



CASE STUDY

CSC and Textron Build the IT Foundation for More Streamlined, Efficient Operations

QUICK VIEW

Client: Textron, a \$12 billion multi-industry company

Challenge: Operate as a more unified company while maintaining business unit independence and flexibility.

Solution: Refreshed IT infrastructure, including leading-edge MPLS network, global service desk, and consolidated data center operations.

Results: A near-seamless transition has introduced global standards and shared services, improved communications and freed business unit resources to focus on increased efficiency.

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As one of the world's leading multi-industry companies, Textron boasts a diverse array of brands, including Bell Helicopter, Cessna Aircraft and E-Z-GO golf cars, as well as robust manufacturing, industrial and financial divisions. That diversity has made Textron into a successful \$12 billion company with more than 44,000 employees in nearly 40 countries, but has posed significant challenges as well.

"Textron has been on a journey to transform ourselves from a holding company to an operating company," explains Ken Bohlen, executive vice president and chief innovation officer for Textron. "I knew that change to an organization's existing structure from the inside is oftentimes hard to accomplish, so we decided to begin looking at outsourcing. We found there were some very positive benefits, including changing the organization, bringing the network infrastructure up to date, taking care of our people and reducing costs."

In October 2004, Textron signed a \$1.1 billion, 10-year IT outsourcing agreement with CSC. Under the terms of the agreement, CSC would implement a global IT infrastructure, including a new network,

consolidated data center and service desk operations, and refreshed mainframe and midrange systems, desktops and engineering workstations. About 250 Textron employees joined CSC in the process.

LAYING THE GROUNDWORK FOR SUCCESS

Denise McKnight, Textron vice president of infrastructure, says the Textron and CSC team spent the first five months after cutover in January 2005 laying the groundwork for the massive IT transformation, establishing program management, a governance model and measurement tools. "There were a lot of back-end processes, but they were very foundational to what we're doing now and why we've been so successful," McKnight says. She and Bohlen agree that taking the time to do the foundation work correctly is the reason the transition has gone smoothly

"Our chairman had been through a similar transition before [at another company]. He said that the day after it occurred, the businesses were frustrated and upset," says Bohlen. "Two weeks ago, all the [Textron] business leaders were together and I asked them what they were hearing [as services were being transformed]. The feedback was 'nothing.' It was totally transparent to the businesses. That's a testament to both sides of the team."

CSC is implementing and transitioning sites to the new Multiprotocol Label Switching (MPLS) network, with North American already transitioned and Europe and Asia near completion. In addition, the team rolled out a global service desk, migrated two mainframes and consolidated servers into the CSC data centers in Connecticut and Chesterfield, United Kingdom. Tim Ellis, CSC account executive for Textron, believes that the transition to a new and refreshed infrastructure will not only bring Textron leading-edge technology, but also help the company address the challenges of being so diverse by introducing global standards and shared services.

"This new integrated network will globalize Textron and allow them to not use point-to-point network solutions anymore," Ellis explains. "It will enable the company to function as a leveraged business versus 10 individual businesses, and give them flexibility with how they interact and share information."

Textron's subsidiaries and operating units fall within five core business areas: Bell, which includes Bell Helicopter, Textron Systems and Lycoming Engines; Cessna Aircraft, the world's leading manufacturer of general aviation aircraft; Fastening Systems, which provides fastening and assembly products; Industrial, a diverse group of businesses that includes Greenlee and E-Z-GO golf vehicles; and Textron Financial. McKnight notes that during the selection process, Textron leaders were impressed by CSC's understanding of the challenges facing Textron's businesses.

"Even though we have very common goals at the enterprise level, there are business unit-specific goals, so we have to balance them.

That's always the challenge," McKnight says. "CSC understood how important it was to have the right governance model to support Textron, which truly is 10 different businesses. CSC really understood our desires and tailored the account team to match that. They really listened to us and continue to listen, which means a lot to us."

VALUE BEYOND IT: LEAN SIX SIGMA

When searching for an IT supplier, "value beyond outsourcing" was an important factor to Textron, says Mike Bauer, who is serving dual roles as both Textron's and CSC's chief technology officer for the account. He notes that CSC's supply chain, Six Sigma, and lean manufacturing expertise were important to Textron. The company has a vigorous Six Sigma program, called Textron Six Sigma, designed to reduce variation, improve processes and reduce waste. One component is Textron Six Sigma Lean, a lean manufacturing-based program to identify opportunities to reduce waste and implement solutions. Lean, used initially in manufacturing environments, is beneficial to other Textron businesses as well.

"We're taking the lean approach and applying it to our entire enterprise—not just the manufacturing shop floors, but all the way through the offices," Bohlen says. He adds, "CSC's lean manufacturing expertise, including dedicated lab for testing, will provide Textron with opportunities to implement lean initiatives."

"Business units are looking to lean manufacturing for operational efficiency, to improve their day-to-day operations," Bauer adds.

"That's an area CSC can help Textron with. By understanding their lead initiatives of reducing waste, we can work with them to support the use of new products and services to reduce product development time."

Already, CSC is helping Textron businesses improve their processes and cut cycle times. Bauer points to a manufacturing business unit that makes parts, which has to generate multiple quotes for customers. To gain new business, it must turn around a quote with accurate pricing in a very short time. CSC assisted the business in establishing a pilot using improved project management tools, and helped deploy the project after the successful pilot. "We brought in IT tools that will allow them to respond more quickly by reducing waste and the process cycles," Bauer says. Bauer also oversees the account's Office of Innovation, which is charged with institutionalizing innovation at Textron.

"It's more than just saying 'Look at this cool new technology,'" Bauer explains. "The office is about developing innovative approaches to meeting Textron's business requirements." He points to a one-day laboratory CSC held for Textron's Bell Helicopter business unit to discuss ways to use Unique ID technology to meet federal regulations and complex mandates for process improvements. CSC brought in experts to answer questions and demonstrated new products for a broad range of Bell's staff.

"We came up with the ability to creatively solve that business problem in a very low-cost way using technology," he says. "That is one of the key goals for CSC: to challenge the norms and continually bring in new ideas and approaches to solving Textron's business problems."