



Saab Reinforces Successful Export Strategy with Regional Market Areas and Global Market Intelligence

Aerospace and defense (A&D) companies around the world know that their traditional markets are undergoing historic changes. Seismic shifts in regional economies, government investments, industry regulations, emerging technologies and other megatrends are transforming the competitive landscape.

Saab AB, Sweden's largest provider of high-tech A&D solutions for military and civil applications, was among the first to face the new market reality and develop a successful strategy for continued growth. With more than 14,000 employees serving customers in 100+ countries and annual sales exceeding SEK24 billion, Saab has reinvented its business model. The company's leadership is balancing its strong, traditional commitment to meeting Sweden's defense needs with an intensive, sustained effort to expand into new international markets. By making this a priority, Saab got out ahead of other A&D companies in the transition from national provider to export powerhouse.

"The products and systems as well as the knowledge and expertise we possess are attractive to other countries," according to Håkan Buskhe, President and CEO of Saab. "...It is also clear that the level of interest in Saab as a company has never been greater...thanks to Swedish innovation, quality and cost-effectiveness."¹

Challenge

- ▶ Reinforce and elevate long-term corporate strategy designed to increase exports
- ▶ Support reorganized regional teams to better understand customers and their needs
- ▶ Optimize market intelligence investments to improve access to data and create more value

Solution

IHS Aerospace, Defense & Security
with IHS Jane's DS Forecast

Results

- ▶ Provided all 14,000 employees worldwide with the opportunity to access best-in-class market intelligence – a tenfold increase
- ▶ Consolidated disparate subscriptions/vendors from 5 Business Areas and several offices globally to increase efficiency and leverage
- ▶ Dramatically increased the actual use of expanded market intelligence resources for a greater return on investment
- ▶ Collaborated with independent experts, developing a trusted partnership that delivers credibility and confidence

Focus on Regional Presence and Needs

Saab recently reinforced its export-oriented strategy by reorganizing its operations (including sales and marketing) into six geographical Market Areas: the Americas, Asia Pacific, Europe and the Middle East, Nordic Countries, India and sub-Saharan Africa. The purpose of these new Market Areas is to create a stronger local presence and better understand the customers' evolving A&D needs.²

"We're investing resources in order to be closer to our clients and prospects," said Saab's Director of Business Intelligence Peter Wibjörn. "Defense budgets have been going down for quite some time in the Western markets and in Europe. They continue to be the largest markets but local participation is essential to capture new opportunities in emerging markets."

Global Market Intelligence Resources

Saab's new regional teams are now supported by a global market intelligence program. Wibjörn and his colleagues recently changed their approach to procurement of market intelligence subscriptions. They evaluated the top players and then took steps to significantly reduce the number of vendors that Saab used worldwide. One provider offered an especially broad, deep spectrum of A&D market information, analytics and expertise – IHS.

Like the formation of the six Market Areas, the decision to consolidate market intelligence subscriptions was motivated by the need to help

¹ <http://www.saabgroup.com/en/About-Saab/Newsroom/Press-releases-News/2014-4/The-future-is-bright-for-Saab/>

² <http://www.saabgroup.com/About-Saab/Company-profile/Organisation/>

Continued on next page >

Saab Reinforces Export Strategy with Market Intelligence

Continued from previous page

Saab colleagues better understand their customers around the world.

“Since we centralized our procurement into a larger subscription from IHS, instead of smaller subscriptions from lots of different suppliers, we’ve been able to provide access to a broader variety of market data and analysis,” said Wibjörn. “Everyone at Saab can now access that information so the number of potential users has increased at least tenfold and usage has increased dramatically.”

As a result, Saab employees from all Market Areas can now access best-in-class IHS resources and industry experts. This common foundation promotes consistency and alignment of research findings companywide that gives Saab’s leadership team added confidence as they make critical decisions.

Collaborating to Maximize Value

“Consolidating our global subscriptions has clearly increased the value of our investment and contributed to operational excellence,” said Wibjörn. “We now have an increased profile with IHS, increased access to analysts and developed a closer relationship. I appreciate that I can pick up the phone and call an analyst for the latest insights on an issue.”

By serving as a facilitator for contact with IHS industry experts, Wibjörn helps Saab colleagues from the Market Areas and Business Areas obtain additional information and insights. He can put them in touch with the right IHS expert for a given issue so their Saab team can get the answers they need more quickly and easily.

“This is a collaborative approach, developed over a couple of years,” Wibjörn said. “The expertise of IHS

“The expertise of IHS can’t be questioned. People in the industry know it’s trustworthy so working with IHS gives added credibility to our research.”



Peter Wibjörn
Director of Business Intelligence
Saab AB

can’t be questioned. People in the industry know it’s trustworthy so working with IHS gives added credibility to our own research.” For example, global A&D market data from IHS was recently featured in a Saab investor briefing (see graphic).³

This Saab-IHS partnership is mutually beneficial. As Saab gains independent insights into market trends, IHS gains insider perspective from an industry leader.

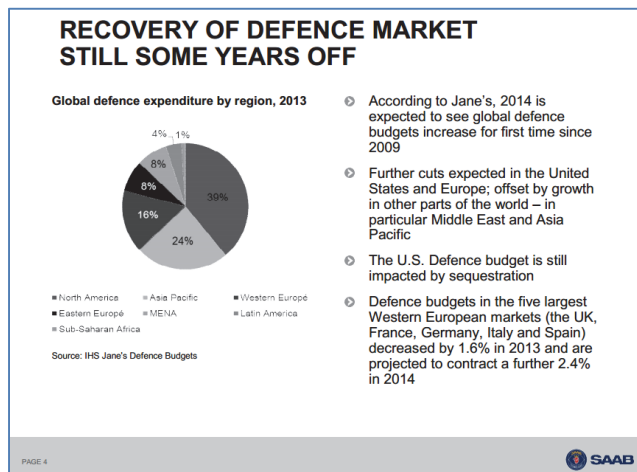
“We’re more engaged with IHS than ever before,” said Wibjörn. “Our interactions are very collaborative. We talk with their experts, offering our views about the markets and suggestions for how IHS can do even more to help. We have a high level of trust in each other.”

International Strategy Achieves Results

Saab’s strategy for promoting exports, now reinforced by its regional market organization and global market intelligence, supported by data and insights from IHS, has achieved many historic benchmarks:

- Ratio of annual revenue earned from exports has reversed from “just a few percent 25 years ago to more than 60 or 70 percent” in recent years.⁴
- The opening of a regional Asian hub office in Bangkok, Thailand and broader African footprint that includes a new office in Gaborone, Botswana.⁵
- Success for Saab’s Gripen fighter jet, which achieved a number of milestones in just 2013 – development and production order for 60 Gripen E in Sweden, parliamentary support for purchase of 22 Gripen E in Switzerland, and Brazilian government choosing Gripen NG with intention to buy 36 aircraft.⁶

Saab began its historic transition to an export-focused business sooner than many of its A&D competitors. And now, the company is building upon that strategy to extend its leadership position into the future.



³ Year-end report 2013 presentation

⁴ <http://www.saabgroup.com/en/About-Saab/Newsroom/Press-releases-News/2014-4/The-future-is-bright-for-Saab/>

⁵ <http://www.saabgroup.com/en/About-Saab/Newsroom/Press-releases-News/>

⁶ http://www.saabgroup.com/Global/Documents%20and%20Images/About%20Saab/Investor%20relations/Financial%20reports/2014/SAAB_ANNUAL%20REPORT_2013.pdf