



AMERICAN SYSTEMS

PERSPECTIVE

When It Has To Be Right The First Time



Volume 31 • Issue 1 • January 2010

Celebrating 35 Years of Service and Success!

The Towering Inferno, Jaws, and The Godfather II dominated the box office. Saturday Night Live! made its debut on NBC. Muhammed Ali beat Joe Frasier in the “Thriller in Manila.” And this Company was founded! Yes, 1975 marked the beginning of what is now known as AMERICAN SYSTEMS! Back then, the Company was called American Communications Corporation, but the basic philosophy behind the organization was simple—exceed your customers’ expectations and you will succeed. 35 years later, our employee-owners stand as a tried and true testament to that basic tenet, as we now stand 1,300 strong and continue to grow!

2009 is Record-Setting

Before we even begin to celebrate our 35th Anniversary, we deserve to take a look back at our 34th...as there was much to celebrate in 2009. Record new business won, record-setting new business pipelines, and major prime contract wins highlighted a milestone year for the Company. Here are a few Business Development (BD) metrics from 2009:

- New Business Awards ~\$410M
- New Business Win Rate ~32%
- Qualified Pipeline \$4.1B
- Proposals Submitted ~\$1.6B

2010 Looking Good

As we enter the New Year, our leading BD indicators are promising, and with proper execution, should allow us to maintain the momentum from last year (see related item, next page).

2010 will also mark a major milestone for our Headquarters, as we relocate our Business Office into newer, more efficient spaces in mid-April of this year. The new office space incorporates our corporate facility strategy, emphasizing collaborative



work environments, and minimizing wasted space. For an update, see page five.

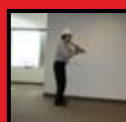
So we have much to celebrate this year... our past successes, our present momentum, and our future growth! We invite you to show your pride as

we celebrate 35 years with our new line of commemorative apparel, now available through our online store! See page three for more information and some fun facts from 1975!

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From the President's Desk



As I stated in my year-end progress report to all employee-owners, CY/2009 was a year of which we can be proud for many reasons. In CY/2009, AMERICAN SYSTEMS grew organically by ~12%, outpacing the industry average by a large margin. With ~\$410M in New Business Gross Bookings booked or awarded, we set a Company record. And we proved to ourselves that we don't have to settle for subcontractor roles by competing for and winning large prime contracts. These tremendous accomplishments combined with many others propel us on an exciting voyage toward a very promising CY/2010.

Entering this new year, I am more confident than I have ever been that we will meet our corporate objectives, knowing full-well that we set aggressive objectives. Those objectives continue to be focused on delivering value to each of our three critical constituencies ... our Shareholders, our Customers, and our Employees.

OBJECTIVE 1: Maximize the Long-Term Value of AMERICAN SYSTEMS

- Deliver against the key "Value Drivers"
 - Revenue: \$256M
 - Net Income: \$15M
 - Cash (i.e., DSO): 75 days
- Update, Document & Improve Long-Range Financial Plan by Continuing to Focus on:
 - Long-Term Sustainability as a Majority-Owned ESOP Company
 - Fiscally Responsible Strategy for Investment of Our Cash
- Improve the Quality & Effectiveness of AMERICAN SYSTEMS' Operational & External Reporting; Implement Offering Area Management Reporting
- Continuously Improve Our Risk Management System structure by revitalizing our Safety Committee and continuing to work with our employees, insurance brokers and underwriters on minimizing risk to our employees, contracts and physical assets
- Improve/Develop a Structured Revenue & Profit Forecasting Methodology & Tool; Improve/Develop a More Timely & Robust Contract & Project Profitability Monitoring Process
- Continue to Implement the Updated AMERICAN SYSTEMS Corporate Facility Strategy to Enable the Company to Eliminate its Non-Productive Facility Costs
- Acquire a Company (or Companies) in Appropriate Strategic Business or Capability Areas with Annualized Revenues of \$20M - \$50M

OBJECTIVE 2: Grow share in National Priority Markets

Deliver against the key "leading indicators" for the "Value Drivers"

