

# Creating a Performance Culture

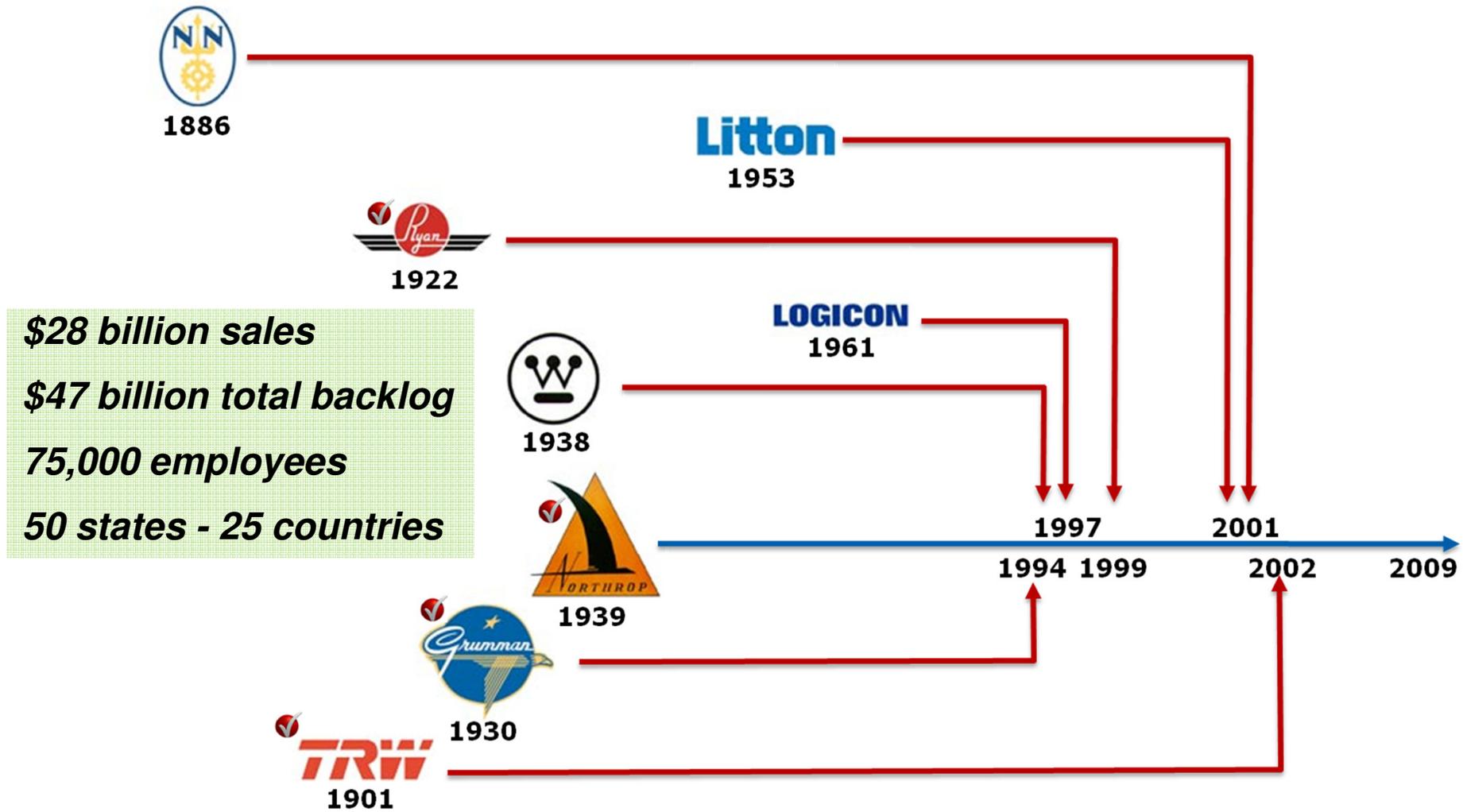
Tim Leach and Dennis Pikop  
Northrop Grumman Aerospace Systems



