

Innovation and Leadership

The Voice of CSC



Preface

The global automotive industry operates in a world of innovation and partnerships. CSC is an industry leader proud of its heritage in innovation and partnership, and every day we seek to improve in these areas. We understand that innovation is not always delivered via technology; we recognize that being innovative is often about institutionalizing innovation in process and methodologies. We make a commitment to our clients to institutionalize innovation through the CSC Office of Innovation, Six Sigma, and Lean and the infusion of new technologies. CSC uses these organizations and tools to infuse innovation into our daily operating model.

Part I, *CSC: A Culture of Innovation* recounts CSC's roots, which are grounded in business and technology transformation via creative approaches to processes and the application of technology. It then cites specific and relevant examples of CSC thought leadership, followed by details of several CSC Centers of Excellence. Part I concludes by describing how we are institutionalizing a culture of ideas through the CSC Office of Innovation, which spurs creative solutions and speeds them to our clients.

Part II, *Alliance Management Experience* briefly describes our approach to relationship management and how we approach partnerships and alliances — and how that that business approach benefits our global manufacturing clients. It continues with examples of other multicompany arrangements that have led to powerful business solutions for both public and commercial clients around the world

I. **CSC: A Culture of Innovation**

CSC has always been about ideas and about our outstanding ability to create, surface, and apply ideas to complex business problems to drive growth. In our first 30 years, we were exclusively a federal contractor. In 1961, we won our first NASA contract, eventually supporting the Apollo program to help put a man on the moon. We delivered solutions of extraordinary complexity by developing innovative methodologies, tools, and validation techniques for system integration. By 1970, CSC began weaving computers, communications, and software into AEGIS, the Navy's shipboard weapons system and supporting NASA's space shuttle program, helping write the software and developing the design of the simulation equipment at NASA's Ames Research Center. We have been a major participant in the Hubble Space Telescope project from the start, having written much of its software. Throughout the 1980s, Department of Defense and other large federal entities engaged CSC for our IT consulting expertise and services.

When the Berlin Wall fell in 1989, CSC had to rethink our business strategy. While continuing to collaborate with government agencies and the U.S. military, we decided to leverage our expertise in the management of large computer networks and embark on a new post-Cold War strategy of seizing commercial opportunities. In 1991, CSC won the landmark outsourcing agreement with General Dynamics (GD) — a \$3 billion contract that was the largest ever awarded to a single company. CSC became the first company to take responsibility for all of a client's information systems and run them as a business partner. CSC's innovative approach propelled our company into the top ranks of IT services

organizations and changed the nature of IT outsourcing. That business has grown faster than anyone could have guessed in 1991, and CSC remains among the Big 3 IT outsourcers.

Our thought leadership spans every facet of business and technology. CSC literally wrote the book on business reengineering: *Business Process Reengineering* by Michael Hammer and CSC's James Champy. CSC-created logistics systems ran Desert Storm. We built Merrill Lynch's first Internet customer service application and eSteel's, which seamlessly networked steel vendors and customers. We were the first company to have two software development sites certified at Software Engineering Institute Capability Maturity Model (SEI-CMM) Level 5.

Relevant Engagements

CSC has performed hundreds of engagements for public and commercial clients that are directly related to the auto industries current business opportunities. We are able to leverage those promising technologies and methods that we have explored with other clients. We describe below sample activities that CSC has performed either solely or in partnership that reflect our ability to bring practical innovation to our clients facing similar business issues.

Rolls Royce Order Processing. CSC worked with Rolls Royce in redesigning its global order processing and logistics processes. We helped introduce a B-to-B supply chain order processing system that connected Rolls Royce with dealers in 83 locations across 18 countries. The system enabled dealerships to send custom orders directly to the manufacturing facility, thus reducing the cost of the supply chain process and fully leveraging existing legacy applications. In a second award-winning project, CSC designed and developed a new logistics system for Rolls Royce, implementing an intranet-based Dealer Order System and designing an IT-based service system to support integrated product development.

Motorola "Q" Phone Go-To Market. Motorola had significant experience bringing hardware products to market but limited experience doing the same with software products. It turned to CSC for assistance in launching its Q phone, a complex blend of both hardware and software. CSC provided project management support and coordination between the engineers of the Q phone hardware and software, as well as the independent testing groups.

As Motorola products became "softer," the value added shifted from the hardware and firmware to the software components. Making these changes required an enhanced quality assurance process that involved strict controls around versions and configurations. CSC helped Motorola establish a quality assurance testing laboratory in which a controlled version of all software could be tested with pre-GA versions of the Q phone handset. Our staff took the software that Motorola created and coordinated the development of test scenarios, scripts, and full test cases, including data and environmental factors.

