

Bae systems, third biggest global military contractor assignment

[Business](#)



Tesco is the leading supermarket chain and supplies food and other dry goods to the general public. BAE Systems is a Defence Contractor which supplies military defense systems to the MOD and other countries Armed Forces. Therefore it could be suggested that BAE Systems and Tesco are two distinctively different organizations in very different markets. They are both large, well established and have various sites in UK, Europe and the rest of the world. Culture Tesco has a Role Culture in their organization and has a functional structure with a Tall organizational structure with a narrow span of control.

It has a high level structure with the higher levels holding the departments of Finance, Purchasing, and Marketing etc which operate at a corporate level over all Tesco stores. The individual stores each have a main store manager who operates and is supported by his first line managers, the line managers then have line employees to control or co-ordinate. There is heavy investment in the employees by supplying training and promotion from within, it is important to Tesco that their employees know what is required from them in their job and responsibility and how they strive for excellence and customer satisfaction.

Tesco are also concerned with their employee's opinions on how to improve the organisations performance. They are constantly striving to find innovative ways to bring young people who have great potential into their business. Tesco have recently launched A-Level Option, which fast-tracks them into management. " Role Culture rests on the strength of strong organisational ' pillars' – the functions of specialists in, for example, finance, purchasing and productions.

<https://assignbuster.com/bae-systems-third-biggest-global-military-contractor-assignment/>

The works of, and interaction between, the pillars is controlled by procedures and rules, and co-originated by the pediment of a small band of senior managers. Role or job description is often more important than the individual and position power is the main source of power. " (Mullins. L. J 2005) BAE Systems appears to have a task Culture in their organisation. They have a functional structure and elements of ' The Matrix' and fit into the Tall organisation with a narrow span of control much like Tesco.

BAE Systems is similar to Tesco in the form of the structure, their culture on the other hand is different, BAE Systems are Task focused, and this may be because they are a manufacturer with projects to complete and may be more focused on project orientation. They operate in a very specialist market that requires a lot more specialist and expert knowledge. BAE Systems, like Tesco invest heavily in their employees and in some ways more so given because given the nature of their business they require a lot more specialist skills and knowledge.

These skills and Knowledge are required to meet the business strategy. Because of this it is also very important to promote from within. " Task Culture is job-oriented or project-oriented. In terms of structure the task culture can be likened to a net, some strands of which are stronger than others, and with much of the power and influence at the interstices. An example is the matrix organisation. Task culture seeks to bring together the right resources and people, and utilises the unifying power of the group.

Influence is widely spread and based more on expert power than on position or personal power. " (Mullins. L. J 2005) Organisational Features BAE

<https://assignbuster.com/bae-systems-third-biggest-global-military-contractor-assignment/>

Systems and Tesco are two distinctively different organisations in very different markets. They are both large, well established and have various sites in UK, Europe and the rest of the world. The difference between them their customers. Tesco sell directly to the general public and can have a direct impact on them, they can walk into any of the stores and purchase products from the shelves.

It is therefore important from Tesco's point of view that the stores are set up and marketed correctly to project the correct image. They also have the opportunity to change their layout of their stores to influence what the customer buys. BAE Systems customers are the armed forces and governments of different countries, therefore their buildings are used from a more functional aspect, and their customer cannot walk in off the street to purchase their products due the nature of their business. The majority of sales decisions are most probably made in the boardrooms or on the customer's premises.

Their buildings are used for the development and production of their products and are not easily accessible to the general public unless they have MoD security clearance. The Tesco logo and image was designed to create a recognisable presence to draw customers into somewhere familiar and appealing, this is may not possible for BAE Systems because their customer may not be concerned with image and logo, however the right logo and corporate image is still important enough for the company to invest large amounts of money in it.

In 2006 BAE Systems re-designed their corporate image and changed the company advertising tag. BAE Systems place importance on their corporate image, as they often have no physical goods to display and rely on reputation and design abilities to sell further products which may not exist for many years to come. Leadership Styles The Tesco Annual Report (2007) suggests that they have a supportive leadership and a friendly and approachable manner and considers their staff's needs and the part they play in the organisation.

