Raytheon

Customer Success Is Our Mission

Richard B. Johnston
Vice President, Operations
Raytheon Space and Airborne Systems
NDIA 2nd Annual Small Business Conference
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Raytheon … Who We Are

We are …

• A Customer Focused Company that places the highest value on People, Integrity, Commitment and Excellence
• 2004 Sales: $20.2 billion
• More than 80,000 employees worldwide
• Headquarters: Waltham, Massachusetts

Our Vision

• Be the most admired defense and aerospace systems supplier through world-class people and technology.

Working as One Company Focused on the Customer
A world leader in technology-driven solutions that provide customers with integrated mission systems

• Raytheon is an industry leader in:
  – Defense, government and commercial electronics
  – Space
  – Information technology
  – Technical services
  – Business aviation and special mission aircraft

• Raytheon provides integrated mission systems to meet the critical defense and non-defense needs of its customers

Customer Success Is Our Mission
Our Customers are men and women in uniform, pilots and their passengers, and our partners in government agencies and industries.

Superior Customer Solutions
Customer Focus Drives Growth

- **Performance** – Promises made, promises kept.
- **Relationships** – Listen, anticipate, respond and follow through with our Customers, partners and each other.
- **Solutions** – Develop and provide superior Customer solutions, working as One Company.

Customer Success Is Our Mission
Markets Align with Customer Priorities

- Missile Defense
  - Enable any sensor, any shooter
- Intelligence, Surveillance and Reconnaissance
  - Enabling decision superiority
- Precision Engagement
  - Joint...speed...effects
- Homeland Security
  - Knowledge-driven security
Raytheon’s Vision

Be the most admired defense and aerospace systems supplier through world-class people and technology.
Raytheon … What We Value

People
- Treat people with respect and dignity
- Welcome diversity and diverse opinions
- Help our fellow employees improve their skills
- Recognize and reward accomplishment
- Foster teamwork and collaboration

Integrity
- Be honest, forthright and trustworthy
- Use straight talk; no hidden agendas
- Respect ethics, law and regulation

Commitment
- Honor commitments to Customers, shareholders, the community and each other
- Accept personal responsibility to meet commitments; be accountable

Excellence
- Improve performance continually
- Stress quality, productivity, growth, best practices and measurement
- Strive to be the best

Culture of Performance
Pride in Our People

• We are proud of our employees who are helping us build a diverse and inclusive workplace.

• Raytheon has trained more than 1,500 employees as Raytheon Six Sigma™ Experts and some 43,000 employees as Specialists.
  – Our employees think about ways to work better; identify value through the eyes of the customer; develop a common language of improvement; work in teams; use common sense to correct simple sources of waste; and draw on trained expertise to address more complex opportunities for improvement.

• Our people deliver greater value and predictability to our Customers through the Integrated Product Development System (IPDS), Earned Value Management System (EVMS) and Capability Maturity Model Integration® (CMMI).

Committed to Our Team
Raytheon Business Headquarters

80,000 employees; 2004 Revenue: $20.2B
Missile Systems

Louise Francesconi
President
2004 Revenue: $3.8B
Employees: 11,000
HQ: Tucson, AZ

- Air-to-Air
- Surface Navy
- Air Defense
- Directed Energy
- Weapons
- Land Combat
- Advanced Programs
- Kinetic Kill Vehicles

Developer and Supplier of Innovative Missile Systems
Integrated Defense Systems

Dan Smith
President
2004 Revenue: $3.5B
Employees: 12,000
HQ: Tewksbury, MA

Ballistic Missile Defense
International
Naval
Integrated Air Defense

Industry-Leading Mission Systems Integrator
Intelligence and Information Systems

Mike Keebaugh
President
2004 Revenue: $2.2B
Employees: 8,500
HQ: Garland, TX

Superior Intelligence and Information Solutions for a Better, Safer World
Space and Airborne Systems

Jack Kelble
President
2004 Revenue: $4.1B
Employees: 13,000
HQ: El Segundo, CA

Tactical Aircraft Systems and Navigation

Integrated Airborne Systems

Strategic Systems

Precision Attack and Surveillance Systems

Air Combat Avionics

Unmanned and Reconnaissance Sensors

Electronic Warfare

World Leader in Airborne and Space-qualified Systems
Network Centric Systems

Providing Networked Decision Solutions through World-Class Technology and People
Raytheon Technical Services Company

Bryan Even
President
2004 Revenue: $2.1B
Employees: 15,000
HQ: Reston, VA

Providing Critical Services and Innovative Solutions
Raytheon Aircraft Company

Jim Schuster
Chairman and CEO
2004 Revenue: $2.4B
Employees: 8,500
HQ: Wichita, KS

Revitalizing an Aviation Legend
A Global Presence

Customers in 76 Countries Around the World

- Raytheon International, Inc. business development offices
- Raytheon International, Inc. business development headquarters
- Raytheon Systems Limited
- Raytheon Australia Pty. Ltd.
- Raytheon Canada Ltd.
- Thales Raytheon Systems
The Voice of Our Customer

• An F-15 pilot praising our radar put the issue in the most elementary terms:
  – “If I see the bad guy first, I live,” he said. “If he sees me first, I die.”