ThyssenKrupp Product Development and Product Life-Cycle Management. CSC has worked successfully with ThyssenKrupp by leveraging our expertise in developing Web-based solutions and by implementing product development management (PDM) systems, standardizing processes, and implementing SAP applications. We have undertaken PDM and PLM work at the following three divisions of ThyssenKrupp companies:

Bilstein. Supplies shock-absorbing technology. CSC developed a concept, then turned it into reality by implementing an aftermarket-Webshop based on SAP Web Application Server technology. Automotive. Supplies components, modules, and systems for body, chassis, powertrain, and systems/suspensions. CSC supported the integration of SAP/R3 PDM with another PDM system for 3-D development with Krupp Presta.

Presta. Manufactures adjustable steering columns and assembled camshafts. CSC carried out a consulting engagement that led to the implementation of product life-cycle management (PLM), based on Eigner & Partner proprietary software solutions.

BMW Vehicle Electronics. As automobiles become more and more driven by electronics, the electrical engineering (EE) processes become software development projects. CSC began working with BMW in 2004 to redefine its EE processes and help the company achieve CMMI Level 3 by 2007. The scope of

the project includes all BMW vehicles, thus impacting 20,000 employees and nearly all BMW suppliers. CSC is redesigning processes that span three functional areas, engineering, production, and distribution, as well as reengineering the IT interfaces of the functional areas. The project has been documented in Germany as a best practice.

Autoglass Award-Winning Call Center. Autoglass is a leader in the glass repair markets in the UK, the United States, Australia, and Germany. For several years, CSC has partnered with Autoglass through a long-term managed services contract to provide a range of IT services, including consulting, help desk support, applications development, and management. CSC designed for Autoglass an award-winning call center based on Lucent technology. This effort required us to perform a complete overhaul and redesign of the Autoglass business processes as well as to select new technology.

Motor Coach Industries Product Development. Motor Coach Industries (MCI) is a North American touring bus manufacturer. In response to its goal to introduce a new family of world-class coaches, CSC redesigned MCI's factory operations and related processes. CSC's Design StudiosSM was the highlight of the redesign. A collaborative Product Design Methodology, Design Studios covers all elements of design from tool to location to human factors engineering and organizational change. As part of this massive effort, CSC deployed new processes and technology for Product Introduction, New Coach Design, and Factory Operations, Supply Chain, and Strategic Sourcing — drastically reducing time to market and securing competitive advantage for MCI. The improvements were dramatic: MCI achieved a 40 percent reduction in time to market and a 35 percent reduction in time to build.

PSA Peugeot Citroën — Reengineering European Spare Parts Operations. Spare parts operations are a highly profitable and key part of the business for a manufacturer. CSC worked with PSA to develop a lean pan-European system that has already reduced parts inventory and operating costs by 12 percent. The work has required deep experience in the automotive industry and in SAP and a focus on lean as it applies to processes. CSC has been able to streamline the warehouse processes and reduce distribution center costs while speeding up delivery and traceability.

Service Oriented Architecture Business Impact. CSC uses technology for business benefit. Service oriented architectures (SOAs) are a new approach to developing applications that align business and technology. A team of CSC integrators developed the SOA framework, which has helped the U.S. Department of Education simplify its enterprise architecture and align its IT portfolio with its business needs. Spanning both technology and business architectures, the SOA framework is providing a common language that facilitates communication between the business and technology communities, which is helping the agency manage its budget by establishing a clear line of sight between IT investments and strategic objectives.

Collaborative Network at Textron. Textron needed to collaborate across the enterprise to enable a common approach to systems and gain competitive scale. CSC designed a network for Textron that gives it that capability, with more to come. To move from a holding company to a networked enterprise, Textron needed a consistent network topology that allowed its different businesses to communicate best practices more effectively.

Textron has been working with CSC to build a robust and integrated network that allows faster throughput of data and easy communication from any point within the company to any other point. By the end of 2006, CSC will have transformed Textron's to a new multiprotocol label switching (MPLS) network. MPLS is the foundational network architecture that will enable Textron to deploy IP telephony, improve collaboration, and prepare for the future.

Lean/Six Sigma. CSC teamed with an outsourcing client to enter the market together and improve the competitive positioning of both companies. Together with our client, CSC worked with the Royal Air Force (RAF) to dramatically improve aftermarket support and reduce inventory cost. Using the best of Lean and Six Sigma, the CSC team revamped the inventory procedures for the RAF's Tornado fighter depots in the United Kingdom. CSC retrained the RAF mechanics and logistics personnel to institutionalize the new

approach to maintenance, repair, and stocking. The annual results were a 10 percent increase in aircraft availability and a £400 million cost savings for the RAF in spares part inventory.

