

## PM WORLD TODAY – CASE STUDY – MAY 2008

Streamlined Decision-Making  
and Sharper Project Focus at BAE Systems

By Liz Fletcher

As part of a strategy to implement Earned Value Management (EVM) methodologies throughout the enterprise, BAE Systems set out in 2006 to improve its project management techniques and increase efficiency. The Air Support business of the Military Air Solutions group, which provides maintenance and support services to military aircraft in multiple countries, has been the first to see results. By standardizing its project teams on Microsoft Project Server and implementing TPG's PSLink for seamless integration with its SAP system, BAE Systems has been able to save time on data verification work, and streamline its decision making process.

BAE Systems is the premier global defense and aerospace company delivering a full range of products and services for air, land and naval forces, as well as advanced electronics, information technology solutions and customer support services. With 96,000 employees worldwide, BAE Systems' sales exceeded £15 billion (US \$27 billion) in 2006. It is the world's third largest defense company and number one in Europe.

Its Military Air Solutions (MAS) group provides advanced military air capability via the successful delivery of design, development, manufacture and support contracts with UK and overseas customers. Working in partnership with customers and suppliers, Military Air Solutions ensures operational requirements are met in the most cost effective manner.

**EVM as a Guiding Principle**

In recent years, BAE Systems has been transitioning from a production-based company to one whose expertise is centered on pulling together all the different strands of people, products, services and processes to deliver complete projects – on time and on budget – to its customers around the world. This strategic reorientation involves implementing Earned Value Management (EVM) to

track cost and schedule performance during the whole lifecycle of a project. To advance its EVM goals, the company initiated a major program, the Integrated Project Management Solution (IPMS), aimed at harmonizing project management tools, processes and best practices throughout the business.

When BAE Systems' project management specialists started planning EVM implementation across the company, the first task was to replace the plethora of EVM solutions and applications. "There was a variety of tools and processes being used in different departments, together with varying levels of expertise", explains Peter O'Neill, solution architect for the IPMS program. "This was why we wanted to standardize on one solution, bring people up to speed with project management techniques, and to make our processes more efficient."

### **Top Priority: Integration of SAP with Microsoft Project**

It was while they were reviewing processes that they decided to prioritize data transfer between the SAP ERP and the project management systems. As it stood, there was no compatibility between the two, so that staff would spend time transferring the data from one system to the other, then manually checking the data in the target system to correct any errors occurring during transfer. This was a time-consuming procedure, as the staff involved often needed to backtrack to reference documents in other areas of the business to check facts and figures. Notes Vince Ryan, Project Management Function representative for the IPMS program: "The verification and correction process was protracted before the data was ready for people to work with".

**Bill Courcha** (photo right), chairman of the MAS Planning Monitoring and Control Working Group, and his team started out by researching and requesting proposals from a number of solution providers, including TPG for PSLink. Discussing the solutions within his team, the choice of TPG and PSLink crystallized very quickly. "BAE Systems selected PSLink because it offers a user-friendly interface, and is easily configurable" says Bill Courcha.



"We chose TPG for the excellent quality of their PSLink product, but also due to PSLink's very good cost-benefit ratio", says O'Neill. "Another thing that clinched it for TPG was that we were convinced their extensive expertise could add a lot of value to what we were trying to do." Adds Ryan: "The people at TPG know project management and Microsoft Project Server inside out. And we were also impressed with their reactivity and flexibility in their approach to the work."

A further advantage for TPG, which is a Microsoft Premier Project Partner, was that it could provide extensive training, offering both standard and tailor-made courses. This proved useful especially as TPG's training professionals could train BAE staff on both Microsoft Project Server and on its own PSLink solution. As Vince Ryan puts it: "The training side of things was crucial – we didn't know how much we didn't know! TPG's expertise has been invaluable here."

## Adding Value Right After Implementation

The twelve-week acceptance testing phase started in April 2007 with a limited number of users, who ranged from seasoned project management professionals to staff with little or no experience. The teams restructured certain schedules to make them more configurable and worked on some very large files, then the solution went live in July 2007.

The project management solution with PSLink currently has about 50 users trained and utilizing the solution, with more being added every week. As Bill Courcha sees it: "PSLink is very configurable, so we were able to adapt it specifically to the way we operate. The successful implementation of PSLink has enabled us to leverage the potential of the related Microsoft Enterprise Project Management tools, and of SAP/BW. The speed, volume and level of data transferred by PSLink has helped our drive to improve project planning discipline."



Once the roll-out of this project phase is complete, about 100 people will be using the IPMS solution, of which approximately 20 are advanced users of Project Management Server and Professional Edition.

For Vince Ryan, a welcome benefit from standardizing on Microsoft Project and PSLink is that staff can move easily between projects without needing to learn a new set of tools and processes each time. "They used to need time to adapt, but now they're up and running straight away. And that has a positive effect on project delivery and productivity too", he comments.

Peter O'Neill sees the principal benefit of the solution as being the data quality it ensures. "The integration means that the manual file transfer is quite simply eliminated", he explains. "Now that we don't have to pick apart the output to check for errors, our decision-making process is much more streamlined. We can now identify project issues and act on them much faster."

## Extension Into Other Divisions of the Enterprise

BAE Systems' MAS Air Support is now planning the second phase of its IPMS project, involving the management of a global resource pool across the business unit. The company has already licensed TPG's ResourceLink solution, which will enable them to automatically update Microsoft Project's Enterprise Resource Pool with data from any source. In accordance with its EVM precepts, BAE Systems will progressively extend the use of the Microsoft Project and TPG PSLink solutions into other divisions of the enterprise.



## Project Overview

**BAE Systems** is the premier global defense and aerospace company delivering a full range of products and services for air, land and naval forces, as well as advanced electronics, information technology solutions and customer support services. Its Military Air Solutions (MAS) division provides advanced military air capability via the successful delivery of design, development, manufacture and support contracts with UK and overseas customers. Working in partnership with customers and suppliers, MAS ensures operational requirements are met in the most cost effective manner.

**The Challenge:** As part of BAE Systems' enterprise-wide strategy to adopt Earned Value Management (EVM) techniques, the Air Support business within the MAS Group needed to find a way to integrate and automate data transfer between their SAP ERP and Microsoft Project Management systems, while ensuring that data integrity and quality were preserved. The data was being transferred manually and involved specialists checking it for errors, which was a protracted process before it was ready for use in projects.

**The Solution:** After evaluating a number of solutions to integrate SAP with Microsoft Project, MAS Air Support selected TPG PSLink from The Project Group to automate data transfer. The solution is designed to harmonize the variety of different EVM-based solutions and bring all staff up to speed. The company also turned to The Project Group for training, with both standardized and customized project management courses being tailored around the new project management solution.

**The Benefits:** TPG PSLink now fully automates data transfer and synchronization between SAP and Microsoft Project with no loss of integrity. The time and resources previously utilized for checking and correcting data after manual transfer are now used to advance customer projects. In addition, multiple different EVM tools and processes have been replaced with the Microsoft Project and TPG PSLink solutions. As a result, staff can transfer easily between projects without needing to learn new solutions and procedures before being productive.

### Implementation Timeline:

September 2006: First workshop with TPG.

February 2007: Implementation of TPG PSLink completed (3 months start to finish).

March — July 2007: Pilot of complete solution – comprising Microsoft Enterprise Project Management (EPM) and TPG PSLink – including adjustments and enhancements.

**Reference customer:**

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Following more than 20 years' experience in the enterprise software industry, Liz Fletcher is now a freelance writer, translator and consultant specializing in IT and engineering-related subjects. She is based near Paris, France and is trilingual in English, French and German.