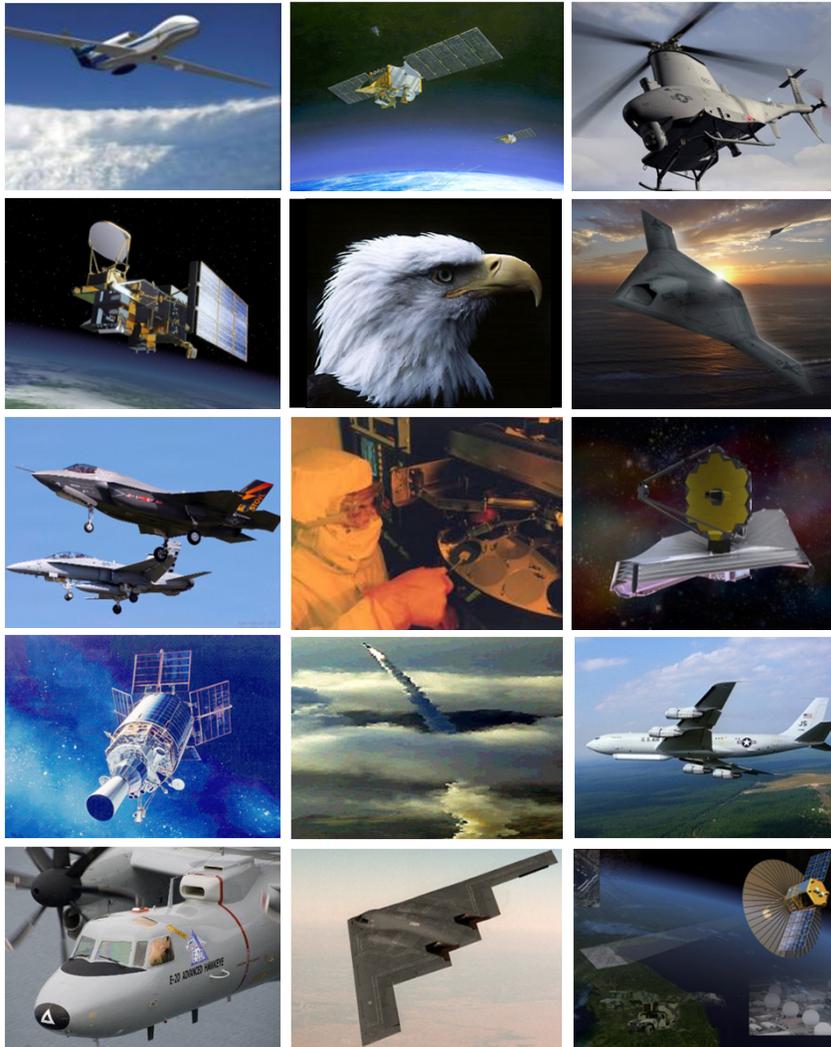
# Northrop Grumman Corporation



## A Legacy of Success



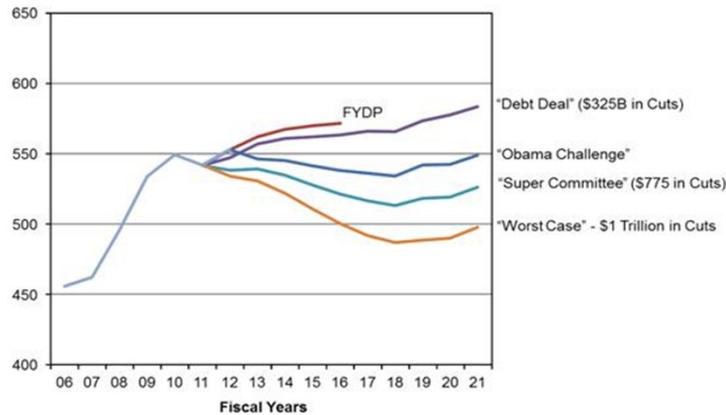
# Northrop Grumman Aerospace Systems



- \$11B business
- 23,000 employees
- Prime contractor / major partner on large platform programs
  - Manned and unmanned aircraft
  - Space and missile systems
- Leader in technology innovation
- Large development programs
- World-class workforce

