NDIA Program Management Systems Committee (PMSC)

Northrop Grumman
Our Approach to Program Management

August 10, 2011

Dr. John Chino

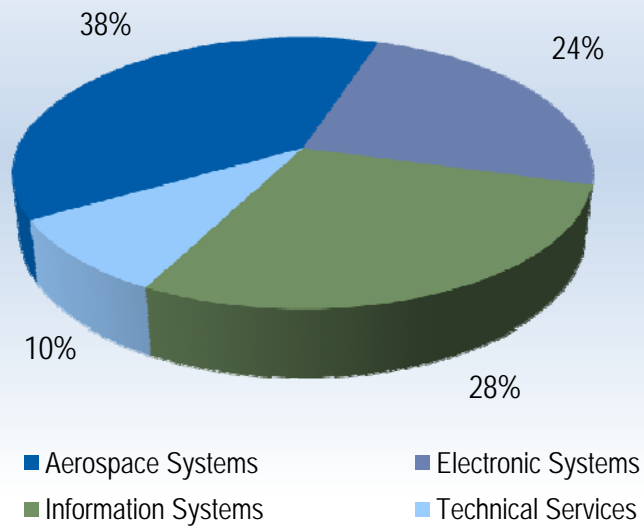**Vice President**
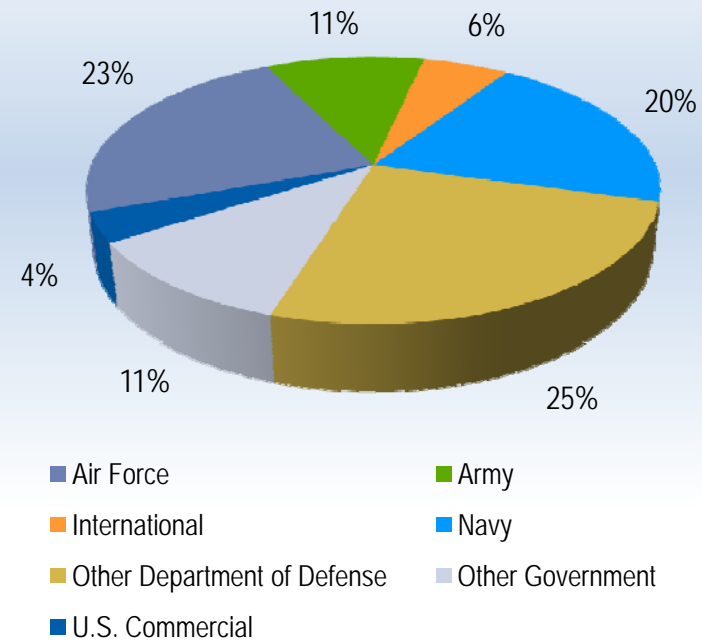**Corporate Programs, Quality and Engineering**

Topics

- **Brief Corporate Overview**

- **Our Performance Culture**

- **Program Management Initiatives**

- **Reasons Why Programs Succeed**

- **Summary**

Northrop Grumman – Business Portfolio

By Segment

- Aerospace Systems — 38%
- Electronic Systems — 24%
- Information Systems — 28%
- Technical Services — 10%

By Customer

- Air Force — 23%
- Army — 11%
- International — 6%
- Navy — 20%
- Other Department of Defense — 25%
- Other Government — 11%
- U.S. Commercial — 4%

Four Operating Sectors at a Glance

Aerospace Systems	Electronic Systems	Information Systems	Technical Services
Airborne Ground Surveillance / C2	Air Defense Systems	Command & Control Systems	Aircraft Subsystem/Component Sustainment & Modernization
C4ISR	C4ISR Networked Systems	Communications	Aircraft System/Platform Sustainment & Modernization
Directed Energy Systems	EO/IR Targeting & Surveillance	Cybersecurity	Defense and Government Services
Electronic Combat Operations	Marine & Undersea Systems	Enterprise Systems and Security	Ground Vehicle Reconstitution
Environmental & Space Science Satellite Systems	Navigation & Positioning Systems	Federal, State/Local & Commercial	Integrated Logistics and Modernization
Global / Theater Strike Systems	Propulsion & Power Generation	Health IT	Irregular Warfare/Quick Reaction Capability
ISR Satellite Systems	Radar Sensors & Systems	Homeland Security	Live, Virtual and Constructive Domains
Large Scale Systems Integration	RF/IR Countermeasures	Intelligence	Nuclear Security Services
MILSATCOM Systems	Space Sensors	Intelligence, Surveillance & Reconnaissance Systems	Technical and Operational Training Support
Missile Defense Satellite Systems		IT/Network Outsourcing	Training Solutions
Naval BMC2			
Strategic Space Systems			
Unmanned Systems			