CSC Centers of Excellence

Today, CSC operates a variety of Centers of Excellence (COEs) that create thought leadership focused on these topics:

- Aerospace Communications and Engineering
- Air Traffic Management
- Banking
- Best Manufacturing Practices
- CSC e4SM and Business Process Management
- Enterprise Network Managed Services
- Global Business Continuity Services
- High-Performance Computing
- Life Insurance, Annuities, and Pensions
- Modeling and Simulation
- Program Control
- Property and Casualty (General) Insurance
- Secure Telecommunications
- Security
- Systems Performance
- Test Automation
- Training

We have highlighted in this document some of our COEs that can have a direct impact on Manufacturing companies and their global operations.

CSC Architecture and Strategy — CSC e4 and Business Process Management COE. CSC e4 is the company's platform for systems and process integration, delivering Business Process Management (BPM) solutions since 1998. The CSC e4 and BPM COE helps clients make sense of the integration landscape by enabling process innovation under business control. The center advocates an operationally proven SOA that defines, enables, and manages the exchange of business information through a process view that incorporates employees, customers, partners, applications, and databases. It brings together best-of-breed technologies in the areas of middleware, application server, enterprise portal, process repository, and process servers to streamline internal and external business.

The CSC e4 and BPM approach uses a scalable, robust, adaptive architecture suitable for the automation of relatively simple commodity processes as well as complex dynamic processes. This approach is most relevant for processes that are fluid and difficult to coordinate across numerous parties and when the focus of management attention is on continual process optimization and improved decision making. The

CSC e4 architecture is based on preferred technologies, open standards, and well-defined interfaces, allowing the delivery of complex systems in weeks that would otherwise take months or years.

Test Automation Center of Excellence. CSC's Test Automation COE is accelerating software development cycles and offering clients an often-overlooked way to increase their return on investment. Test automation speeds up the development life cycle by automating regression testing, the repetitive testing used to ensure that functionality is not lost or broken when new software releases or upgrades are added. We work from the adage that if you can break the software, you can rebuild it to a higher quality — and ultimately this makes developers better at what they do.

Network Center of Excellence. The increased complexity of networked IT infrastructure, coupled with the rapid pace of new technology, calls for enhanced network management services and emphasizes the importance of end-to-end service level management.

The Enterprise Network Managed Services (ENMS) COE aims to enable better IT infrastructure support that responds to an organization's changing business or mission objectives. The center offers a flexible solution framework to provide clients with the knowledge and solutions needed to successfully manage enterprise network and telecommunications technology to support business results.

With a focus on service quality management, the center gives clients the ability to manage voice and data networks with an enterprisewide view of operations, enabling strategic management and planning for voice, video, and data service delivery. Through the center's Enterprise Operations Center framework (encompassing business management, enterprise management, and element management services), clients receive a single operational picture of communications services that facilitates cost reductions, improved quality of service, and enhanced functionality.

The ENMS COE implements CSC best practices in systems administration and design, relying on the Information Technology Infrastructure Library (ITIL) structure and guidelines, International Telecommunications Union (ITU) standards and recommendations, CSC's CatalystSM methodology, and CSC's Service Delivery Excellence Program (SDEP). These are embodied in the Enterprise Operations Center framework.

The center has access to thousands of telecommunications professionals throughout CSC who focus on the commercial and federal sectors. Many of these specialists have Six Sigma Green Belts and Black Belts. In addition, this talent pool boasts thousands of certifications for operating Cisco, Microsoft, Sun Microsystems, Nortel Networks, Avaya, and many other equipment types, benefiting clients across a range of networking and telecommunications needs. Individuals at the center are actively involved in many user and industry groups.

The Best Manufacturing Practices (BMP) Center of Excellence. The BMP COE is one of several technical COEs sponsored by the Manufacturing Technology Program in the U.S. Office of Naval Research. CSC is an integral component of the BMP center, providing critical engineering and technical expertise. A recent winner of Innovation in American Government and Hammer Awards, the center's goal is to improve the global competitiveness of the U.S. industrial community by identifying, validating, and documenting best practices in manufacturing. Sharing best practices among industry, government, and academia, the center has become a national resource for helping organizations benchmark with the best, learn from the attempts of others, and avoid costly and time-consuming duplication of effort. The center's experts foster sharing of information by regularly speaking at industry, government, and academic conferences as well as colloquia and workshops.