# The Realities of Business

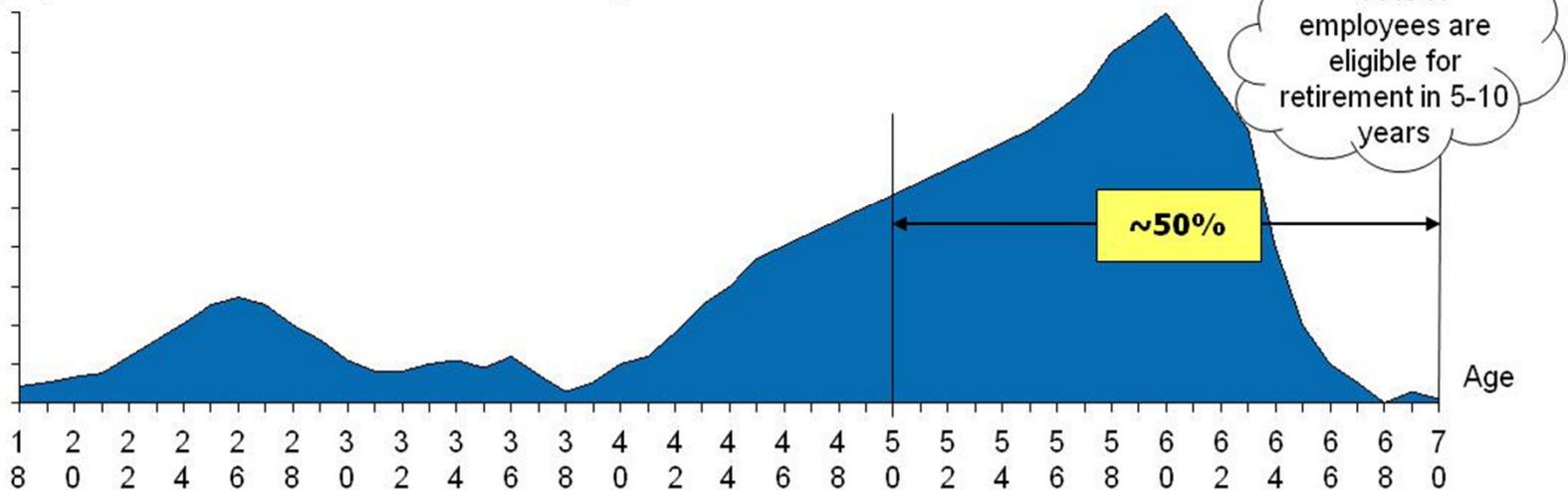
**DoD 051 Budget Authority**  
Base Budget  
Billions of Constant FY12 Dollars



