



The QinetiQ Strategic Enterprise

Working in collaboration to provide innovative and flexible Technical Services for our customer

Executive summary

Through the Strategic Enterprise (SE) we deliver vital engineering technical services for UK MOD's most capable platforms and systems to provide advice on their ability to operate safely and to UK airworthiness regulations. This innovative and flexible arrangement enables us to work in close collaboration to save our customer money.

“ We are excited to deliver these contracts under this new approach, which will further our ability to provide consistent, high quality and timely technical services to the MOD. We have worked hand-in-hand with the MOD to develop this new way of working, moving to output-based contracting that supports the customer over several years; at the heart of which is our ability to innovate to deliver more for less. ”

Steve Wadey, CEO of QinetiQ

The brief

Our DE&S customer faces a range of challenges. Firstly, UK government spending constraints are forcing DE&S to reduce the amount of money spent on provision of technical services across industry. Secondly, changes to the MOD funding streams are changing the way Technical Services are contracted. Thirdly, DE&S has a desire to increase the amount of innovative working undertaken with industry in order to save money through the life of its contracts in this area. In addition DE&S has developed a new way of working called the DE&S Way with 6 key objectives. They wanted to ensure that major suppliers delivered in accordance with these objectives with clearly linked performance measures.

Our solution

By offering a new long-term delivery model we were able to move away from input based, task driven services to output driven contracts. As part of this delivery model we collaborated with DE&S to form the Strategic Enterprise Management Office (SEMO), to manage the process of improving service delivery and reducing costs. Through the SE framework, we have generated a number of solutions to improve the delivery of services:

- Enterprise Online (EOL): an online management tool that tracks outputs. It provides up-to-date project metrics, including Key Performance Indicators, and allows for early identification of programme risks.
- Technical Services and Output Directory (TOD): applies a standardised definition of services and outputs essential to MOD programme execution in compliance with regulatory requirements.
- The Book of SEMO: provides a robust governance structure and way of working that is agreed and reviewed between senior QinetiQ and DE&S stakeholders.

- A flexible SE construct: facilitates a smoother change management process and reduces management workload.

- Securing five-year programmes of work, scoped with the customer to increase efficiency through economies of scale and better workforce planning has resulted in less time spent contracting for both DE&S and QinetiQ.

Outcomes and benefits

The Strategic Enterprise has been successful in modernizing the way Technical Services are delivered to DE&S and supported transformation in line with the DE&S Way. To date the following are the main outcomes:

Investment: through SE, we are committed to invest in joint transformation projects with DE&S, with plans to spend £3.5m over the life of the contract.

Contract control: by removing the frictional transactional costs of doing business with DE&S, Project Managers from both organisations have greater control, and can minimise required changes to the contract.

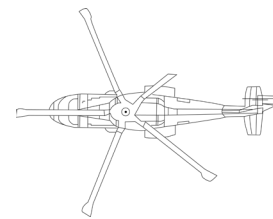
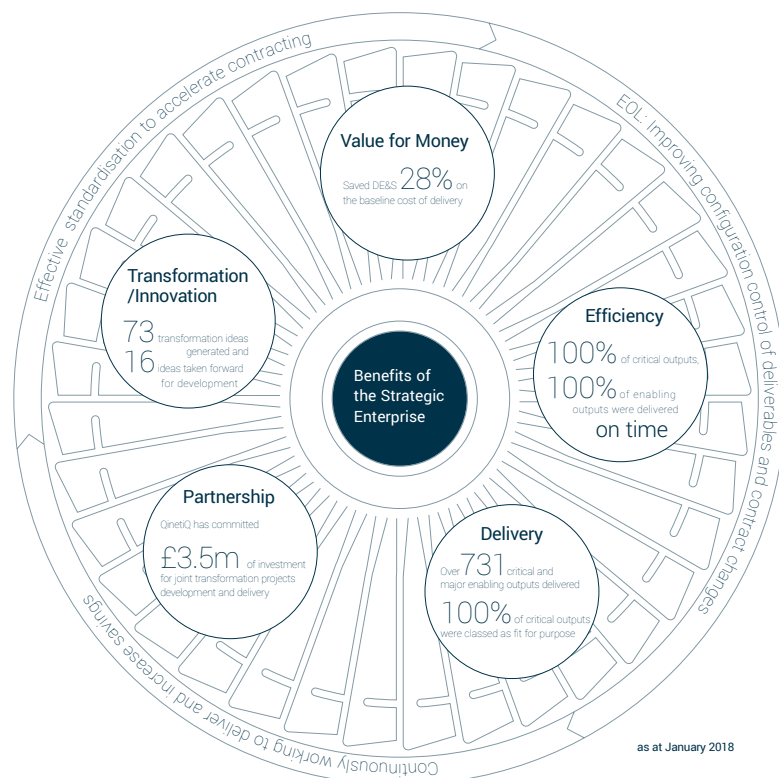
Outstanding performance: the SE portfolio is measured against four KPIs with the aim of achieving outstanding performance across the board. The KPIs allow for portfolio level management of programme delivery and early identification of risks.

Cost savings: 28% savings have been delivered so far, set against more than £235m of contracted work; these are driven from 'right sizing' the requirements and adopting cost challenges on output delivery.

Management information: our Enterprise Online management tool (EOL) is delivering key information, tracking performance, and contract change and dependency management. This gives us and DE&S an overall view of value as it is delivered, aggregated across all contracts, and transparency under new regulatory rules. DE&S are now able to build a detailed view of how much they spend with us across all platforms.

Governance and assurance: the SEMO ensures joint governance and assurance is regular, and firmly embedded in both organisations. This includes the Strategic Enterprise Management Board, attended by DE&S 1*s and QinetiQ Programme Directors, as well as the Strategic Enterprise Governance Board COM(Air) and QinetiQ MD Air and Space.

Award Winning: The successes in SE have been recognized through a recent International Association for Contract & Commercial Management (IACCM) award for the innovation that has been demonstrated to date.



For more information, contact: semo@qinetiq.com

QinetiQ is always on your side, protecting, improving and advancing your vital interests

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