

BCS Administrative

• Etc.

- External

BCS Customers

Prospects

Competition

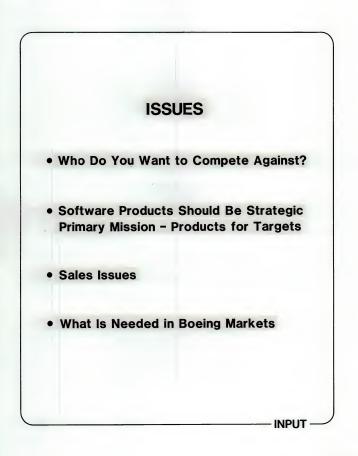
Press

Media

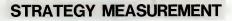
• Etc.

• MAP "Vision"/Covert Strategy/Overt Strategy and Tactical Guidelines to Audiences



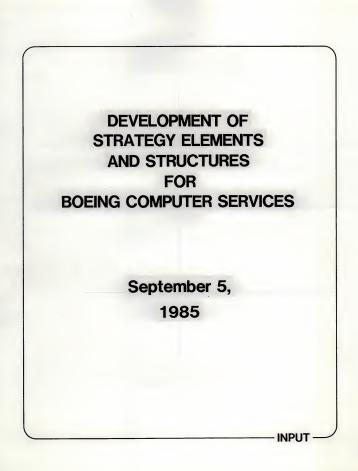






- Measure to Competitive Environment
 - Define and Select Level of Detail
 - Agree on Mechanism to Track Performance
- Develop Logic to "Pre-Test" Strategy
 - Is There a Competitive Niche
 - Is It Economically Justified
 - Does Boeing Have the Resources
 - Will People Buy from Boeing
 - Can Boeing Deliver at a Price Customer can Justify
 - Does It Fit the Boeing Culture



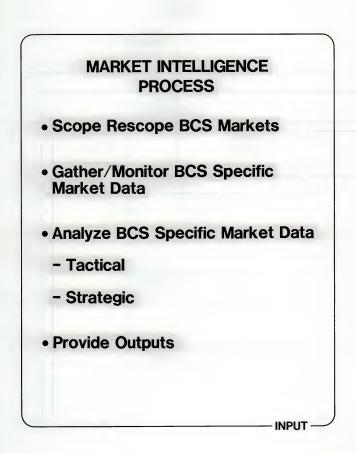




MARKET INTELLIGENCE OUTPUTS

- Intelligence Briefings
- Flash Reports
- Inquiry Service







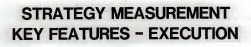
MARKET INTELLIGENCE KEY FEATURES

- Structured Methodology
- Monitor BCS Specific Market Position
- Escalate Critical Factors
- Communicate Market Intelligence to Management
- Supports Rescoping/Strategic Measurement
- Periodic Intelligence Briefings



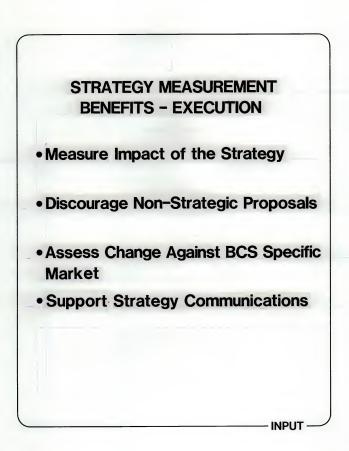






- BCS Specific Measurement
- Market Scope Model
- Strategic Logic Model







STRATEGY MEASUREMENTS OPTIONS/TRADEOFFS

- Administrative Data
- Internal/External
- Macro Addressable Market





- Internal/External
- Basic versus Enhanced Plan
- Frequency of Monitoring/ Reporting
- Depth of Program



MARKET INTELLIGENCE KEY ISSUES

- Fragmented versus Shared
- Conflicting Data
- Redundant
- Cost
- Not Specific to BCS



MARKET INTELLIGENCE NEEDS

- Consistent Data
- BCS Specific
- Ability to Understand/Adjust
- Data for Measurement