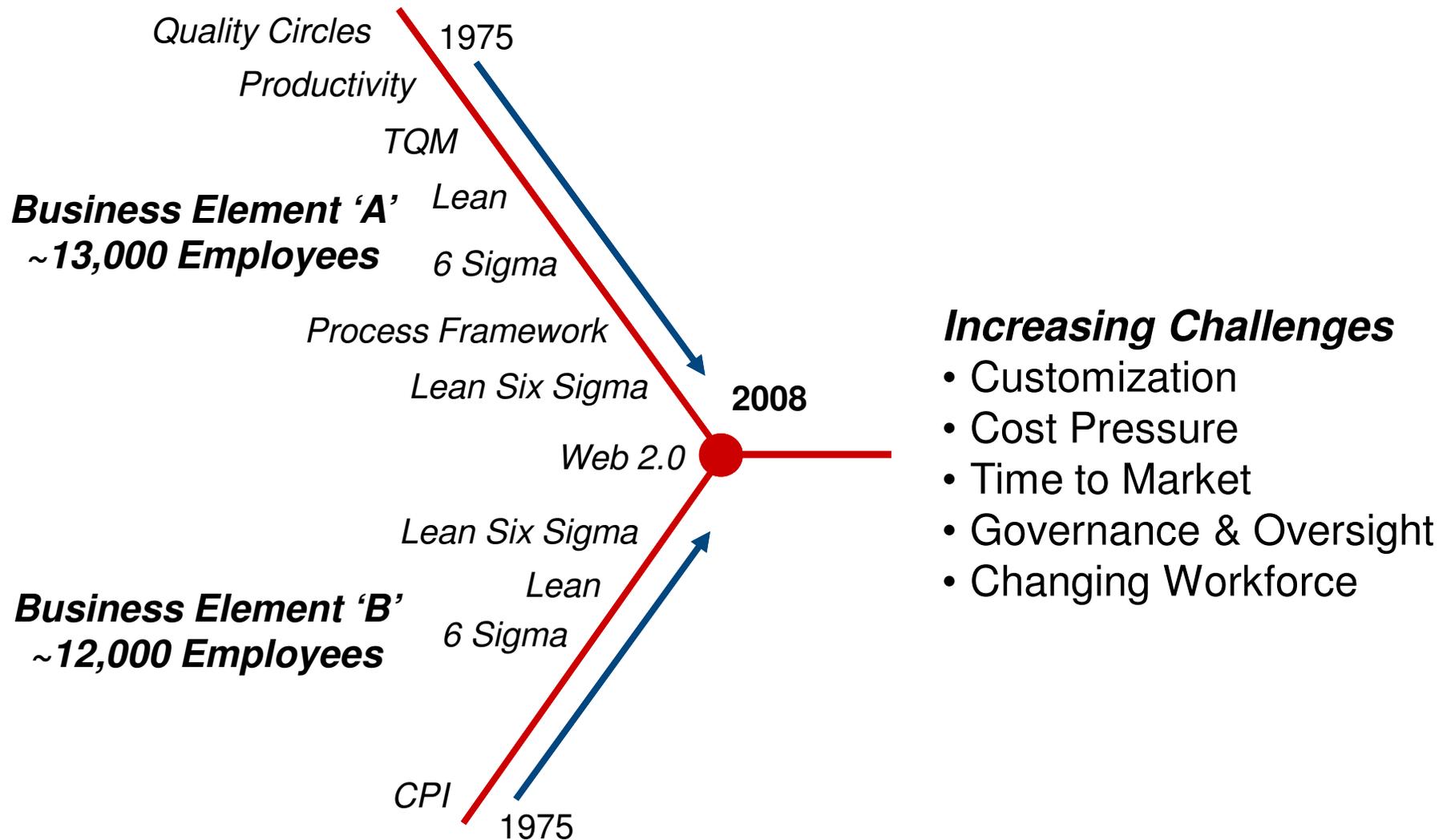
- \$460B DoD planned budget reduction
- Market turmoil from lower returns
- Maturing workforce is cashing out of company stocks
- Fierce competition for capable talent over the next 5-10 years

