



AMERICAN SYSTEMS

PERSPECTIVE

When It Has To Be Right The First Time



Volume 32 • Issue 1 • Winter 2011

AMERICAN SYSTEMS: A Caring Company

AMERICAN SYSTEMS prides itself on living our core values every day, and takes its commitment to these values seriously, particularly our Community Service value. As a Caring Company, AMERICAN SYSTEMS continues to formally support charities focused on Education, Health Issues, and Military Veterans. The specific charities we choose to support must also enable our employee-owners to be involved. In 2011, AMERICAN SYSTEMS is unveiling a new program designed to encourage your charitable endeavors through the **Helping Hands Matching Gifts Program**. The community outreach team led by Human Resources' **TJ Baskerville** and **Kelly Wing** will oversee the Helping Hands program, but here's an overview:

General Provisions

AMERICAN SYSTEMS will match employee cash contributions from a minimum of \$25 to \$500 made to a qualified 501 (c)(3) charity as defined by the Internal Revenue Service. Employees must be an active participant in the charity event, i.e., walker, runner or volunteer.

Employees can participate as often as they like, but AMERICAN SYSTEMS will cap this program when the annual corporate budget is reached. This year's budget is \$15,000!

Contribution

- ◆ The employee must make actual cash contributions, not a pledge.
- ◆ Registration fees are ineligible for matching.

Employee

- ◆ The individual must be a current employee at the time of the matching contribution.

Process

- ◆ Submit an application to HR@AmericanSystems.com with proof of event registration and donations page (i.e., web site or link) and 501(c)(3) status. The application is located on AIMS under *A Caring Company*.

AMERICAN SYSTEMS will *not* match:

- ◆ Requests for local school programs (i.e., little league baseball, etc.)
- ◆ Religious affiliations
- ◆ Political affiliations
- ◆ Registration fees

If you have any questions about this program, please contact:

HR@AmericanSystems.com



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From the President's Desk



CY/2010 is complete and we have begun a new year. As the Company's executive team and I indicated in our year-end status reports, CY/2010 was a very successful year for AMERICAN SYSTEMS. Although the books are not yet formally closed, it is expected that AMERICAN SYSTEMS will continue to be an industry leader from an organic revenue growth rate perspective (~17%). The Company's profit delivery and profit margin improved significantly over CY/2009, although there continues to be opportunity for improvement in the new year. Our cash collection (DSO: ~57 days) and cash "on-hand" (~\$33M) remain exceptionally strong. AMERICAN SYSTEMS' New Business Gross Bookings were strong (~\$300M); although not as strong as CY/2009 achievement, CY/2010 results were the second strongest in the Company's history. Our New Business leading indicators (i.e., Qualified Pipeline and Proposal Backlog) as we enter CY/2011 provide confidence that we can once again achieve very strong performance levels.

As I indicated above, we enter CY/2011 with confidence that we will continue to deliver strong results in the new year. As in the past, our CY/2011 objectives continue to be focused on delivering value to each of our three critical constituencies ... our Shareholders, our Customers, and our Employee-owners.

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

- ◆ Deliver against the key "Value Drivers"
- ◆ Revenue: \$275M
- ◆ Net Income: \$18M
- ◆ 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
- ◆ Document & Implement a Repeatable Process to Continuously Improve the Return on Investment of All Indirect (Overhead and G&A) Expenditures
- ◆ 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
- ◆ Appropriately Update the Company's Strategic Plan (2011 - 2015)

OBJECTIVE 3: Retain and Attract the Best and the Brightest

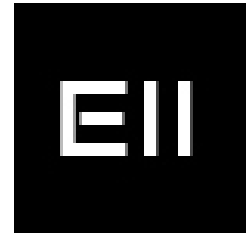
- ◆ Achieve Voluntary Attrition to < 15%
- ◆ Achieve Net New Direct Hires Consistent with Revenue & Profit Requirements (Current Estimate ~250 Employees)

Finally, as I begin my "routine" travels to Kick-Off CY/2011, I look forward to seeing you and hearing what is on your mind. As always, I am proud to be a member of the AMERICAN SYSTEMS Team.