- New Business Gross Bookings: \$410M
- New Business Win Rate: >35%
- Follow-On Business Win Rate: 100%
- Submit New Business proposals valued at \$1,600M
- Achieve New Business qualified pipeline of \$4,000M
- Implement Routine & Periodic New Business Planning & Execution Reviews among Appropriate Operations and Business Development Leaders
- Appropriately Update the Company's Strategic Plan

OBJECTIVE 3: Retain and Attract the Best and the Brightest

- Maintain Voluntary Attrition to < 20%
- Achieve Net New Hires of 250 Employees (Operations)
- Improve the Quality & Effectiveness of AMERICAN SYSTEMS' Human Resources Information Systems; Upgrade Enterprise Systems As Required
- Develop and Implement an Executive Succession Planning System by 10-1231; Initial System Should Encompass Executives through Level 2
- Implement the AMERICAN SYSTEMS Total Compensation System to Be Competitive with Industry Standards

We enter CY/2010 with a new structure. As Chief Operating Officer, **Peter Smith** will lead the Company's operational strategy execution. As you are aware, our multi-dimensional strategy is both vertically-based (Strategic Business Areas) and horizontally-based (Strategic Offering Areas). Both dimensions will now report directly to Peter. This will further facilitate our ability to execute the strategy; enhance the Company's value by growing the Company's revenue, profit and cash; and provide professional growth opportunities for our employee-owners.

We enter CY/2010 stronger than ever before, all leading indicators remain strong. However, make no mistake about it, we still have a significant hill to climb. We must sustain our New Business bookings growth and we must improve our Follow-On win rate. This will enable us to sustain our revenue growth and continue to reduce facility costs. We must also make improvements to our Human Resources infrastructure and operations.

Finally, CY/2010 is the year in which we celebrate AMERICAN SYSTEMS' 35th anniversary! This is a major milestone ... one which can only be achieved by the routine and daily commitment of all of our employees (both past and present) and one in which we can be proud. As always, I am proud to be a member of the AMERICAN SYSTEMS Team.

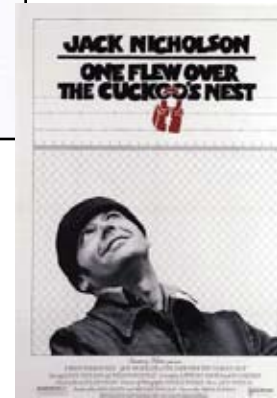
Happy New Year!

Bill Hoover

A Look Back

In 1975...

- ...the average cost of a new home was \$39,300
- ...a gallon of gas cost 44 cents
- ...the average cost of a new car was \$4,250
- ...ex-Teamsters boss Jimmy Hoffa disappeared
- ...Bill Gates and Paul Allen created Microsoft
- ...work on the Alaska pipeline began
- ...Bruce Springsteen released “Born to Run”
- ...Tiger Woods was born
- ...the Vietnam War ended
- ...average income per year was \$14,100
- ...Beta battled VHS
- ...NASCAR’s Jimmie Johnson was born
- ...BIC introduces disposable razors
- ...Kiss was popular
- ...interest rates were 7.5%
- ...“Happy Days” was a hit on TV
- ...“One Flew Over The Cuckoo’s Nest” swept the Oscars



35th Year Anniversary Gear Now Available Online

To commemorate our 35th Anniversary, our online Company store now features a number of new products and apparel bearing our distinctive 35th Anniversary logo! Remember, to access the store, visit the “Employee Advantages” section on the Home Page of AIMS, or via: <http://www.costore.com/americansystems/welcome.asp> from any browser. Here are a few samples...



35th Anniversary 1/4-Zip Fleece
\$35.00



35th Anniversary Lightweight Jacket
\$40.50



35th Anniversary Bamboo Dryfit Polo
\$31.25

AMERICAN SYSTEMS ISO 9001:2008-Registered

On November 13, 2009, AMERICAN SYSTEMS officially received its new ISO 9001:2008 quality certificate. For those of you who are focused on new business development or have a need to show proof to an existing customer, a copy of the certificate can be viewed and/or downloaded from AIMS – in the Quality Community under the “quality documents” folder.