This is supported by the fact that they have introduced Staff Forums, Options, Team 5 and First Steps which gives the employees a chance to have their say on how the organisation is operated. " Most definitions of leadership reflect the assumptions that it is a relationship through which one person influences the behaviours or actions of other people in an organisational context" (BPP 2005) " An inspired workplace will result in inspired workers and draws attention to the importance of the atmosphere, quality and style of buildings and office for work performance" (BPP 2005)

It can be seen that BAE Systems have a mixture of Directive leadership and an achievement-oriented leadership style. Senior level managers set the goals and specific directions they expect from their employees, they promote and encourage the employees for continuous improvement of their performance. Objectives are flowed down from Senior Business Unit Directors through senior local managers, line leaders and on to employees in the form similar to large corporate work flows. TASK 2 Select one

organisation and evaluate how it has managed its internal and external resources in order to achieve its strategic goals.

For this task BAE Systems has been chosen as the information made available is of better quality and quantity than that of Tesco. The Business Strategy is as follows: Continue to embed a high-performance culture across the Company Continue to embed a high-performance culture across the Company Further enhance the programme execution capabilities and Increase sharing of expertise, technology and best practice between their global businesses Develop a partnership approach to meet their customer requirements Develop their capabilities in emerging growth markets

These will all have an impact on both the internal and external resources; these resources have been identified below; Internal Resources

- Employees/Knowledge
- Tools
- Buildings
- Materials
- Financial Resource

External Resources •Suppliers •Contracts •Customer •Sub-Contractor Taking each point of the strategy in turn the impact on resources can be analysed. Continue to embed a high-performance culture across the Company This can be seen as a continuation of current business improvement activities as many of the resources for this activity are already in place and in use.

The major impact will be in the education and training of human resource and in the roll out of new tools and IT Systems where required. Most if not all business units within BAE Systems already have a Business Improvement function whose aim is to monitor performance and metrics and to identify areas for improvement and to propose plans to implement change. Continue to embed a high-performance culture across the Company Further

<https://assignbuster.com/bae-systems-third-biggest-global-military-contractor-assignment/>

enhancement of programme execution capabilities by increasing the sharing of expertise, technology and best practice is now prevalent in the company as historically major programmes operated in isolation,.

Analysis of problem programmes found that many of the problems and errors encountered were common across both projects. Through many 'Lessons Learned' activities and closer project monitoring these projects were put back on schedule. Develop a partnership approach to meet their customer requirements This strategic aim had the largest impact on both internal and external resources because it was initiated in response to the UK Government Defence Industrial Strategy (DIS) which calls for long term partnerships between industry and the UK Ministry of Defence.

The introduction of this strategy had a major impact and led to the restructure an entire a business division. The Customer Solutions and Support which used to handle all business relating to products that are in use have been split into Land, Sea and Air sectors and placed in these major business units to spread their knowledge and expertise of 'through life' support. A further impact on facilities resources. The DIS has led BAE Systems to invest in their own hanger and workshop facilities on RAF bases to allow BAE System employees to work next to the customer.

Analysis of the requirements of DIS proved that BAE Systems could not operate 'through life' support without fundamentally changing their relationship with their suppliers meaning all contract with suppliers has had to be re-negotiated. Develop their capabilities in emerging growth markets

The findings of an analysis of the USA defence market suggested that

<https://assignbuster.com/bae-systems-third-biggest-global-military-contractor-assignment/>

companies with an American identity did better in these markets than foreign companies. In response to this BAE Systems has split off the American side of the business and created BAE Systems Inc.

This was symbolic motion and only affected the US employees as the actual nature of the business has not changed in any way. The remainder of the business now called BAE Systems (UK/Rest of World) is concentrating on expanding markets outside of the US. The largest human resource impact will be in the Kingdom of Saudi Arabia where a major part of further business will come from training KSA nationals to take over job currently held by BAE Systems workers. This may be beneficial at this current point in time as western presence in this region can be perceived as unwelcome.

TASK 3 Using the same organisation selected in task 2, consider specific targets and time-scales that were defined to achieve the business strategy and assess methods used to monitor and control strategy implementation. Targets BAE Systems have identified the five key targets below to enable them to meet their strategic objectives for 2007. 1. Continue to embed a high-performance culture across the Company 2. Further enhance their programme execution capabilities 3. Increase sharing of expertise, technology and best practice between their global businesses 4.