Bill Hoover

Contracts Update—DISA Encore II

In June 2010, through a strategic acquisition, AMERICAN SYSTEMS became an ENCORE II (EII) Prime Contractor—a major Company strategic objective—and thus a major competitor in the U.S. federal marketplace. ENCORE II (EII) contracts provide IT solutions in 20 task areas, from Enterprise IT Policy and Planning to Managed Services, for activities throughout all operating levels of all customer organizations in support of all functional requirements, including Command and Control, Intelligence, and Mission support areas, and to all elements of the Global Information Grid.



Because EII, a key Indefinite Delivery/Indefinite Quantity – Government Wide Acquisition Contract vehicle, gives these customers direct access to AMERICAN SYSTEMS, we can now identify and compete for a wide range of major opportunities in the federal market across all key strategic business areas. This vehicle provides a front seat at the prime contractor table, enabling existing and new clients to contract with us to deliver our five primary service offerings, including the rapidly growing area of Cyber Security. With EII we enter a new arena of business capture that positions us for significant growth, and our goal is to generate at least \$100M in revenue in the next five years.

With EII AMERICAN SYSTEMS joins established large companies including Northrop Grumman, Lockheed Martin, and Booz Allen as a significant player in the competition for major federal prime contracts. These industry giants may not know we are an EII prime just yet, but we are causing talk in the industry and, as we vigorously enter this contracting arena we will soon have both their attention and respect.

Also causing talk is the AMERICAN SYSTEMS Ambassador Program (ASAP), which we created to enable the company to use partner companies to penetrate market space that is too broad and complex for one company, as is the case with EII. We will use ASAP to identify and establish relationships with diverse companies to secure the entire range of capabilities required to fulfill EII requirements, enabling us to beat the industry giants at their own game. In 2011, we hope to identify 100 companies which will both establish an extensive customer base and enable us to quickly form dynamic teams to compete for EII task orders.

Our strategy is for AMERICAN SYSTEMS and our ASAP partners to engage in business development efforts with a wide range of existing federal government clients who are familiar with us and our partners, and whom we understand. Ideally, these efforts will lead to EII task orders we are well positioned to win. Thus far, AMERICAN SYSTEMS' leadership, including our Service Offering and Strategic Business Area leads, have provided recommendations regarding more than 80 potential Ambassadors, and we are currently in various levels of discussions with all of them.

For each potential partner, whom the Defense Information Technology Contracting Organization (DITCO) contracting office must approve, we identify key points of contact, acquire corporate capability briefings, and ask them to provide a past-performance/customer footprint spreadsheet. After executing a Non-Disclosure Agreement, we meet with company representatives to explain the program and our strategy to work with clients to create EII task order opportunities that will lead to revenue for the entire team. We also explain the benefits of partnering with AMERICAN SYSTEMS, discuss potential opportunities, and provide EII marketing tools.

To date, DITCO has approved 45 of our subcontractors, and as our Ambassadors for EII, they are ready to engage with the market to bring business to the vehicle. They recognize the importance of EII and, as our true teammates, they have access to a wide range of new clients. All of us, AMERICAN SYSTEMS and our partner Ambassadors, are fired up and ready to go! To learn more about the ASAP and EII, please contact **Les Owens** or **Steven Wells**.

Standard Policies & Procedures Updates

The following Standard Policies and Procedures (SPPs) were updated in the fourth quarter of 2010. It is your responsibility to stay current with all of our SPPs. Remember to visit the Policy Central Community on AIMS for the latest versions of all of our SPPs.

- SPP 01-105 – Development and Maintenance Policy for Standard Policies and Procedures (SPPs)
- SPP 02-201 – Holiday Policy
- SPP 02-209.1 – 2011 Benefit Package Chart
- SPP 04-101 – Procurement Policy and Process
- SPP 05-105 – Capture Management Process
- SPP 05-108 – IDIQ GWAC Task Order Opportunity Management

Kudos...

Dumfries Office Employee-owners Read on National Young Readers Day

As part of National Young Readers Day, AMERICAN SYSTEMS joined the Prince William Chamber of Commerce and local businesses in reading aloud to students at Prince William County Public Schools on Nov. 9.