**Aerospace Age Demographics**  
Major U.S. Contractors

# Employees



# The Continuing Path to Competitive Excellence



# Controlling Initiative Evolution



**Managers**

**Zealots**



**Advocates**



**Most initiatives stall here**

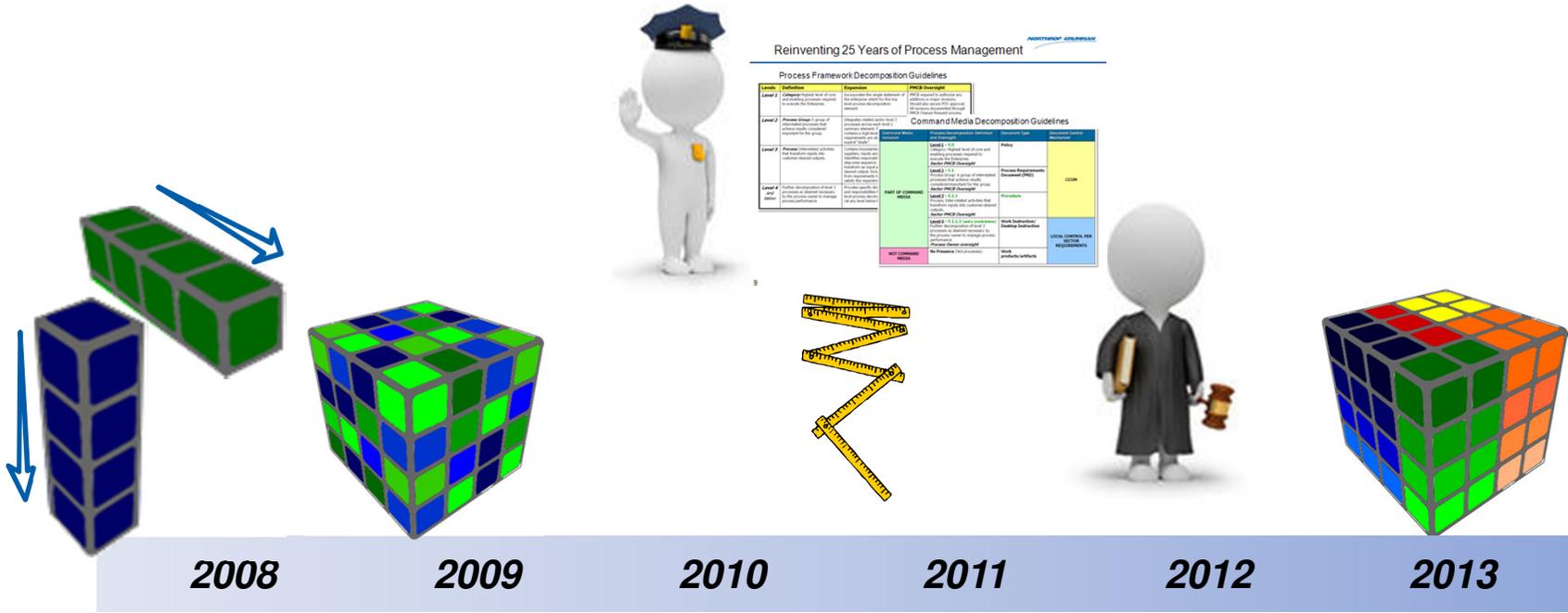


**Project Team Members**



**Effective Implementation**

# The Transformation Challenge



Reinventing 25 Years of Process Management

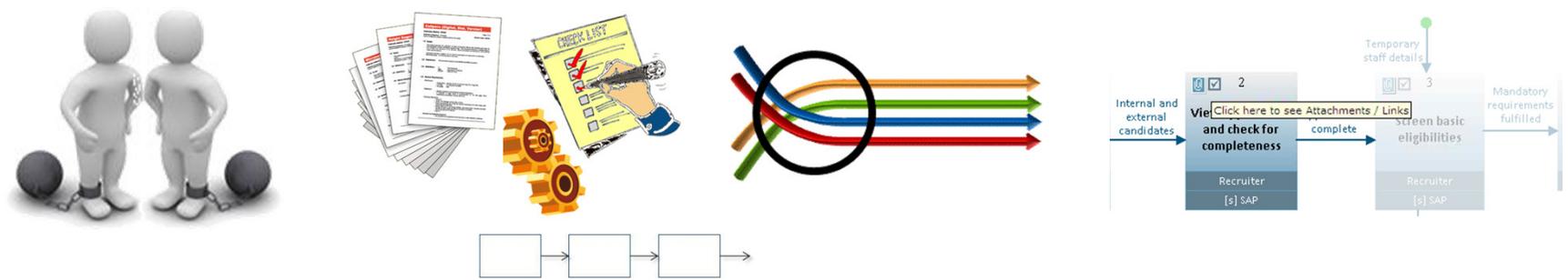
Process Framework Decomposition Guidelines

Level	Definition	Examples	PMF Overlap
Level 1	Change agent role of PMF to ensure the Execution	PMF is the role of the change agent to ensure the Execution	PMF Overlap
Level 2	Process agent role of PMF to ensure the Execution	PMF is the role of the change agent to ensure the Execution	PMF Overlap
Level 3	Process agent role of PMF to ensure the Execution	PMF is the role of the change agent to ensure the Execution	PMF Overlap
Level 4	Process agent role of PMF to ensure the Execution	PMF is the role of the change agent to ensure the Execution	PMF Overlap