MARKET INTELLIGENCE PROPOSED APPROACH

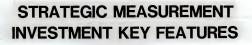
- Scope the BCS Specific Market
- Define Internal Data Needed
- Define Data Collection Procedures
- Identify/Select Other Data Sources
- Define the Users, and Uses
- Determine Frequency(s) of Feedback
- Determine Feedback Methods
- Create BCS Focal Point



STRATEGIC MEASUREMENT PROPOSED APPROACH INVESTMENT

- Use Current Methods for Financial
- Adopt Structure for Logic
- Track to Execution Model
- Assess/Retest to Investment Model
- Communicate Investment Model
 Logic





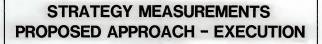
- Simple Model
- Graphic Representation
- Relates to Planning Factors



STRATEGY MEASUREMENT INVESTMENT - BENEFITS

- Increase Understanding
- Supports Strategic Purpose
- Allows Updating





- Establish Addressable Market
- Assess Competitive Environment
- Measure to Current Addressable Market
- Start with Current Data
- Develop Plan to Enhance Measurement Data
- Pre-Test and Re-Test Tactical
 Programs

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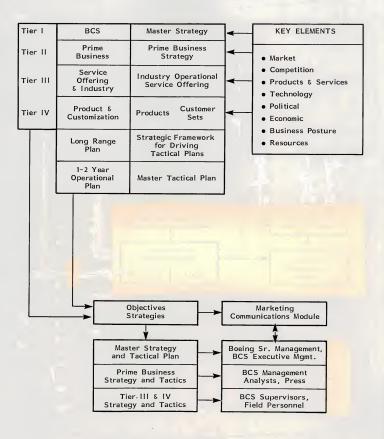


STRATEGIC/TACTICAL MODEL

Tier I	BCS	Master Strategy	KEY ELEMENTS
Tier II	Prime Business	Prime Business Strategy	• Market
Tier III	Service Offering & Industry	Industry Operational Service Offering	 Competition Products & Services Technology
Tier IV	Product & Customization	Products Customer Sets	Political Economic
	Long Range Plan	Strategic Framework for Driving Tactical Plans	Business Posture Resources
	1-2 Year Operational Plan	Master Tactical Plan	



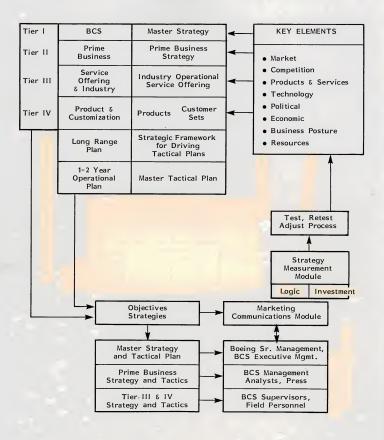
STRATEGIC/TACTICAL MODEL



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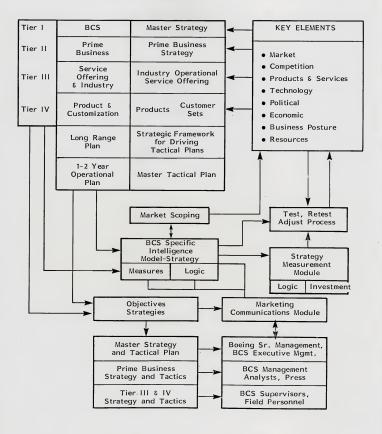


