



Peraton CANADA

MISSION SUPPORT OF THE CF-18 AND SO MUCH MORE

*When defence people hear the name 'Peraton Canada', they think of the company's vital role in keeping the RCAF's fleet of CF-18s flying. But there is much more to this Calgary based firm and its fast-growing U.S. parent company (Peraton) than the CF-18, as CDR's Ottawa Bureau Chief, **James Careless**, learned when he spoke with Marie Darling, Peraton's Director of Canada Business Development.*

CDR: Peraton has certainly seen a lot of growth recently with over US\$10 billion in acquisitions. How will the recent acquisitions of Northrop Grumman's Integrated Mission Support and IT Solutions business, and Perspecta Inc. affect your business in Canada?

Marie Darling: It really provides us with a full suite of new capabilities which we can bring to bear on new Canadian pursuits, new growth areas, and new markets. It's going to be an opportunity for us to expand beyond our current lines of business into some really exciting new areas. Some of the ones that we're particularly interested in, as a result of these acquisitions, are within cybersecurity and spectrum operations.

CDR: What do these new services mean for Peraton's Canadian customers?

Marie Darling: We imagine that it's only going to make us better in as far as our current customers go. There's certainly an opportunity to augment the services that we already provide.

We're obviously going to start looking at some different lines of business. If we talk about cybersecurity, for instance, we may look beyond DND to the intelligence community, much like we do in the United States. This means looking at CSIS, the RCMP, and the Canadian Space Agency.

At the moment, we're doing a deep dive into the capabilities we've acquired and getting ourselves spooled up on parlaying those

into opportunities within current Canadian defence and other government priorities.

CDR: So, why is Peraton expanding?

Marie Darling: The intent when the company came to be in 2017, when we were spun out of Harris, was to grow into a much larger organization; most likely through several acquisitions. And I think we've now seen the benefit of what those were.

We've had a few since 2017; some smaller acquisitions but of course, the two most recent being Northrop Grumman's Integrated Mission Support and IT Solutions business, and Perspecta Inc. These acquisitions represent true force multipliers for Peraton and transformational steps toward our goals of becoming



PHOTO: There are several upgrades that are happening to the CF-18 fleet through the Hornet Extension Project

Credit: MCpl Letourneau, Combat Camera

the most trusted mission partner to our customers.

CDR: *What makes Peraton Canada stand out from the competition?*

Marie Darling: There are two points, the first being our core focus. If you're talking about in-service support and integrated logistics support, I don't know that there are many other companies in Canada that currently focus on this as a primary line of business, and those that do haven't been able to develop a capability in that area to the extent that we have.

The second point is our history. The Peraton name may be new, but we have a wealth of experience and very deep capabilities due to our roots in Harris. This is why we like to refer to Peraton as being a '125 year-old startup'.

COVID-19

CDR: *Has COVID-19 affected Peraton's operations in Canada? And what steps have you taken to maintain business continuity?*

Marie Darling: We have a very robust supply chain management process. In fact, we manage quite a bit of inventory for the Canadian government. We have within our

care, control, and custody just shy of a billion dollars' worth of products at a variety of warehouses across Canada. As such, our approach to stock management and especially being on a performance-based contract is that we are always trying to maintain – and do maintain – appropriate sparing levels to ensure equipment and fleet availability.

This approach comes with some challenges. We deal in a lot of ITAR, as you can imagine, due to the avionics on the CF-18 fighters. So, we are always concerned about cross-border transportation issues, especially during COVID-19.

We have been able to manage this because we collaborate very closely with our suppliers and with vendors working for us, to ensure that COVID-19 has a very minimal – if any – impact on DND operations. I can say that Peraton Canada has been quite successful in that regard.

SUPPORTING CANADA'S FIGHTER FLEET

CDR: *Peraton certainly has a longstanding legacy of supporting the RCAF's fighter fleet. What are your core capabilities and how have they benefited the Canadian military?*

Marie Darling: We really see ourselves as experts in mission sustainment. We provide very pure in-service support and integrated logistics support. And we've been doing that now for over 35 years for the RCAF, the last 20 of those as a prime contractor.

Again, very few companies can really match the level of performance that we achieve. We have been meeting our performance-based logistics target metrics year over year. Since 2011, we've been beating our performance metrics. So, we



Peraton has been providing in-service support to the RCAF for over 35 years, says Marie Darling

work very well within a performance-based logistics environment.

CDR: *Peraton is part of the Boeing and Saab teams competing for the Future Fighter contract, which is a pretty unique situation. How do you balance being on two teams?*

Marie Darling: We take our relationships with Boeing and Saab very seriously. We wanted to be non-exclusive and we have been able to be. But we also recognize that we needed to establish very strict protocols as to how we undertake our engagement with these two companies on this competition. So, we did.

To do this, we've worked very closely with our legal and compliance teams to develop protocols for firewalls between the two Peraton teams that are supporting these two bids. Then we trained all our employees on these procedures. We also shared with both Boeing and Saab – separately, of course – what efforts we were taking to ensure secure firewalls so that we could bid with them and provide the highest level of service support – without any bias interfering in what they would be offering Canada from a strategic standpoint.

CDR: *In the meantime, what is happening with your current CF-18 support contract?*

Marie Darling: *There are a number of upgrades that are happening to the CF-18 fleet through the Hornet Extension Project. Our CF-18 Avionics Optimized Weapons System Support contract has been extended through to March 2022.*

The program itself is currently undergoing a Sustainment Business Case Analysis process. We're anticipating hearing more about that in the coming months as to what recommendations come out of the SBCA.

CDR: *Looking ahead, what do you expect the next year will bring for Peraton?*

Marie Darling: I think it's going to be a very interesting year. We're going to be focussed a great deal on a successful integration of these two great acquisitions and learning a lot more about the new capabilities that we have now within our toolkit. We'll also be looking at markets, both within our traditional lines and outside of them – especially here in Canada – as to where we can bring those capabilities to bear.

Once we identify those areas, then there will be an aggressive push toward growing business in some new markets for ourselves here in Canada and beyond.

CDR: *Thank you.*

James Careless is CDR's Ottawa Bureau Chief