National Young Readers Day is an annual event designed to promote reading among elementary school-aged children. By showing examples of adults reading, event organizers hope students will see reading as an important skill for success and a fun activity.

Eight AMERICAN SYSTEMS employees from the Company's Dumfries, VA, office donated books and read to students in 15 different classrooms at Washington-Reid Elementary School and John F. Pattie, Sr. Elementary School, both located in Dumfries, VA. Readers were: **Don Evans, Tiffany Seay, Suzette Westhoff, Pat Logan, Jackie Anderson, Sabrina Worcester, Gretchen Schreiber and Josh Etu.**

Article Submitted by Jennifer London



Employee-owner Jackie Anderson reads to Mrs. Zetts' 2nd grade class at John F. Pattie, Sr. Elementary School in Dumfries, VA, on Nov. 9 as part of National Young Readers Day. Photo by Wanda Napier.

AMERICAN SYSTEMS Named Top Simulation and Training Company

Ali Kalwar and Damian Szigeti, employees out of our Orlando, FL, office earned top honors in the Simulation and Training Community in 2010. Each year, *Military Training & Technology* magazine recognizes the companies with the most outstanding achievements in the field. The award was presented at the annual I/ITSEC conference, and Ali and Damian proudly displayed the ribbon in our booth at the event. All employee-owners should be proud of this accomplishment as AMERICAN SYSTEMS' contributions to the field allow U.S. Airmen, Marines, Sailors, Soldiers and Coast Guardsmen to continue to defend our freedoms both at home and abroad.



Ali Kalwar, Damian Szigeti pictured with MT2 Award.

Chuck Johnson (center) flanked by two of her assistant coaches



Chuck Johnson—Coach of the Year!

Congratulations to **Chuck Johnson**, of AMERICAN SYSTEMS' Chantilly, VA, office for being voted Liberty District Volleyball Coach of the Year for the 2010 season. Chuck has been the Varsity Volleyball head coach at Thomas Jefferson High School for the past nine years. In addition to success on the court, Chuck's team raised funds for breast cancer research and awareness through their "Dig Pink" fundraiser. The TJHS Varsity Volleyball team also participated in Wii's for Warriors, and raised over \$5K to purchase Nintendo Wii Fit's to aid in the recovery process for wounded warriors at Walter Reed. Way to go, Chuck!

Cancer: It's Not Funny, Except When It Is...

Employee-owner Jack Pelar tells the story of the battle he won against cancer.

Elizabeth Edwards just passed away because of cancer and Aretha Franklin has just been diagnosed with it. Closer to home, several people at AMERICAN SYSTEMS are fighting cancer as you read this. In 2009, cancer latched onto me and I named her Esther.

There I was, hearing from my doctor that I have an “esthesioneuroblastoma.” (“Esther. Oh, now I get it...”) I started researching Esther, and learned she’s a rare cancer that resides on the olfactory nerve, growing downward into the sinus cavities, as well as upward along the smell sensors that traverse between the nose and the brain (if the brain isn’t where it starts initially). As an engineer, I was full of questions mainly from the logical side of my brain: What does having cancer mean? How big is it? Will it kill me? As a program manager by trade, I concluded that this was merely a project to be managed like any other—kept on schedule, within budget, while meeting requirements, and managing expectations.

Unfortunately, cancer doesn’t work like that. I had to accept that I had absolutely no control over this tumor, the process of removing it, the schedule for doing so, the loss of weight, or the loss of hair. In retrospect, I now know that I never had any control, over anything including my personal emotions.

Esther wasn’t fun at all, but when I reflect today, I can see some funny in the fight. Whether poking fun at myself, the doctors, or Esther, I certainly observed a few highs, lows, and lunacies along the way. For example, the first food I was served after surgery was grits. I’ve never had



grits before in my life. They’re like eating drool. Why couldn’t I get pizza and a Corona? Then, on day 3 in ICU, I have headaches from an air bubble in my head that could kill me; my blood counts are low; I have no appetite, and conversing with me is like talking to a piece of wallboard. And yet they tell me I’m the “healthiest person in ICU” and ready to be moved to the regular floor. Really?!?

