Industry Leaders Make First Appearance at *Acquisition Senior Leaders' Conference*

Meg Williams

Conference host Claude M. Bolton Jr., Assistant Secretary of the Army for Acquisition, Logistics and Technology/Army Acquisition Executive introduced the four industry panelists by saying, "I've yet to find anyone in those program executive offices who are actually building our Strykers and Black Hawks."

"We depend heavily on our industrial base — organic or industrial — to build our world-class fighting forces," he added.

Roger A. Krone, Senior Vice President, Army Systems, Boeing.

Bolton explained that in the last 15 years, especially since the Berlin Wall fell, consolidations and mergers in the defense industry have been commonplace. He asked panelists to talk about competition in their industries and how their companies can help the Army with issues of obsolescence in the systems.

Simon T. Honess, Vice President, Homeland Security, General Dynamics Land Systems.

Panelists included Roger A. Krone, Senior Vice President, Army Systems, Boeing; Dr. William H. "Bud" Forster, Vice President, Land Combat Systems, Northrup Grumman Corporation; William W. Hansen, Vice President, Army Programs, Civil Agencies & Technology Services, Lockheed Martin; and Simon T. Honess, Vice President, Homeland Security, General Dynamics Land Systems.

Ten years ago Boeing employed 280,000 people and less than 10 percent of its revenue came from defense programs. Since then it has moved its headquarters from Seattle to Chicago and decreased its number of employees to 145,000. Military contracts now make up the majority of its revenues.

To maintain its competitive edge, Boeing focuses on pleasing its customers. "Our ultimate customer is not in the five-sided building," Krone said. "It's a W4 maintaining a Chinook in blowing winds of sand."

Keeping such demanding customers satisfied requires that Boeing hire people who used to be warfighters, deploying its employees overseas to be with customers, spending time at the National Training Center at Fort Irwin, CA, and at the Joint Readiness Training Center at Fort Polk, LA.

"General Dynamics has a transformation story, much as these other corporations and the Army have," said Honess. "In the 1980s, before the Berlin Wall fell, General Dynamics was doing $10 billion in business each year with 50,000 employees. After the wall fell, it had 13,000 employees doing $3.5 billion in business per year."

"We decided not to keep businesses we weren't number one or number two in," Honess clarified.

"Now, we're at $16 billion a year and 64,000 employees. Then, we manufactured tanks and submarines. Now we produce information technology systems and marine systems. Were it not for us getting into information technology, we couldn't relate to a Lead Systems Integrator type of environment."

General Dynamics links to warfighters in three ways: first, by having a vision that aligns with the national security of the United States and the U.S. Army; second, by recognizing that the environment changes, industry players change and ways of doing business change; and third, by performing well.

Dr. William H. "Bud" Forster, Vice President, Land Combat Systems, Northrup Grumman Corp.

"We must practice agility in terms of competing and then teaming with our adversaries to be collectively aligned with the warfighter," Honess offered.

General Dynamics uses a balanced scorecard to judge how its customers think they are aligned with the company. Also, as an organization it works very hard to matrix its engineering and production processes with its product centers. Its managers must understand what warfighters need.

William W. Hansen, Vice President, Army Programs, Civil Agencies & Technology Services, Lockheed Martin.

Northrop Grumman completed a true transformation, according to Forster. Through careful acquisitions and plotted moves, it has turned itself around without losing money or customers, a considerable feat given the economy.

Northrop Grumman's project managers adopt an Army unit and talk to its customers face-to-face. "Getting involved earlier in the requirements and acquisition processes is key to successful contracts," Forster said. His company also employs technical representatives to keep connected to warfighters in the field.

As a retired Army lieutenant general and former Military Deputy, Assistant Secretary of the Army for Research, Development and Acquisition, Forster applauded the task force ASAALT sent to Kuwait.

"The acquisition cell in Doha was a great step in getting the Army Acquisition Corps (AAC) and the people who can solve those issues forward," he said. "That needs to be continued and expanded in a peacetime role."

In his opinion, the Defense Acquisition Workforce Improvement Act has built a wedge between the AAC and the rest of the Army. "Maybe it's time to do another legal review of it," Forster said. "If you need legislative relief, go and get it."

Lockheed Martin is what remains from 17 former defense companies, Hansen told listeners. It is a $26 billion a year company and the Army's business is 15 percent of that. "To transform itself, Lockheed Martin has changed the way it goes through the requirements process and how it supports the warfighter," Hansen continued. "To remain competitive, Lockheed Martin sometimes brings back retired employees. It also educates its engineers in management so that they can relate better to the warfighter through the Army's acquisition professionals."

"The warfighter is the greatest national resource this country has," Hansen praised. "Industry today is also a national resource — better than anything else in the world — and we want to support you!"

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