For over a decade, CSC's role has been to provide expert engineering and analytical and technical support to the BMP program manager and to disseminate best practices and technology throughout industry. CSC has made significant contributions to technical risk identification and mitigation, process improvements, and emerging technologies.

The CSC technical staff consists of engineers, scientists, and various other subject matter experts. Their extensive experience includes material, component, product, design, and failure analyses of metallic, semi-metallic, and polymeric components. Techniques used to solve materials problems include thermal,

stress, and vibration analyses; optical microscopy; scanning electron microscopy/energy dispersive X-ray analysis (SEM/EDX); and Fourier transform infrared spectroscopy (FTIR).

The center employs numerous certified professional engineers and staff members with expertise in Six Sigma and other best practices and benchmarking methodologies. Many of the engineers are highly qualified and Professional Engineer-certified. These professionals conduct best-practice surveys; develop and maintain PMWS and related tools; and provide onsite IT, technical, and administrative support for the center, its clients, and BMP satellite centers.

The center partners with the Defense Acquisition University; the Department of Commerce, Bureau of Industry and Security; and the Maryland Technology Enterprise Institute (MTECH) and Clark School of Engineering of the University of Maryland. These partnerships strengthen the U.S. industrial base by further broadening the reach of BMP's core competencies throughout government, industry, and academia.

Security — Information Security and Information Assurance Center of Excellence. CSC maintains several state-of-the-art laboratories dedicated to information security and information assurance COE development and evaluation programs. CSC is the world leader in this domain, and we have kept our position through continuous research and testing of existing emerging technologies and concepts by expert engineers, analysts, and technicians.

One of our facilities supports development, testing, and training using our vulnerability assessment tool. We can simulate any client system or network configuration to ensure that resultant security solutions are tailored to meet client needs. We also use this lab to conduct ongoing research in vulnerability analysis, risk mitigation techniques, security integration, and security administration practices.

CSC has a laboratory dedicated to the provision of two critical authorized services to the U.S. federal government. Under the Trust Technology Assessment Program (TTAP), CSC provides both Trusted Computer Systems Evaluation Criteria (TCSEC) and Common Criteria Evaluations to public key infrastructure (PKI) product developers. The results of these evaluations are entered on the U.S. government's Evaluated Products List and are internationally recognized under the Mutual Recognition Agreement. The TTAP will eventually transition to the National Information Assurance Partnership (NIAP). CSC uses this knowledge and expertise to assist other organizations in developing their own security and protection specifications based on the Common Criteria "language" or framework. Use of this "language" enables clear and consistent communication to third-party security product providers or developers, ensuring that they meet the actual requirements.

CSC's Modeling and Simulation Center of Excellence. CSC provides a variety of simulation services ranging from high-fidelity, single-system component modeling to highly complex distributed simulations that involve the integration of live, virtual, and constructive entities. CSC center staff have been involved in simulation for over 25 years.

Currently, the center is working on modeling and simulation projects spanning the defense and commercial sectors. For a variety of U.S. Department of Defense (DoD) customers, the center models and analyzes systems in a simulated environment, enabling true-to-life interactions that reduce costs and development time for new products.

The center is mastering new technologies and techniques as it assists the U.S. Army in transitioning to the new challenges of the 21st century. One of the thorniest problems facing the future military is coordinating observation, communications, and resources within a network to ensure maximum effect from artillery and missile systems.

The center has provided the Army with a set of simulation tools to help assess the effectiveness of various technologies and procedures. The center has developed the tools currently in use at the Army Training and Doctrine Command's Analysis Center at the White Sands Missile Range (TRAC-WSMR), where next-generation systems to fight the continuing global war on terror are being evaluated. The center's Virtual Environments group develops three-dimensional interactive models, virtual terrain databases, integrated simulation software for man-in-the-loop training systems, battlefield visualizations, proof-of-concept models, virtual prototypes, and systems analysis tests. Modeling and simulation

technologies offer the promise of added value and reduced risk. In reality, many organizations never realize this benefit because their modeling and simulation efforts are not integrated into their overall business plan. CSC's first step in an engagement is to gain insight into the client's requirements and facilitate a comprehensive plan for, and expectations about, the use of the right modeling and simulation tools and processes. CSC helps clients develop solutions, not isolated modeling and simulation. The center employs several Certified Modeling and Simulation Professionals (CMSPs). A center professional chairs the IEEE Working Group that is modifying the 1278.1 DIS Application Protocol Standard.