All in all, I wouldn’t wish this experience on anybody. Comparatively speaking, I didn’t have it that bad. People receiving chemo—or worse, chemo in concert with radiation—are really hurting during the process. Watching children going through the process just breaks your heart, no matter how positive of an attitude they have. One can learn a lot about watching these strong young people. I also learned that AMERICAN SYSTEMS has very good insurance, both medical and disability, and I can honestly say that Esther did not kill me, literally or financially.

Ultimately, when I first learned about Esther, I wanted to go through the process of surviving her with defiance, dignity, and humor, and without complaint or self pity. I think I succeeded. After all, Esther doesn’t live with me anymore—she’s in a jar at Johns Hopkins. Thanks to all those people who prayed for that to be the case. Best of all, I still have my sense of humor (no sarcastic retorts, please). May you or anyone you know never go through this, but if you do, jokes and prayers combined go a long way toward easing the journey.

After all, “Pain + Time = Funny.” See? An engineer has a mathematical formula for everything.

Article Submitted by Jack Pelar

Make-A-Wish Comes True!

My family traveled to North Texas to see Super Bowl XLV, courtesy of the staff at Children’s Hospital in Washington D.C. and Make-A-Wish Foundation. My son, Jonah, has Medulloblastoma, the most common type of childhood brain tumors. Since his diagnosis in October of 2008 at age seven, Jonah has undergone surgery to remove a portion of two tumors and endured six weeks of daily radiation followed by four rounds of high dose chemotherapy with stem cell transplant. Now out of treatment, he has progressed from being wheelchair-bound to walking with the use of a walker. He continues physical therapy several times a week to improve his gait and balance and today is tumor-free!

Jonah’s wish resulted in a limo ride to and from the airport and 4 nights in a hotel for the Terry family. The most memorable part of our trip was the dinner reception where Darren Woodson, a former Dallas Cowboy, spoke to Jonah and the 12 other Wish kids about their incredible strength and continuing to fight a good fight. The next day, after a private tour of the stadium and lunch in one of the suites, we met Drew Brees, Mark Sanchez and Kurt Warner. Jonah, a die-hard Redskins fan took great pleasure in wearing his Redskins jersey and even commented to a Dallas player, “I just wanted to prove to Dallas I could be in your stadium with my Redskins jersey on!”

Jonah’s wish came true—as did the outcome, we were cheering for the Green Bay Packers! Thanks to Make-A-Wish Foundation we have great memories of a trip we will never forget.

Article Submitted by Jonah’s mother, Stacy Terry

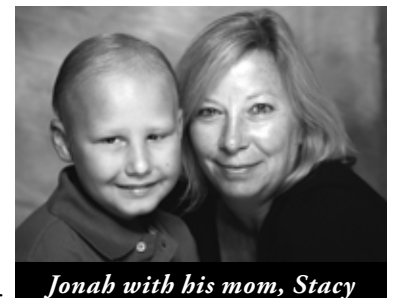



Photo Gallery

As Seen On E-Bay!

AMERICAN SYSTEMS Can Koozie 
spotted at online auction for \$0.49

The AMERICAN SYSTEMS can koozie has hit the national spotlight! The black, neoprene beverage insulator featuring the www.AmericanSystems.com web address and corporate logo was recently seen on eBay. This versatile, collapsible, cooler can be used for a multitude of beverages and can be stuffed away for easy storage into a pocket, golf bag, or purse. These invaluable features warranted a starting bid of \$0.49 on the open market!



AMERICAN SYSTEMS was a Gold Sponsor for the 1st Annual Information Operations & Cyber Capabilities in 21st Century Warfare Conference, November 30 – December 2, 2010, in Charleston, SC. The conference was held by the Association of Old Crows (AOC) and hosted by SPAWAR-ATLANTIC. AMERICAN SYSTEMS is a corporate sponsor for the local AOC Palmetto Roost.

Photo: Bob Sauer (far left) accepting plaque for recognition of AMERICAN SYSTEMS conference sponsorship from the local AOC President, Rich Nelson



Employee-owners at the Chantilly, VA, office raised \$724 for the American Cancer Society this February. Everyone enjoyed pizza and got to wear their favorite team's jersey as a way to support the cause. Thanks to all who participated!