• An F-16 pilot to Bill Swanson, Raytheon Chairman and CEO:
  – “I was in the wrong place at the wrong time, a missile was coming at me so I deployed one of Raytheon’s decoys. The decoy didn’t survive but I did. You saved my life and I just want to say ‘thank you.’”

• A Marine gunnery sergeant in Iraq:
  – “I promised myself during the battle to retake Al Fallujah in November 2004 that I would send your company an email in appreciation for the performance of your Javelin missile system in combat….Your missile system was most impressive in its accuracy and effectiveness against insurgent positions. I even fired one myself, destroying an enemy hardened position that was causing us serious grief. We trusted the missile system enough to fire it in close proximity to friendly forces….I cannot do justice for my respect and appreciation for the brilliance of the weapon system you have produced. You should also know that out of all of the weapons organic to my platoon, the Marines love to fire the Javelin above all others. Thank you very much for providing such an excellent tool for us to accomplish our mission. I hope that this email can somehow find its way to the men and women who I can clearly see take enormous pride in their product.”

At Raytheon We Extend these Tributes to Our Supplier Partners!
The Role of the Integrated Supply Chain

The Integrated Supply Chain aligns Raytheon’s resources and processes with our Supplier’s capabilities to meet Customers’ needs and shareholders’ objectives.
“Opening New Frontiers Through Effective Partnering” – An Example

Raytheon & Natel Engineering Inc.: An Evolving Solution-oriented Partnership
### Chronology of an Effective Partnership

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<td>Raytheon awards Natel, a SDB, it’s 1st significant subcontract</td>
<td>Raytheon Quincy/ Tucson decide to outsource Hybrid mfg to focus on core competency</td>
<td>RMS Stinger Program: 2003/2004 AOP in jeopardy. RMS cross functional team R6S engagement</td>
<td>Raytheon SAS nominates Natel as US Small Business Subcontractor of the Year</td>
<td>Raytheon supplier Scrantom abruptly shuts it’s doors, programs in jeopardy, Natel purchases Scrantom</td>
<td>Natel works with RTN to meet Air Force affordability targets on new SAS program</td>
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<td><strong>Contributes to performance to DoD subcontracting goals</strong></td>
<td><strong>Natel works hand in hand with RTN Team</strong></td>
<td><strong>Meets Stinger AOP</strong></td>
<td><strong>Natel wins Region 9 National ceremony with VP Cheney participating</strong></td>
<td><strong>Technical fit for Natel</strong></td>
<td><strong>RTN cost above AF target</strong></td>
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<td><strong>Smooth, efficient transition with improvements</strong></td>
<td><strong>Yields up from 70% to 90%</strong></td>
<td><strong>Led to US &amp; FMS Customer success</strong></td>
<td><strong>High US SBA and DoD visibility</strong></td>
<td><strong>Natel gains 10 Qualified R6S Spec.</strong></td>
<td><strong>Natel sets goal below AF target</strong></td>
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<td><strong>Cycle time 45-60 days down to 4-6 days</strong></td>
<td><strong>Cost to RTN down 6% per year</strong></td>
<td><strong>Yield from 65% to 87%</strong></td>
<td><strong>Cycle time from 8 weeks to 5 weeks</strong></td>
<td><strong>WIP reduced significantly</strong></td>
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DoD Mentor-Protégé Program – Effective Partnering Tool

Kuchera Defense Systems-named 2005 National Small Business Subcontractor by the U.S. Small Business Administration

Kuchera Defense Systems:

- Organization for the Severely Disabled
- Entered Navy Funded Mentor-Protégé Relationship with Raytheon in 1995
  - Partnered with the community rehabilitation center
  - 52% of touch labor is disabled
  - Products include circuit card assemblies for several Raytheon Programs

Kuchera has received 2 DoD Certificates of Appreciation for Operation Iraqi Freedom

Raytheon
Raytheon receives the 2005 Corporate Citizen of the Year Award for:

- 30 years of partnering with NCAIED
- Supporting 2005 Proposal for the establishment of a Southern California Procurement Technical Assistance Center
- In Fiscal Year 2005 Raytheon has placed over $42M with Native American and Tribally-owned business
Raytheon
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