Develop a partnership approach to meet their customer requirements 5. Develop their capabilities in emerging growth markets Targets 1, 2 & 3 will be examined for this task. As shown on the chart in appendix 1, BAE Systems work with an Operational Framework, this is the basic guiding principles for everything that happens within the business. The Operational Framework

<https://assignbuster.com/bae-systems-third-biggest-global-military-contractor-assignment/>

breaks down into several different areas of the business and in 2007 the framework was rewritten to help the business meet the first three targets of the business strategy.

In order to meet target 1, they re-wrote the Performance Centred Leadership section of the framework and re-launched it with a refined set of leadership behaviours that emphasise the importance of programme execution, underpinned by improved communication and training. In order to accomplish target 2, BAE Systems Centre for Performance Excellence is assisting in the cross functional alignment. This is helping all functions within a major programme understand the needs and aims of all the other functions.

In addition the Centre for Performance Excellence has been tasked with simplifying and clarifying the Performance Management Process section of the framework, specifically relating to governance, processes and measures. A further enhancement of the Programme Performance is achieved through the development of a 'Gold Standard' managing major sub-contractors framework that must be followed across the business. A combination of the actions from targets 1 and 2 will help achieve target 3 by ensuring all businesses are operating in a high performance culture and best practice in programme execution is shared and followed through all businesses. Time-scales It is difficult to state specific timescales that are set for the above targets as BAE Systems do not disclose targets dates or timescales in public domain documents for strategic targets. It will be assumed that the timescales are from year to year strategy. BAE Systems give the impression

that they are currently ' On Track'. This impression is given in the BAE Systems Update Review, " In summary, BAE Systems is progressing well.

The Group's strategy is delivering a focused, high performing, defence and Aerospace business with good positions in key markets around the global. As a result, the Group has a robust plan to deliver profitable growth for our shareholders" (Mike Turner, Chief Executive of BAE Systems, BAE Systems Update Review, 2007) Monitor and Control Within BAE Systems all activates, whether a small project or a major strategic activity take place under the control and monitoring of the Operational Framework as shown in figure 1, Appendix 1.

Specific Control and Monitoring processes are detailed below; There are various forms for monitoring and controlling the business to ensure that it is meeting the strategic business requirement. •Lifecycle Management There are a series of specified project reviews that must be completed at the appropriate point in every project or programme from initial business case review through to the completion of a project, these are identified by BAE Systems as ' Phase Reviews' and each review has a mandated set of documentation that must be presented for review.

This controls the project management activity and specifies a series of metrics that are collected and reviewed on a monthly basis looking at progress against targets, resources, costs and adherence to the Engineering Lifecycle (where appropriate). •Engineering Lifecycle Management In BAE Systems where technology and technical capability is so important, the Engineering Lifecycle has proved valuable in monitoring and progressing the

<https://assignbuster.com/bae-systems-third-biggest-global-military-contractor-assignment/>

sharing of Best Practice development techniques and technology which is one of the strategic aims of BAE Systems.

This is the method used to ensure that technical products have reached the expected design maturity by a given point in the project. •Integrated Business Plan (IBP) The IBP is the way that they to ensure the business strategies are being followed at all levels. BAE Systems mechanism for proposing the activity and therefore the spend of the individual businesses for the coming year. Each part of the business will put together their own IBP forecasting what it is they aim to do, what resources will be required to meet these aims and therefore what the cost will be. Monthly Business Review and Quarterly Business Review BAE Systems has monthly business reviews that are made up of the project manager, project controller and commercial officer for a specific project. They report to into the First Line Management or Senior Management giving the status of the current project, i. e. project running to schedule, any risk or problems that may impact the schedule and the resources and financial expects. The FLM or Senior Management will hold a quarterly business review that reports into the next level above, which in the case of BAE Systems is at Director Level.

The Directors then evaluate whether they are in line with meeting the company's strategy. BIBLIOGRAPHY HNC/HND BTEC Course Book, Core Unit 3 Organisations and Behaviours, BPP Publishing Limited August 2000 L. JMullins, Management and Organisational Behaviour Seventh Edition, Pearson Education Limited 2005 [www. baesystems. com](http://www.baesystems.com)BAE Systems Annual Report 2006 ' Shaping Our Business' www. baessystems. comBAE Systems

Company Strategy 2007 update Report [www. tesco. co. uk](http://www.tesco.co.uk) Tesco Annual
Review and Summary Financial Statement