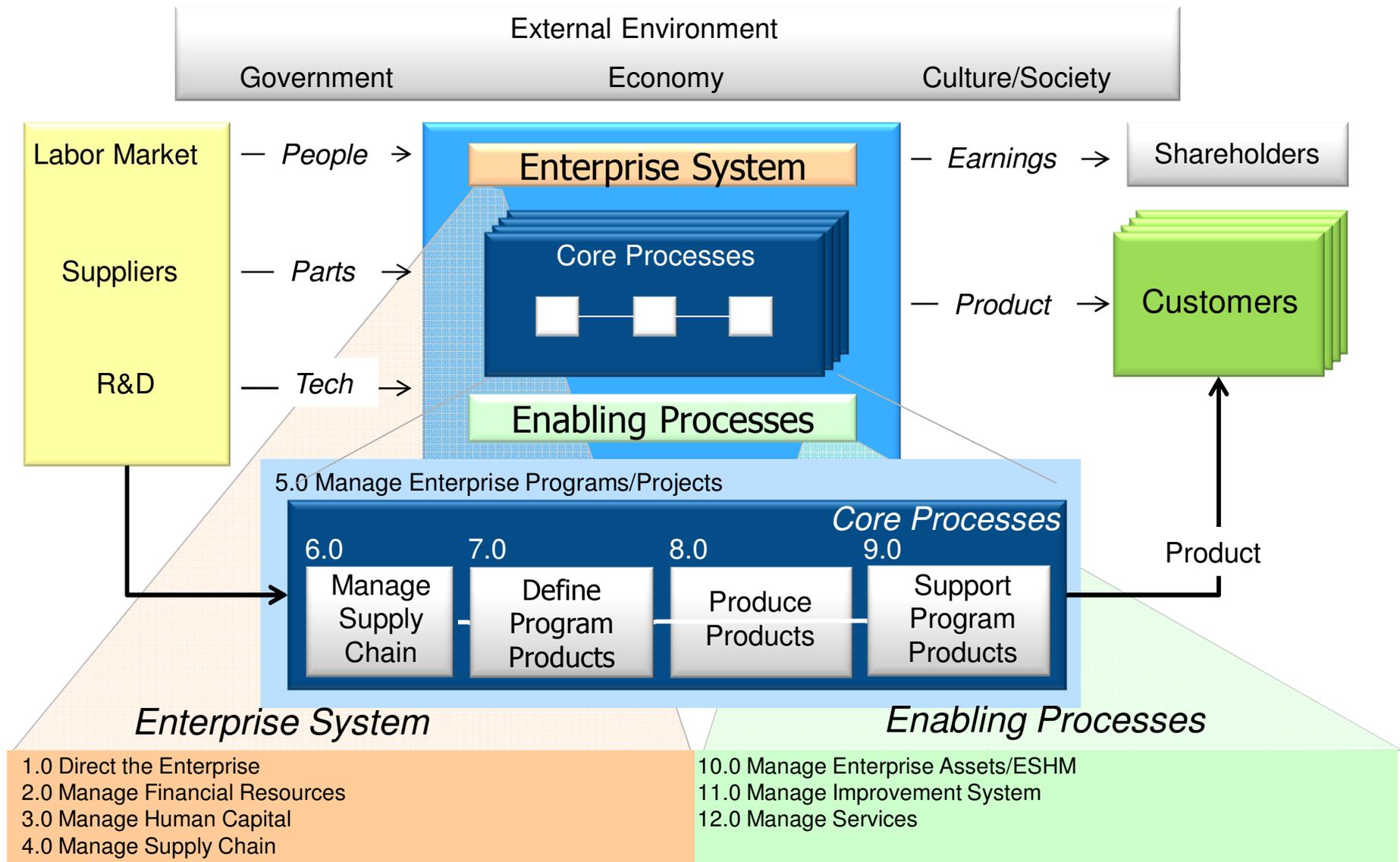
  

Command Media Decomposition Guidelines

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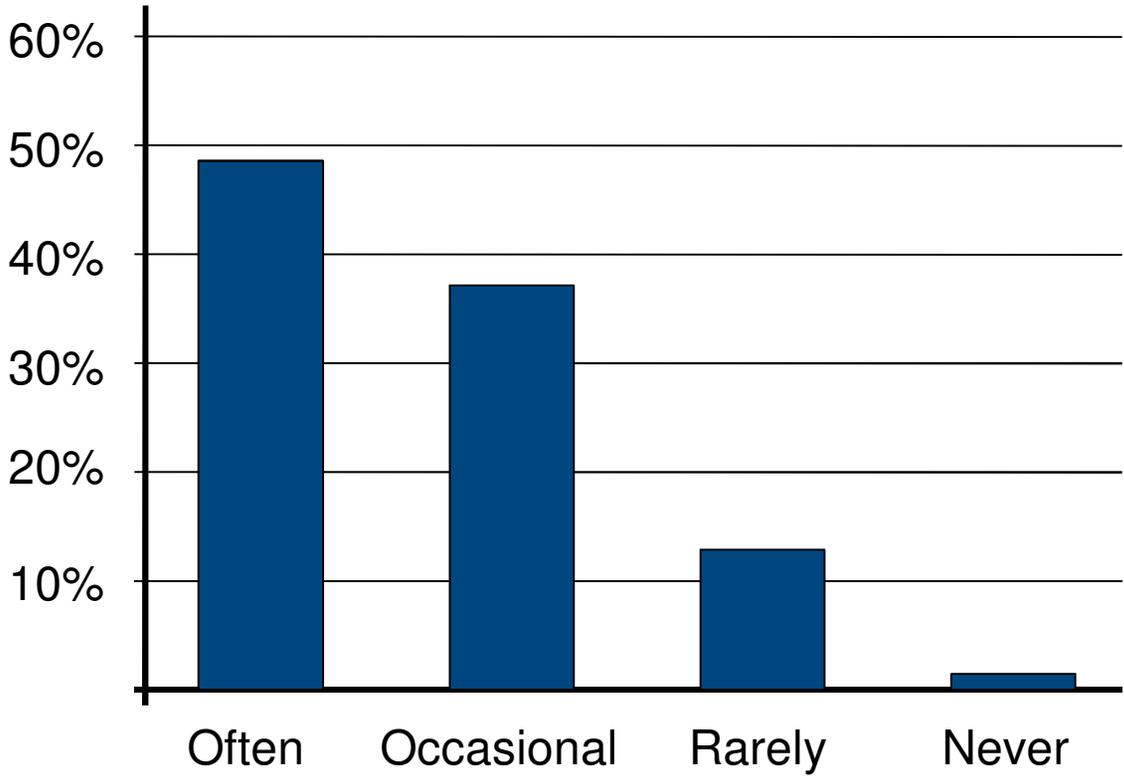


# Corporate Business Process Framework





# Typical Outcome of Poor Processes



*How Often Do End Users Design Work-Arounds?*

*(Survey of 781 Respondents at Gartner Conference, 2009)*

# Enterprise Information Architecture - *Notional* Data Classes, By Business Process Framework

1 Direct the Enterprise	Strategy	Objective	Policy	Communication	Intellectual Property		
2 Manage Financial Svcs	Account	Contract	Work Authorization	Invoice			
3 Manage Human Capital	Human Resource	Skill	Job				
4 Manage Supply Chain	Order	Shipment	Supplier				
5 Manage Programs	Program	Configuration Item	Plan	Schedule	Event		
6 Business Dev	Customer	Proposal	Market	Product	Catalog	Campaign	
7 Define Products	Product Design	Change	Change Request	Package	Part	Requirement	Technology