STRATEGIC/TACTICAL MODEL





STRATEGIC/TACTICAL MODEL

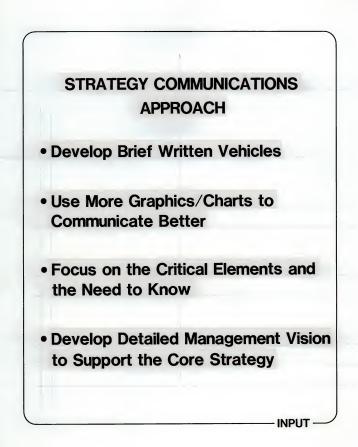




STRATEGY MEASUREMENT INVESTMENT MODEL

TEST OR FACTOR	CRITERIA			LEVEL		
Strategic Logic	Fail	Pass	Real Fit	F	Р	R
Compare Plan to External Data	Very High	On	Low	н	0	L
Experience in Svc. Mode/ Segment	Bad/ Weak	о.к.	Success	в	0	s
5 Year Revenue Potential	Low	Average	High	L	А	н
Years on Revenue n Next Five	3 Years	4 Years	5 Years	3	4	5
Farget Account Size	Medium	Large	Very Large	м	L	V
Market Change From Prior Year	Major Change	No Change	Favorable Change	м	N	F
Product Solution	Simple	Average	Complex	S	Α	С
Highest Strategy Satisfied	Suppor- ting	Prime	Master	s	Р	м
Sold/Supported by Existing Field Profile	No	Maybe	Yes	N	м	Y
Decision Point	Cont. Develop.	Launch Cost	Life Cycle	с	L	LC
Required for nternal Customer	No	Maybe	Yes	N	м	Y
Required for Contin- ued Base Offering	No	Maybe	Yes	N	м	Y
Strategy Satisfied	Overt	Covert	Both	0	С	В



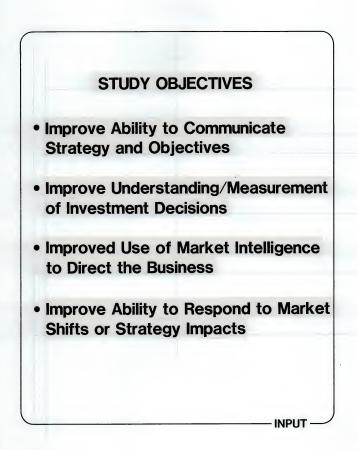




STRATEGY COMMUNICATIONS APPROACH

- Strategy Tiers
 - Master Industry
 - Prime Service Offering
 - Product Customer/Function
- Audience Definition
- Level to Communicate
- Communication Methodology



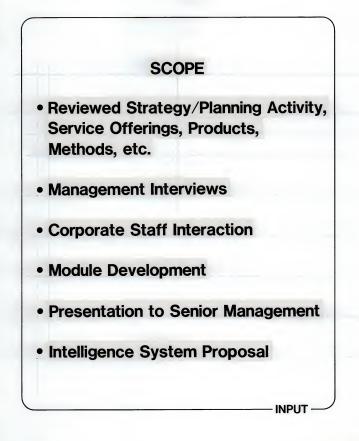




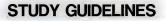
STUDY MODULES

- Strategy Communication
- Performance Measurement
- Market Intelligence



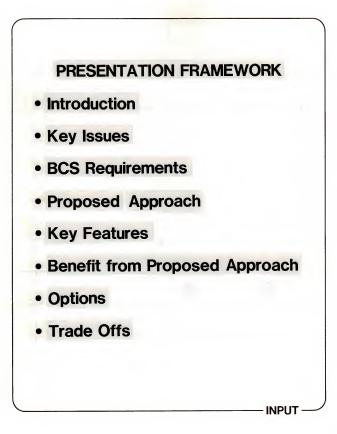




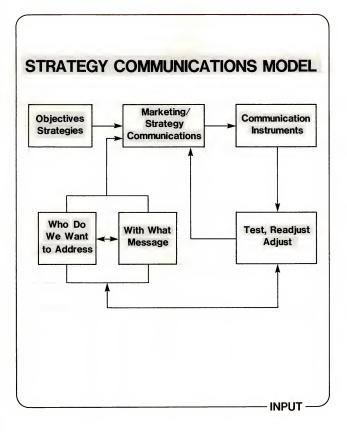


- Keep It Simple and Effective
- Improve Process Not Replace
- Improve Use of Existing Resources
- Improve Use of Intelligence to Validate, Monitor & Revise Strategy
- Minimize Redundant Costs.