Training Center of Excellence. CSC's Training Center of Excellence (TCE) provides high-quality training solutions that are scalable for a client's global enterprise structure. These solutions have included employee orientation initiatives and professional development programs, with an emphasis on knowledge and skills. The TCE has extensive experience in the design, development, and delivery of traditional learning approaches (instructor-led/facilitated classroom environments) and interactive multimedia technology built around adult education concepts (computer-based training, Web-based training, and virtual classroom environments). We distribute interactive multimedia technology solutions via the Internet, intranet, LAN, and CD-ROMs. This approach enables a client to provide a flexible approach to employee requirements for just-in-time or self-paced training, anywhere and to anyone.

The TCE has successfully proven that its Courseware FactorySM methodology, based on software engineering principles from SEI, has exceeded the requirements of the Instructional Systems Design (ISD). This methodology establishes a review process for ensuring client approval during the project life cycle. The Courseware Factory's unique approach ensures that all TCE projects are implemented under the same principles for the planning, production, and release of all courseware. The development of training products using this methodology results in a high-quality product that is consistent and modular, works the first time, and is delivered on time and within budget. The TCE has provided clients from DoD, to the Internal Revenue Service, to private-sector organizations with training solutions that move them forward in the 21st century.

Institutionalizing Innovation

Today's clients expect even more fresh insights and breakthrough ideas. Continuing to foster creativity and spur innovation across an organization of nearly 80,000 employees is a daunting challenge. We are meeting that challenge by chartering the Office of Innovation and continuing to build Centers of Excellence as incubators of innovation.

The Office of Innovation is specifically chartered to:

- Bring CSC's innovative solutions and value-added services to the market
- Harvest and leverage innovation from CSC and marketplace experiences worldwide
- Instill a culture of innovation in the CSC environment

The office strives to make innovation an integral part of how we deliver our services to our clients and manage our business. We are building on our strengths of responsiveness and client intimacy to proactively promote innovative solutions developed within CSC or in the industry.

Innovation Framework

We have identified three types of Account Innovation Programs:

The Innovation Driver (Baseline) is for all worldwide clients and account teams, large and small, to experience and leverage CSC innovation programs. We make access available, on a self-service basis, to all of CSC's intellectual property, research, events, solutions, and offerings. The deliverables include newsletters, e-mail, forums, conferences, reports, and presentations.

The Innovation Collaborator is made available to CSC's largest key accounts. Each CSC account team assigns an account executive the responsibility of serving as innovation director. The client account team,

supported by the Office of Innovation, works with the client to design the appropriate and meaningful level of proactive innovation activity for that account.

The Innovation Incubator program is for those very few clients that seek to invest with CSC in a deeper approach to innovation. These initiatives may involve co-investing in COEs, innovation centers, joint ventures, or other significant innovation activities. These activities include the following sample client deliverables:

- Monthly innovation “experience” via e-mails and discussions
- Awareness and access to a broad range of CSC resources, materials, and programs
- Mutually-agreed-upon definition of “innovation”
- Working with clients to identify and quantify relevant innovation topics and initiating programs of work to pursue
- Co-sponsorship and operation of innovation center with the client
- Joint commitments to incubate initiatives to develop “game changing” innovation breakthroughs led by dedicated members of the account team and client with support from the Office of Innovation

The Office of Innovation acts as a catalyst. The component elements of the office are described below, including:

- CSC’s Leading Edge Forum (LEF)**, which offers a powerful, multiclient community to explore management and technology issues
- CSC’s ResearchNetwork**, which provides world-class market and industry analysis
- The Global Alliances Group**, which creates partnerships with leading technology companies
- The Global Service Offerings (GSO) Group**, which manages the development of CSC’s service offerings
- CSC’s Knowledge Program**, which facilitates CSC’s internal knowledge enablement and sharing efforts

The Leading Edge Forum (LEF) is a community of individuals committed to the pursuit of thought leadership and the development of intellectual capital that can be used to advance technology and IT management agendas. The LEF works with a global network of thought leaders to generate original insights on the impact, role, and organization of IT in business and government, as well as practical advice on how to implement these insights.