8 Produce Products	Process Capability	Material	Assembly	Quality			
9 Support Product	Spares	Service Request					
10 Manage Assets/ESHM	Asset	IT Asset	Real Estate	Safety and Health			
11 Manage Improvement	Process	Benchmarks	Best Practices				
12 Manage Services	Service	Service Request					

Example: Can we aggregate "customer" information across the company? Is it consistent, of high quality, and accessible?

# Process Management Control Board (PMCB)

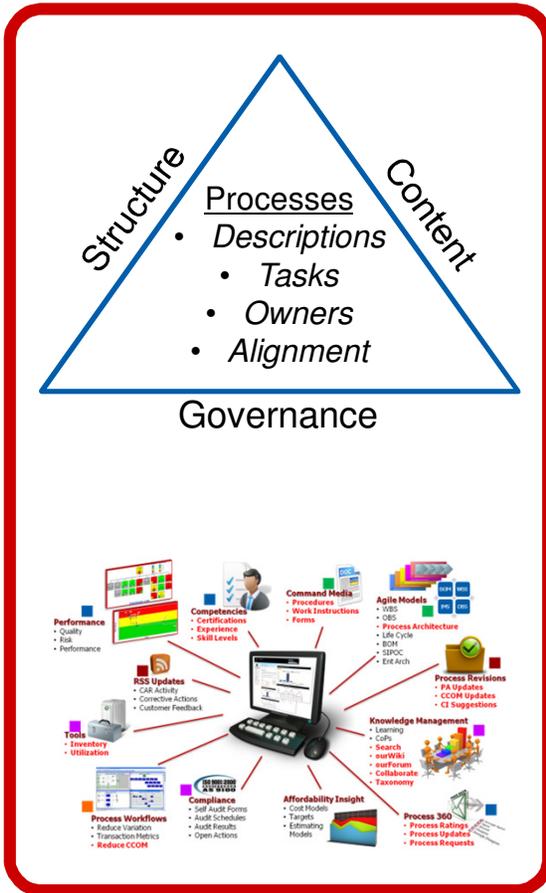
- Membership includes all functions and programs
  - Direct reports to executive leadership
  - Each member represents one of 12 process categories
- Responsible for “all things process”
  - Oversee performance
  - Maintain framework
  - Assure integration
- Awesome to observe behavior
  - “I’m from 3.0, I’m from 9.0...”
  - What process have you improved today?