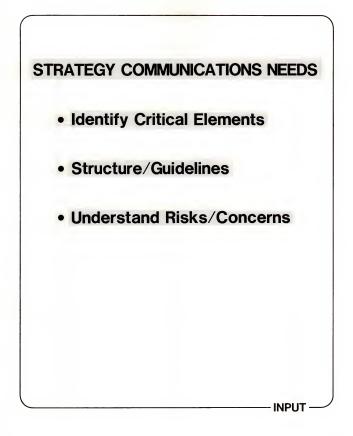




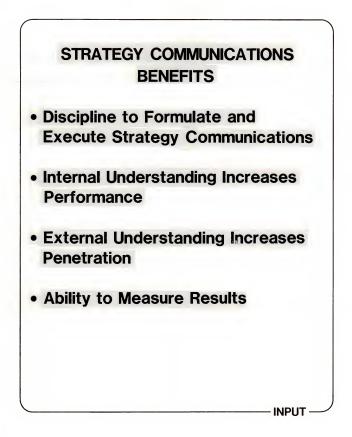








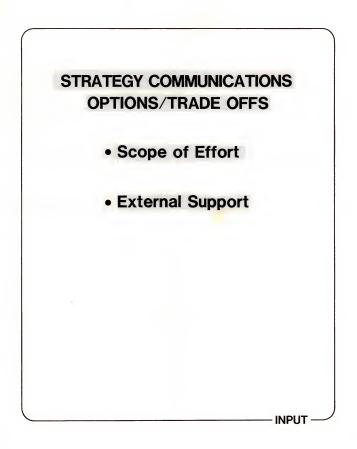




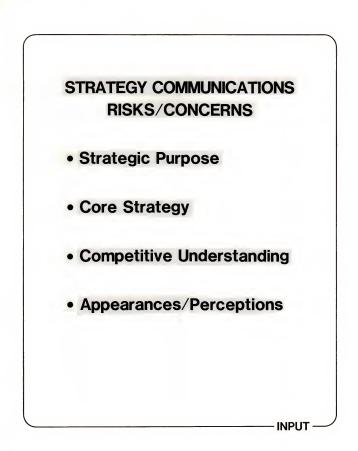










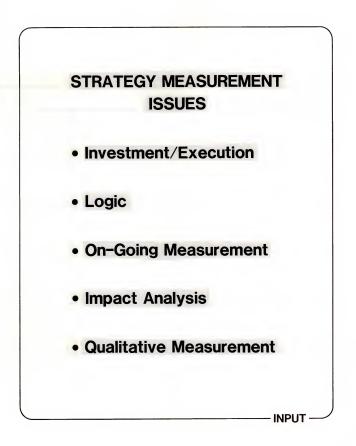




STRATEGY COMMUNICATIONS RECOMMENDED APPROACH

- Methodology
- Audience
- Who, What, Why
- Communication Vehicles
- Concise Statements
- Intelligence Model
- Feedback
- Theme/Image

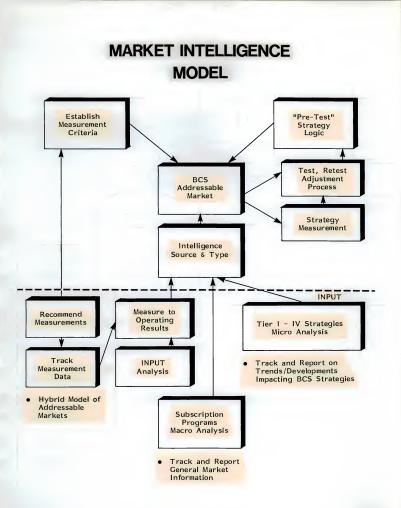














ACTIVITY/ISSUE	CRITERIA				SCALE		
Is there competitive niche	No	Somewhat	Yes	N	S	Y	
Does it match a BCS strategy - which level	Tier IV	Tier III	Tier II	ıv	ш	п	
What is the fit with current operating plan	None	Secondary	Primary	N	s	Ρ	
What is the realistic 2 year revenue potential	Low	Average	High	L	А	н	
Is it economically justified	No	Somewhat	Yes	N	s	Y	
Will people buy from BCS	No	Maybe	Yes	N	м	Y	
Can Boeing deliver at price needed	No	Maybe	Yes	N	м	Y	
Can existing sales force sell	Heavy Support	Heavy Training	Support & Training	1	2	3	
Can existing support staff support	No	Some Training	No <mark>Training</mark>	1	2	3	
Are most prospects within geographical	No	Some	Many	N	s	М	
Can it be sold to most installed base	No	Some	Many	N	s	М	
Vould the market percieve it as a BCS product/ service	No	Somewhat	Yes	N	s	Y	
Nould the internal customer buy the product	No	Maybe	Yes	N	м	Y	

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