

Donna Chastain
Raytheon Technical Services Company, Engineering and Production Support, Indianapolis
Summary Statement for the Commercial Activities Panel Public Hearing in Indianapolis on
August 8, 2001

Naval Air Warfare Center, Aircraft Division, Indianapolis (NAWC-ADI) Privatization-in-Place, an employee's perspective:

I started working at NAWC-ADI in 1980 in the Research Department, then worked in Engineering, then Information Technology, and finally, worked as a member of the NAWC-ADI Base Realignment and Closure Team. On January 6, 1997, I transitioned to Hughes with a position in Information Technology. Today I work for Raytheon in Business Development.

From the time our sister NAWC-AD organization in Warminster, Pennsylvania was placed on the Base Realignment and Closure Commission's list in 1991 until January 6, 1997, NAWC-ADI employees were uncertain of their future.

In May 1996, NAWC-ADI employed 2,549 people:

- 1,970 - employed by Hughes (1/97)
- 484 - relocated through the Government Priority Placement Program (5/96-3/98)
- 55 - retained as Government close-out team (3/97)
- 40 - retired (4/97)

Fewer than 10 employees who pursued the above options did not find employment.

Initially, for most of the 1,970 former NAWC-ADI employees hired by Hughes, there was no change in job duties or responsibilities. However, new processes were deployed as a part of transitioning the business from a Government entity into a private company. Goals and objectives were set to enhance our customer's success; to create a work environment that encourages learning and professional development; and to reward successful individual and team efforts.

Raytheon has thrived in Indianapolis, steadily increasing its awards since January 1997. Before privatization, NAWC-ADI was a technical center that served mostly U.S. Navy customers. Today Raytheon performs less design and more repair work than before the privatization. The customer mix is more diverse, with 60% U.S. Navy and the remainder of the customers from other U.S. Department of Defense services, other countries, and Raytheon itself. With this change in workload and customer base there is a business imperative to match the skills mix of the employees and the staffing level to customers' workload requirements. In June 1998 Raytheon had to right size its organization to adjust for workload changes. Since then the workforce has remained stable, at approximately 1,500 employees.

Raytheon managed the Privatization-in-Place with a business approach: implemented new processes, worked off the backlog, realigned the organization, and doubled the business in five years, without reducing customer service levels. The NAWC-ADI Privatization-in-Place has been positive for the customer, the City of Indianapolis, the Community, and Raytheon, while also providing a smooth transition for the employees.