If you’ll remember, back in September, I provided an initial assessment that we’d just completed our yearly external audit and came through it with minimal findings. Based on this successful audit, we are being upgraded to indicate conformity with the latest ISO quality specification, ISO 9001:2008 vs ISO 9001:2000. This is a significant milestone and represents continued improvement in our corporate quality culture and our formalized quality management system. Most of all, it’s indicative of the hard work and commitment of the numerous persons within AMERICAN SYSTEMS whose operations were included in the audit and certification. Areas of the Company that specifically are covered by this certification are as follows:

- Core Managed Processes (Internal Customers):
 - Human Resources
 - Business Development Operations
 - Purchasing
 - Contracts
 - Information Technology
 - Quality Assurance
 - Top Management

- Operational Programs (External Customers):
 - Defense Security Service
 - Civilian Mariner Support
 - National Services Group
 - Independent Verification and Validation
 - Risk Assessment
 - Global Distance Support Center

I sat in on many of the audits this time and want to compliment everyone involved for being so well prepared and having such a positive and professional attitude. I was proud of the way we were all able to account for ourselves. I would particularly acknowledge the many hours and hard work provided by **Sheri Murphy**, our lead internal auditor, in helping to get our processes in shape and prepare for the external audit.

Written by John Woodward, VP, Quality Assurance

Electronic Suggestion Box and Feedback Forum on Home Page of AIMS

We’ve heard you! Comments, questions, and suggestions continue to stream through our Electronic Suggestion Box (ESB), and responses to this valuable input is now accessible through AIMS. As you know, all comments to the ESB are answered by our management team, and these replies are posted to the Feedback Forum so that every employee-owner can read what’s on people’s minds. To access the ESB or the Feedback Forum, simply visit the Home Page of AIMS and click on the graphic links in the upper right hand corner.

All replies are modified to keep the Q&As anonymous, and they are sorted by subject matter.

It’s simple. If you’re logged into our network, open your browser, type “AIMS” in the address block, and submit your comments—you may choose to do so anonymously, or by identifying yourself—by clicking on this link:



Or, if you are visiting the Home Page of AIMS, you can read through the comments (with replies), by clicking on this link:



When browsing through the Feedback Forum, you can sort the comments by subject matter, e.g., Information Technology, or Human Resources.

Questions posed during Bill Hoover’s Kickoff meetings and State of the Company tours are also compiled and included in the Feedback Forum.

One of the major keys to our continued success is open communication, and the Electronic Suggestion Box and Feedback Forum are designed specifically to encourage this type of dialogue.

Contract Update

Teamwork Makes for a Successful USDA Contract



The recent award to AMERICAN SYSTEMS for the USDA Nationwide Small to Medium Telephone Systems Replacement BPA, valued at a ceiling of \$20M, was, of course, very good news. Winning a key contract is one thing, implementing and delivering on that commitment is totally another matter.

Since the contract award on August 26, 2009, AMERICAN SYSTEMS has configured, delivered, installed, tested and provided user training on approximately 50 systems at 50 different locations nationwide for USDA. All without any hiccups! This has more than pleased USDA management and project representatives, not to mention the individual USDA sites. Customer satisfaction is at its highest with this customer...they love AMERICAN SYSTEMS!

This didn't just happen coincidentally...it was because of the tremendous work and cooperation of the business units within AMERICAN SYSTEMS...Finance, Purchasing, Contracts, Proposal Development, and Operations Management. This truly was a coordinated, well-planned and well-executed Program...thanks to the many people involved with subcontractor management, purchasing processing, project controller assistance and development of smoother processes to accommodate the initial large order (\$1.2M worth of telephone systems) and other internal support. This is teamwork at its finest! It truly is remarkable.

As the new group in AMERICAN SYSTEMS, Communications Technology Directorate (CTD) really appreciates all the help and cooperation given to us during the bid phase and during the initial startup and implementation of the contract.

Submitted by Cris Crisostomo

HQ Construction Progress Report

Construction at the new Chantilly, Virginia, Headquarters began last December and is making great progress. The walls have been framed, communications wires are being pulled, and drywall is starting to be hung. Our new space is starting to take shape! Currently, we are right on schedule for our April 18, 2010 targeted move-in date. What a great way to celebrate our 35th Year Anniversary!



