Defense Industry Case Study

About IHS Jane's Defence Industry and Markets Intelligence Centre:
IHS Jane’s Defence Industry and Markets Intelligence Centre integrates aerospace and defense-related news with company information, emerging market studies and budget analysis. This online resource presents you with the vital country and company intelligence that you need to confidently engage a shifting marketplace.

Problem:

With sequestration looming, a Business Development Director is looking to identify key growth opportunities outside of the United States to diversify his financial prospects.

Solution:

Using IHS Jane’s Defence Industry & Markets Intelligence Centre the Business Development Director learns that amidst improving economic conditions, defense budgets in the Middle East and North Africa saw growth of 6.1 percent in 2012 – significantly higher than the 0.2 percent achieved in 2011 – and that regional spending on defense is now thought to have reached USD132 billion annually and is expected to surpass USD150 billion by the end of 2016.

More specifically, using the IHS Jane’s Navigating the Emerging Markets reports, the Director learns that Saudi Arabia announced a 11.9 per cent real terms increase in its Defense and Security budget in 2012 – the largest rise enacted by Riyadh since 2007. The increase is the first in real terms since 2009 and makes this market a prime candidate for penetration.

Additionally the Director learns that Saudi Arabia has switched focus towards internal security concerns, operations on the Yemen border and social issues in 2010 and 2011. Through this intelligence he learns that the large increase of focus within these areas is thought to fundamentally relate to recent progress in finalizing a number of delayed high value equipment programs following a period of reduced activity in this area.

Next steps:

IHS Jane’s DS Forecast product reveals that the F-15SA program alone – which incorporates the procurement of 84 aircraft, the upgrade of a further 70 and the acquisition of a wide range of related mission systems and weapons – has a potential value of up to USD29.4 billion if all elements are pursued.

IHS Jane’s Defence Procurement enables the Director to track the F-15SA program throughout its lifecycle and identify mid-life upgrade, technology insertion and capability maintenance opportunities. It would also allow the company to track competitive growth and movement within this area.

Conclusion:
Using the intelligence provided by IHS Jane’s Defense Industry & Markets Intelligence Centre, the business development director is able to locate growth areas and derive specific revenue opportunities outside of the United States, driving long-term, profitable growth for his company.