Leading Edge Forum

To accomplish this mission, the LEF operates an extensive portfolio of programs. Baseline programs of the LEF portfolio offer CTOs and other senior technology professionals opportunities to examine timely technology topics and explore innovative initiatives by leveraging CSC’s technology experts, alliance partners, research centers, and events. The LEF Executive Program, a premier extension of the LEF portfolio, researches critical management issues at the intersection of business and IT. Working with academics and other thought leaders from around the world, its aim is to produce forward-thinking ideas and points of view designed to help CIOs and other business executives deploy IT for competitive advantage and derive economic benefit from their IT investments. To accomplish its mission, the LEF is divided into a portfolio of programs, each categorized into one of three areas: people, technology, and marketplace. In addition to the baseline portfolio, the LEF also offers a premier Executive Program capability for senior IT executives in the marketplace. Through the baseline portfolio, the LEF:

- Enhances CSC's reputation with clients, partners, and the market as an innovative service provider and market leader
 - Publish and leverage LEF reports on an annual basis
 - Offer a client technology forum on a biannual basis
 - Offer a monthly technology briefing series highlighting emerging technology players in the market
 - Promote CSC's thought leadership and innovation stories to clients, CSC employees, and partners around the world
- Leverages technology expertise across CSC
 - Convene CSC's technology community, clients, and alliance partners to share best practices at the Technology and Business Solutions Conference
 - Certify (and recertify) the Centers of Excellence and host a briefing series with the account executives to keep them current on center capabilities
 - Support programs and efforts to promote sharing and dissemination of expertise within CSC and from other organizations

The LEF Executive Program helps CIO-level clients define the value of their IT functions and shape their IT organizations, based on world-class research, frameworks, models, and case studies. It achieves this by:

- Engaging with academics and other thought leaders across the world to explore the critical issues of IT management and deployment
- Providing innovative and challenging ideas on key business/IT issues to a network of client organizations across the world, as well as describing practical ways of implementing these ideas
- Defining the future function, shape, and staffing of the IT organization within a rapidly shifting supplier and technology landscape
- Acting as a catalyst for clients in business/IT strategy development, so that they can deliver maximum benefit to the organizations they serve

CSC's Research Network provides CSC employees with a global research capability that provides focused market and industry analysis and sound strategic and competitive intelligence. The team combines internal and external knowledge to ensure that it provides the most complete picture to employees and clients. The Research Network is focused on driving value through its current portfolio of services:

- Research on Demand. A reactive service that provides customized information including, but not limited to, industry, company, and competitive analysis
- Research Syndication. A proactive service that captures and reports significant news on major industries, topics, and competitors

Competitive and market intelligence is no longer a competitive advantage but a basic requirement for business. CSC's clients demand a fine-tuned understanding of their industry and business requirements. A focused, global research entity facilitates consistency and continuity throughout the company, thereby providing a foundation for sound decision making.

CSC's Global Alliance Program maintains strong, consistent, and strategic relationships with leading business and technology companies. It works with CSC business units to discover and bring innovative, niche, business, and technology companies into CSC's Alliance Program portfolio. With the rapidly growing number of technology vendors and systems integrators/outsourcers in the marketplace, we recognize the reality that a single firm cannot do it all. Global Service Offerings (GSOs) coordinates an innovative, market-led portfolio of service offerings, providing:

- Recommendations on where CSC should be investing to address our clients' needs

- Recommendations on how to continue to enhance client profitability and competitiveness
- Systematic deployment of new technologies

CSC Knowledge Program

GSO manages the portfolio of offerings, but the service offerings are owned and managed over their life cycles by the appropriate service delivery organizations. GSO works with field marketing representatives from across CSC, together with the

analyst relationship management teams, to help position offerings in the market.

CSC Knowledge Program (CKP) manages a powerful knowledge base and a global network of innovative thought leaders who engage employees on the current and future role of knowledge management.

The CKP provides:

Knowledge Management Thought Leadership for building innovative products and services. Knowledge management (KM) helps CSC employees improve their performance and bring our clients solutions that enhance operational performance and provide growth at a sustainable rate. KM thought leadership activities include interactive discussions with CSC employees to identify value-creating activities, development and maintenance of a KM and collaboration portfolio, and a KM strategy.

Community and Collaboration Support Services to build robust communities bringing together CSC employees from around the globe to share their ideas, knowledge, and experience. CSC has over 300 active communities, most of which are open to all CSC employees. Communities address key competencies, processes, technologies, business solutions, and other topics of general interest to CSC employees. Communities establish a virtual space on the CSC Portal to manage their content and conduct interactive, asynchronous discussions.

Special Projects offer CSC organizations, internal programs, and CSC employees additional services as needed. Examples of special projects include substantial knowledge enablement consulting for client-facing organizations, coordination of CSC

exhibits at the annual Technology and Business Solutions Conference, and participation in internal initiatives. It also includes supporting the deployment of KM and collaboration tools and their integration into the CSC infrastructure used to support the flow of knowledge around CSC.