Above: Reception area taking form Below: Future site of employee workstations and view from 5th floor windows



**PLEASE NOTE: Our new address will be:
14151 Park Meadow Drive
Suite 500
Chantilly, VA 20151-2218
All telephone numbers and e-mail addresses
will remain the same.**

Semper Fi Fund-Raiser

Thanks to the generosity of our employee-owners, and a generous matching donation from the Company, we can be proud of our collective contribution to the Injured Marine Semper Fi Fund—**more than \$25,000** in total! Thank you to everyone who donated, as you helped our injured and critically ill Marines, Sailors, Soldiers and their families!

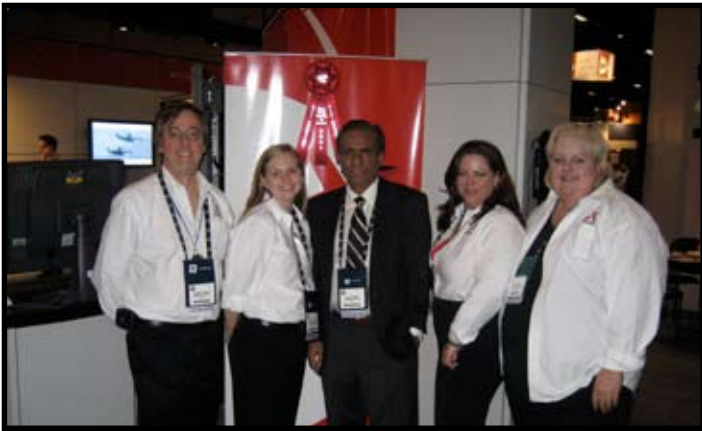
Palm Coast Contributes

The AMERICAN SYSTEMS employees in Palm Coast eagerly participated in the annual Combined Federal Campaign (CFC) campaign conducted by the FAA Center for Management and Executive Leadership

(CMEL). Along with the employees of the FAA and the other contractors, the 21 AMERICAN SYSTEMS employees helped raise over **\$4,000** for the selected local charities of The United Way of Volusia/Flagler Counties, The American Red Cross, and Toys for Tots. The collected funds were split equally among the three charities. Fund-raising activities included weekly raffle drawings, weekly ice cream sale days, popcorn sale days, a tailgate party (luncheon), an employee fun day, and of course, appeals for cash donations. AMERICAN SYSTEMS employees can feel proud of their significant contribution to CFC campaign, including cash donations of \$800 from two employees, who wish to remain anonymous.

*Story contributed by **John Johnston**, Program Manager, Palm Coast, Florida (See accompanying photo below)*

Photo Gallery



*Our Customized Creative Solutions group in Orlando received a Best Programs award in Military Training Technology's 2009 Top Simulation and Training companies list. Pictured, l to r: **Damian Szigeti**, **Brina Ferrara**, **Ali Kalwar**, **Melissa McCray** and **Terry Ritchie**.*



*FAA CMEL Director, **Dick Cullins** (right), presenting one of the Combined Federal Campaign checks to The American Red Cross representative (see story, above).*



Constructive destruction! Employee-owners from Chantilly gather at the new HQ facility in late December for a different kind of ribbon-cutting!



*AMERICAN SYSTEMS' COO, **Peter Smith** takes the first swing with the golden hammer to kick off the demolition and construction of our office. All HQ employees were invited to an open house for a chance to have a sneak peek of our new space before the work began.*

Send your photos and captions to Perspective@AmericanSystems.com or Mike.Dolton@AmericanSystems.com.

Our Newest Employee-Owners... October - December 2009

Please welcome the newest members of the AMERICAN SYSTEMS team!