Northrop Grumman Leadership Team

OPERATIONS

Chairman, CEO and President

Wes Bush

CORPORATE

Operations

Aerospace Systems
Gary Ervin
Corp VP & President

Electronic Systems
Jim Pitts
Corp VP & President

Enterprise Shared Services
Gloria Flach
Corp VP & President

Information Systems
Linda Mills
Corp VP & President

Technical Services
Tom Vice
Corp VP & President

Corporate

Business Management
Jim Palmer
Corp VP & CFO

Communications
Darryl Fraser
Corp VP

General Counsel
Sheila Cheston
Corp VP

Government Relations
Sid Ashworth
Corp VP

Human Resources
Debora Catsavas
VP & Acting Chief Human Resources Officer

Technology
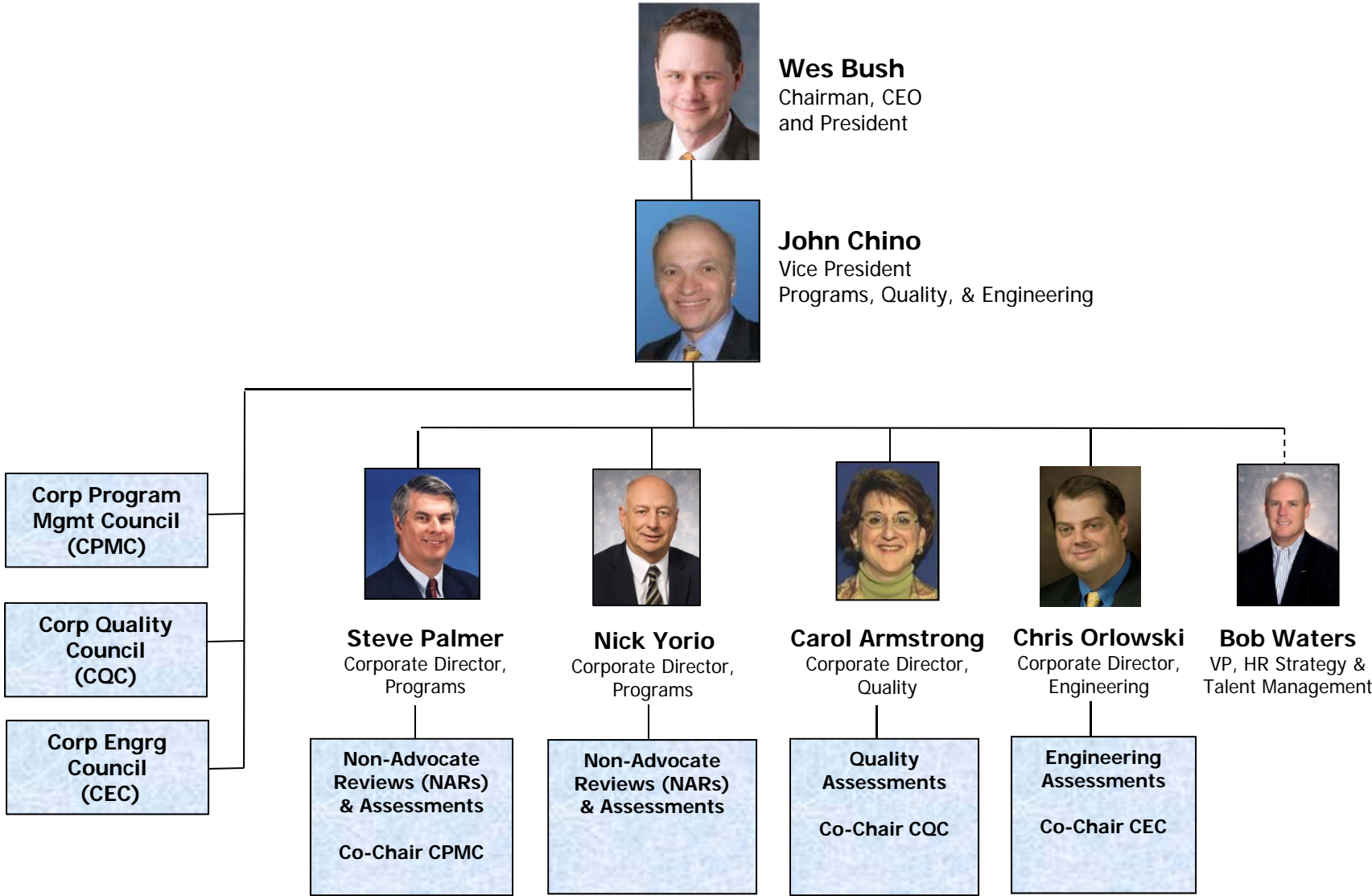Alexis Livanos
Corp VP & CTO

5

Corporate Programs, Quality & Engineering

NORTHROP GRUMMAN

Wes Bush
Chairman, CEO
and President

John Chino
Vice President
Programs, Quality, & Engineering

**Corp Program
Mgmt Council
(CPMC)**

**Corp Quality
Council
(CQC)**

**Corp Engrg
Council
(CEC)**

Steve Palmer
Corporate Director,
Programs

Nick Yorio
Corporate Director,
Programs

Carol Armstrong
Corporate Director,
Quality

Chris Orlowski
Corporate Director,
Engineering

Bob Waters
VP, HR Strategy &
Talent Management

**Non-Advocate
Reviews (NARs)
& Assessments**

Co-Chair CPMC

**Non-Advocate
Reviews (NARs)
& Assessments**

**Quality
Assessments**

Co-Chair CQC

**Engineering
Assessments**

Co-Chair CEC

Our Performance Culture . . .

- **A Company Highly Valued By Our Customers**

- **Fair Returns in Our Industry For Shareholders**

- **A Magnet For Talent At All Levels**

. . . We're Committed to Our Customers, Shareholders & Employees

Our Focus . . .

- **Ethical Behavior**

- **Reduce Cost and Improve Affordability**

- **Drive for Stable & Predictable Program Performance**

- **Collaborate Openly and Candidly**

- **Customer Satisfaction**

- **Expanding Diversity and Inclusion**

- **Corporate Citizenship**

- **Quality Performance**

. . . Common Denominators Across Our Business

Program Management Initiatives

Roles & Functions –
Corporate Program Management Council (CPMC)

- **Provides an Enterprise-Level Forum to Share Program Mgmt (PM) Processes, Procedures, Resources and Best Practices**

- **Establishes Company-wide Solutions to Address Common PM Issues**
  - Planning and Cost/Schedule Management
  - Risk and Opportunity Management
  - Content of Management/Technical Reviews
  - Performance Metrics