CSC's knowledge environment provides CSC employees and teams with a rich knowledge base of explicit knowledge; a network of knowledge communities that connect people across CSC and provide access to CSC's tacit knowledge; a knowledge infrastructure that provides a collection of collaboration and content management tools; and knowledge processes that provide guidance for operating and using the environment.

II. Alliance Leadership

CSC routinely forms alliances and partnerships to serve clients. In most cases, CSC is the prime contractor, assuming leadership and service integration responsibility. We recognize that we cannot always be the best at everything — but we are the best at working on our clients behalf. CSC is renowned for our program management expertise, flexibility, and alliance management. Our flexible approach to meeting our clients' requirements has taken many forms. Our outsourcing contract with JP Morgan formed a four-member team that includes the client, AT&T, and Verizon. For our outsourcing contract with DuPont, CSC formed the Chemical, Oil, and Gas Group to both manage the contract and leverage mutual offerings into the market. We have also shared application development responsibility with another firm, melding our methods and processes to best serve DuPont.

Our Program Management Institute–certified professionals implement “umbrella” ISO9000 processes and CSC CatalystSM methodologies for use by all partners. In rare cases where it proves more cost-effective to employ company-specific processes or methods, we develop separate processes to dovetail them with our own. For example, at DuPont, we integrated CSC Catalyst and Method/1 to best serve the client.

In nearly all alliance engagements, we establish a central Account Program Management Office (APMO) to manage the end-to-end life cycle of activities from initiation to execution and completion. We implement a global change management process that ties together and manages cross-framework interdependencies. CSC's change process is a complete solution encompassing change management, change control, and configuration management.

Summarized below are six specific and relevant arrangements. All are very large, multiyear contracts that require managing diverse vendors, each having different goals and cultures.

Modernizing the IRS — The PRIME Alliance

On December 9, 1998, the Internal Revenue Service (IRS) selected the CSC PRIME Alliance to modernize the U.S. tax system over a period of 15 years. The CSC PRIME Alliance includes IBM, KPMG, Northrop Grumman Information Technology, SAIC, and UNISYS.

The partnership between the IRS and the CSC PRIME Alliance has created a blueprint clearly defining how CSC and our partners will improve business operations, and how the IRS will be able to take advantage of technology to provide better service to the public.

The strategy combines CSC's global capabilities with the specialized business, technical, and consulting capabilities of our PRIME Alliance partners.

Over the next 10 years, our Business Systems Modernization (BSM) strategy will transform the way the IRS delivers services and manages information. Already the IRS is emerging as a leader in e-government, and American citizens are experiencing direct benefits. Specific service-delivery strategies include leveraging e-business technologies and processes, consolidating data repositories, and integrating business systems applications across the enterprise.

Reengineering the Royal Mail Group — The PRISM Alliance

Few organizations are woven as deeply into the fabric of British life as the Royal Mail Group. It has a proud record of more than 360 years of providing the public with postal services. The group's three brands touch people's lives daily: Royal Mail delivers 82 million items per day to 27 million addresses; 28 million people visit a Post Office branch every week to use its 170 different products and services; and the Parcelforce Worldwide delivery network covers more than 99.6 percent of the world's population.

But even trusted and embedded organizations can struggle. The group has been facing an extraordinary array of business challenges. It was losing money — more than £1 million per day in 2002 and 2003. It is facing competition, as a result of the United Kingdom Postal Services Commission's licensing of other companies to operate typically in the profitable business-to-business market among large urban centers. Royal Mail is dealing with a regulator that is setting tough standards of service and monitoring them closely. These factors all point to a pressing need for corporate renewal.

The Royal Mail board has set an ambitious strategic vision for the company: to be the best postal operator in the world. The execution of this vision hinges upon the four goals of the renewal plan: creating a great place to work, improving customer service, returning to profitability, and delivering positive cash flow.

Royal Mail signed with the CSC-led PRISM Alliance to realize that vision. The deal, which was signed in May 2003, has identified savings of £250 million that will be generated over the life of the 10-year contract. But it has many distinctive and groundbreaking elements to it, including the concept of an alliance.

From the outset of the procurement process, CSC looked to form a best-in-class alliance. It sought to build a partnership "value network" — a construct that focuses on each partner's unique strengths. We combined the expertise of CSC, BT, and Xansa to form the PRISM Alliance in February 2002. Contractually, it is a traditional prime and subcontractor relationship, with CSC accountable for the entire end-to-end service provided. But outside of the contractual basis, the relationship is very different.