Jamieson Abbott	Suzanne Comfort	Michael Harris	David Mathis	Kyle Smith
Dongyul An	Michael Creitz	Arthur Hart	Jeffrey Matthews	Thomas Smith
Francis Artnak	Jane Cross	Jason Hawes	Debra McCoy	Natalie Sparks
Jesse Atkinson	Pablo DelAguila	Joshua Henry	Rendi McCoy	Kenneco Surgeon
Eduardo Azero	Amy Dixon	Jose Herrera	Darrell McGhee	Thomas Swift
Christopher Bartley	John Dodson	David Hileman	Anthony McHugh	Khang Tran
David Beavers	Kyle Edwards	Gregory Holtz	George Miller	Michael Turpen
Suzanne Bond	Phil Evans	Brian Jacobs	Craig Nelson	Agwu Ukwa
Preston Bost	William Faulk	Gilbert Johnson	Arnel Ngo	Melissa Whiting
Michael Brannon	Marlon Franklin	Steven Jones	Anh Nguyen	Lynda Williams
Cody Brill	Gail Garcia	Jason Kanski	Brian Norn	Katharine Wollam
Chad Brown	Stephen Garcia	Kristin Kellstrom	William Pfeifer	Sabrina Worcester
Eletha Brown	Brian Giambalvo	Walter Krebs	Patricia Seiler	Thomas Wright
Laura Brown	Nicole Gilson	Frederick Larsen	Petrina Shatteen	Michael Zyuzin
Thomas Bruch	Denver Greiner	Gregg Laska	Stacey Siefke	
George Byrd	Deborah Gunter-Holiday	Todd Lieberman	Daniel Silos	
Mike Byrd	Michael Hamm	Brian Maday	Rob Simpson	
David Castro	Ray Harding	Christy Marchand	Jonathan Sixt	

Values and Culture Recognition Program


From October through December 2009, the following employee-owners were recognized through the Values and Culture Recognition Program and deserve congratulations:

Ralph Allison	Shavanica Every	Dennis Rizzi	Renee Street
Pam Barkey	Shamsu Islam	Bernie Ruiz	John Strohl
Lisa Braham	Janet Mahn	Lynette Shaw	Steve Thomas
Colleen Clampitt	Bill Nicol	Mike Sleeper	Lisa Wetzel
Brian Cooper	Ly Peang-Meth	Diane Stegner	Brad Wist
Ed Cortes	Mike Potito	Shannon Stevens	Steve Woodson

To nominate an employee, visit the HR Community on AIMS and follow the instructions in the Values and Culture Recognition memorandum.



Service Anniversaries - October through December 2009

5 Years	Dennis Curtis	10 Years	15 Years	
Daniel Proctor	Robert Kennard	Maurice Minnis	Stephen Bailey	
Billy Hill	Cecilia Strain	Barry McGranahan		
Sherwin Paul	Matthew Sessions	Christopher Carden	20 Years	
Malcolm Shorts	Jerry Goodloe	Rocio Colon	Mark Shade	
Joseph Peterson		Nicholas Despas	Arnita Jackson	25 Years
Stephen Biedermann		Gene Berndt	Bill Powell	Steve Monaghan
Andrew Cardinal		Patrick Maier		Lisa Otis

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PERSPECTIVE is published quarterly for the employees of AMERICAN SYSTEMS. Information contained herein should be considered proprietary. For more information, or to contribute articles, please contact Perspective@AmericanSystems.com or Mike.Dolton@AmericanSystems.com.

Postcard from Chesapeake, Virginia

Or...Out with the Old, In with the New!

Packing, moving and unpacking after sixteen years at the same location is never easy. AMERICAN SYSTEMS' Chesapeake, VA office performed those actions while relocating operations during the recent holiday season. On December 14th, the AMERICAN SYSTEMS Chesapeake Office officially occupied their new facility in the Battlefield Technology Center I complex at 510 Independence Parkway, Suite 600 in Chesapeake, VA, just minutes away from the old location.

Consistent with AMERICAN SYSTEMS' move toward modular work spaces, the Chesapeake Office can support 35 permanent and telecommuter employee-owners with dedicated work areas. Other facility enhancements include two conference rooms, a proposal room, training rooms, and an electronics lab space. Unlike the old facility, the new Chesapeake office "open floor plan" provides windows that help brighten the work areas with natural light.

Without the support and efforts of the employee-owners based at the Chesapeake Office and AMERICAN SYSTEMS' Headquarters IT and Facility staffs, the smooth transition between locations could have been disastrous. Through the direct on-site support provided by IT staff members, the computer changeover was easily accomplished and they remained on-site to assist users with e-mail configurations and any connectivity problems. While we are still doing some final unpacking, we were open for business with "no interruption."

*Contributed by **Nicholas Perriello**, Chesapeake*



The new Chesapeake location now bears our logo inside and out!



13990 Parkeast Circle
Chantilly, VA 20151-2272