  - Requirements Management
  - Integration & Test Approaches
  - Contract/Subcontract Management
  - Acquiring and Training Personnel

- **Provides Development and Training Opportunities for PMs**
  - Building PM Bench Strength
  - Mentoring Across Sectors
  - Generating Pipeline of Talent

Program Management Initiatives (cont'd)

- **Utilize Results of DCMA's Observations & Feedback to Improve EVM at Northrop Grumman**

  - **DCMA CAR Data Updated Bi-monthly in Corporate-wide Database**

    - CARs and CAPs Available for Review on Shared Intranet Site
    - Metrics Reported to Senior Management for Review and Action, As Required
    - Each Sector's EVM Focal Points Meet Bi-monthly to Exchange Information on Corrective Actions & Process Improvements

  - **Identify Opportunities For Process Improvements**

    - Reinforce Program Mgmt organized assessments of the Financial Health of Programs

Program Management Initiatives (cont'd)

- **Evaluation of Toolsets**

  - Identify Most Effective Tools, Increase Standardization & Decrease Costs

  - Strive to Increase Predictability

  - Identify Trends
    - Contrast Plans & Actuals

- **Membership of the CPMC Includes the VPs of Programs From Each Sector**

- **CPMC Chaired by VP, Programs, Quality & Engineering**

Key PM Processes . . .

. . . **Program Launch & Follow Through**

Key Reasons Why Programs Are Successful . . .

- **Requirements Management**

- **Planning – Schedule & Financial**

- **Risk & Opportunity Identification & Management**

- **Integration**

- **Subcontract & Supplier Management**

- **Right People & Skills At the Right Time**

. . . Plan The Work & Work The Plan

Traits of Successful Program Managers

1. Organized
2. Frames Strategy
3. Patient
4. Business Savvy
5. Multi-Disciplinary Team Builder
6. Communicator
7. Adaptable
8. Develops Talent

9. Focused on Results
10. Integrity
11. Sound Judgment
12. Customer Satisfaction
13. Persistence
14. Passionate About Success
15. Sense of Urgency

. . . "DNA" for Program Managers

Summary

- **Deliver Products on/or Ahead of Schedule with High & Measured Levels of Quality**

- **Continue the Focus on Strong Program Management**
  - **Predictable & Stable Performance**

- **Fair & Equitable Financial Returns for Our Shareholders**

- **Attract & Train Diverse & Inclusive Talent**

. . . Emphasis on Our Customers, Shareholders & Employees

NORTHROP GRUMMAN