Our Newest Employee-Owners... October - December 2010

Please welcome the newest members of the AMERICAN SYSTEMS team!

William Allen	Donald Evans	Joanna Kamerer	Fouzan Pal	Brian Stough
Stephen Bacheller	Marsha Fennell	Hugh Keane	Brittney Parsell	James Strickland
Scarlett Bates	Allison Forney	Jan Keen	Gary Payne	Alexander Sun
Ryan Blackburn	Thomas Gee	Samuel Knight	Reynaldo Quiba	Rodolfo Tayag
Ava Bradshaw	John Gomez	Alexander Koppert	Brendan Reid	Richard Tran
William Carden	Amilcar Gonzalez	Karla Langlotz	Hunter Ricker	Ryan Ulrich
Augustus Cayabyab	Terrence Gregory	Elliot Levine	Jerome Riley	Charles Vandiver
Leah Chappell	Anthony Grier	Kevin Lewis	Albert Ruiz	Jaya Vonteru
Cornell Cortner	Michael Harris	Scott Lopez	Franklin Russell	Charles Walters
Eugene Daniels	John Highland	Jie Lou	Ashley Samdahl	Shawn West
Betty Davis	Thomas Holcomb	Carl Marchetti	Shana Schloth	William Wilson, Jr.
David Dobis	Darryl Holt	Michael Massey	David Sileshi	Julisa Wright
Joelle Edwards	Jessica Hyde	LaVera Montgomery	Robert Smith	Michael Yamashiro
Curtis Edwards	Michael Innella	Singh Nikhil	Tony Sopranzi	
Russell Engelhard	Robert Irelan	Eric Noth	William Sprau	

Fourth Quarter Promotions!

The following employee-owners deserve congratulations as they were promoted during the fourth quarter of 2010.

Matthew Brock	Tiara Jones	Michelle Lion	Jennie Thomas
Shearleeta Dean	Kavita Khushalani	Nathan Martin	Sadie Young
Daniel Hill	Todd Lieberman	Ashley Schoonover	

Service Anniversaries - October through December 2010

25 Years	10 Years	Samuel Hauge	Diana Clark	Patricia Gore
Mark Sheptock	Gary Ager	John Nelson	Shannon Delvaux	John Oliva
Carey Dorset	Lynette Shaw		Corey Burns	
Joel Kirkham	Walt Koch	5 Years	Rita Walker	
	Cliffton Peterson	Timothy Minarik	Debby Stahl	
15 Years	Corey Quaintance	Lang-Mann Chang	Mark Thomas	
Kimberly Shelver	Robin Marsh	Jeannette Voyce	Mayrone Wei	
Judith Chandler	Ed Langston	Joshua Etu	Steve Saylor	



Values and Culture Recognition Program

From October through December 2010, the following employee-owners were recognized through the Value and Culture Recognition Program.

Tamika Anderson	Shawn Hicks	
Walter Appleton	Jason Holland	
Robert Arnold	Hasmal Jean-Philippe	Josh Riley
Grace Bussey	Bill Lively	Melissa Solomon
Diana Clark	Jon Mahlbacher	Ryan Wilt
Carl Day	Don McNerney	
Linda Ennis	Tom Moran	
Heather Ferlazzo	Ben Nicolls	
Charles Goetziner	Rachel Ramey	



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

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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 Hinton, WV

AMERICAN SYSTEMS Opens Doors in Wild and Wonderful West Virginia Location Bolsters Capabilities in DOD's Contractor Project Management Optimization, Integration Support

Opened in January 2011, Hinton-based operations will set the stage for the optimization of contractor project management and integration, including:

- ◆ Understanding how force integration decisions affect operations
- ◆ Supporting strategic, operational, and tactical level planning capabilities
- ◆ Enabling senior leaders to better plan, manage, and execute macro level force mix planning, trade-off analysis and risk assessment
- ◆ Leveraging concepts of business transformation leading to sound enterprise investment and continuous process improvement

AMERICAN SYSTEMS' **Burl Smith** of the Government & Commercial Consulting Services group heads up the West Virginia operation.



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