As with any alliance, governance is critical. Within the PRISM Alliance, clear rules of engagement and close interworking among the three key players will drive long-term success. All parties share the same vision of mirroring their processes and management structures. Royal Mail and PRISM Alliance are committed to continually review and simplify management structures and processes and maintain their alignment to Royal Mail objectives.

The PRISM Alliance will be responsible for running Royal Mail's data centers, data networks, voice services, desktop computers, and more than 600 business application systems. As prime contractor, CSC will be responsible for the overall management of the contract, the relationship, and the services that are to be delivered.

Some 1,735 people, mostly IT professionals, have now transferred from Royal Mail to CSC, BT, and Xansa. CSC accounts for approximately 1,470 employees, Xansa 220 employees, and BT for 45 employees. CSC manages the contract and will be responsible for the maintenance of Royal Mail's 42,000 desktop computers and the management and development of Royal Mail's server, mainframe, and IT processes. CSC will also develop and maintain applications and provide a range of professional services supporting business-critical systems.

Reengineering the U.S. Postal Service (USPS)

Established more than 2 centuries ago, the U.S. Postal Service fuels the nation's economy and delivers hundreds of millions of messages and billions of dollars in financial transactions each day to 8 million businesses and 250 million Americans. With more than 38,000 post offices, the USPS handles 41 percent of the world's mail volume. It is the nation's largest civilian employer with more than 850,000 employees. CSC was awarded a professional services ordering agreement by the USPS to support the development and implementation of enterprisewide information technology solutions for its payroll portfolio. CSC will provide comprehensive business consulting and information technology services to improve the payroll and benefit function of the USPS. Specific tasks will involve business process reengineering, software selection, applications development, systems integration and deployment, and specialized applications, such as Internet solutions.

Supporting CSC in this project are Litton PRC, McLean, VA; KPMG, Washington, DC; and Atlantic Duncans International. These firms will provide additional strategy consulting and information technology services.

Reinventing Army Logistics — The Logistics Modernization Program

As the official information technology partner of the U.S. Army, CSC leads a multicompany team providing IT services to reengineer and modernize the Army's wholesale logistics business processes through the adoption of best commercial business practices and associated technologies. Through CSC's Supply Chain Solutions business unit, the Army Logistics Modernization Program (LMP) provides agile, reliable, and responsive services that enable the Army Materiel Command (AMC) to deliver world-class logistics and readiness to the American warfighter.

The LMP is a first-of-its-kind agreement between the U.S. Army and a commercial services provider, CSC. Under a 10-year, \$680 million agreement, CSC is modernizing and will maintain a world-class logistics capability for AMC, which manages and supplies thousands of weapons systems and commodities essential to warfighter readiness.

When fully implemented, the commercial off-the-shelf (COTS) solution, built upon commercial best practices and SAP's defense industry solution, will provide real-time situational awareness of every item within AMC's supply chain. The result will be accurate data and precise forecasting that will dramatically improve efficiency, reduce costs, allow Army mission planners to make rapid, confident decisions, and ensure an effective logistics chain that improves warfighter readiness.

DVC — Joint Vaccine Acquisition Program

DVC LLC, a CSC company, manages advanced development of biodefense vaccines and therapeutics. DVC has been a prime systems contractor for the Department of Defense Joint Vaccine Acquisition Program (JVAP) since 1997. DVC's responsibilities under the JVAP contract include technology transfer,

preclinical research, clinical trial management, manufacturing, risk management, storage, maintenance, and licensure. In 2005, the U.S. Food and Drug Administration licensed DVC's vaccinia immune globulin to treat certain rare adverse reactions to smallpox vaccination.

Environmental Protection Agency Information Technology Solutions

Through the \$850 million, 7-year Environmental Protection Agency Information Technology Solutions (EPA ITS) contract, CSC is helping the EPA build an information technology infrastructure that provides fast, relevant, integrated information about environmental and public health conditions, trends, and potential threats. EPA ITS consolidates two technical support contracts to supply agency offices across the country with integrated IT and telecommunications. As prime contractor, CSC is responsible for overall management, task integration, and national telecommunications. Partnering with CSC are IBM Global Services, PlanetGov, Veridian, KPMG, and a team of small businesses, not-for-profit groups, and universities.

In Summary

These examples of innovation and partnership relationships make CSC's unique capabilities evident. Our transformation proficiency puts CSC at the forefront of innovation to benefit our clients, and our history of outstanding leadership demonstrates that CSC is exceptionally qualified to work across corporate boundaries and within a multipartner environment, all to the benefit of our clients. We dedicate CSC to being a business partner of distinction that listens carefully to your needs while fully aligning our IT solution with both your short- and long-term business goals.