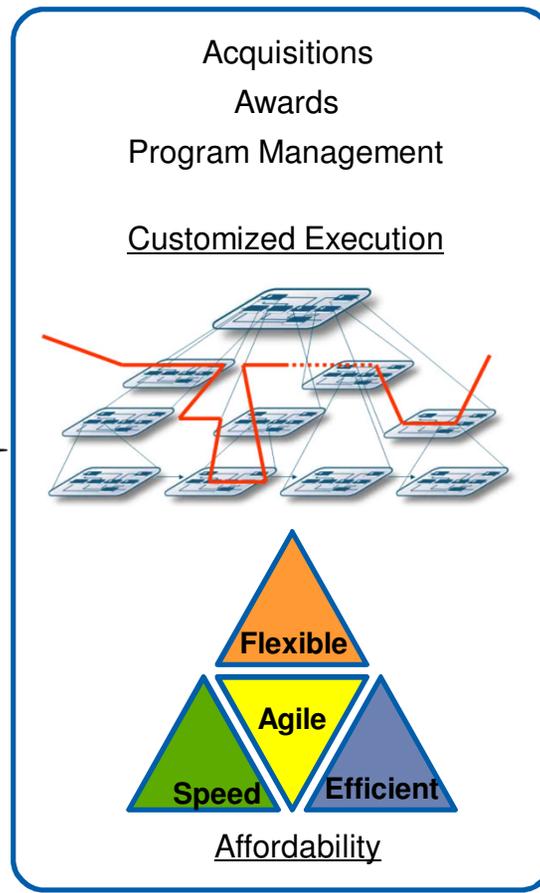
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## Quality Management System

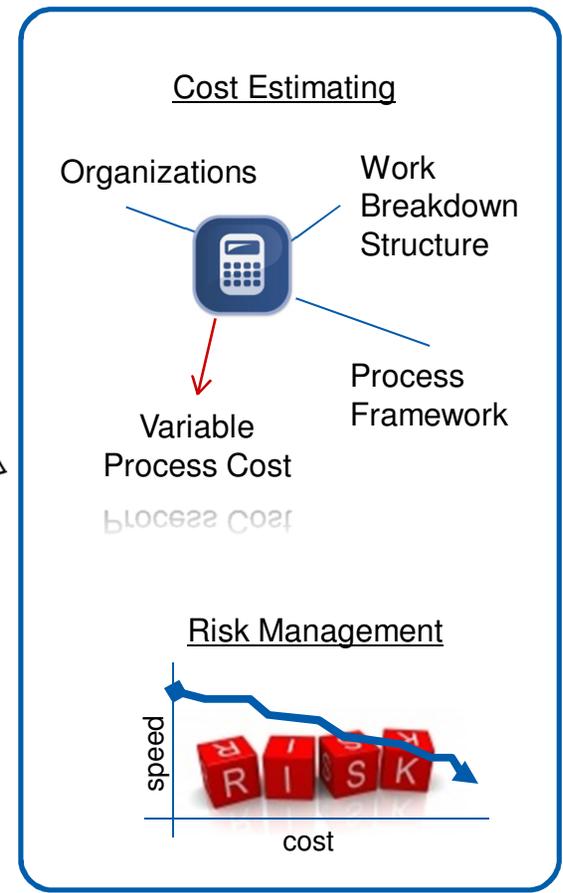
### Requirements



### Op Models



### Products / Services Pricing



## Customer Satisfaction

# Agile Process Management 2012



***NORTHROP GRUMMAN***

