

NORTHROP GRUMMAN



Transforming Estimating & Pricing Organizations to the New Workforce

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Topics

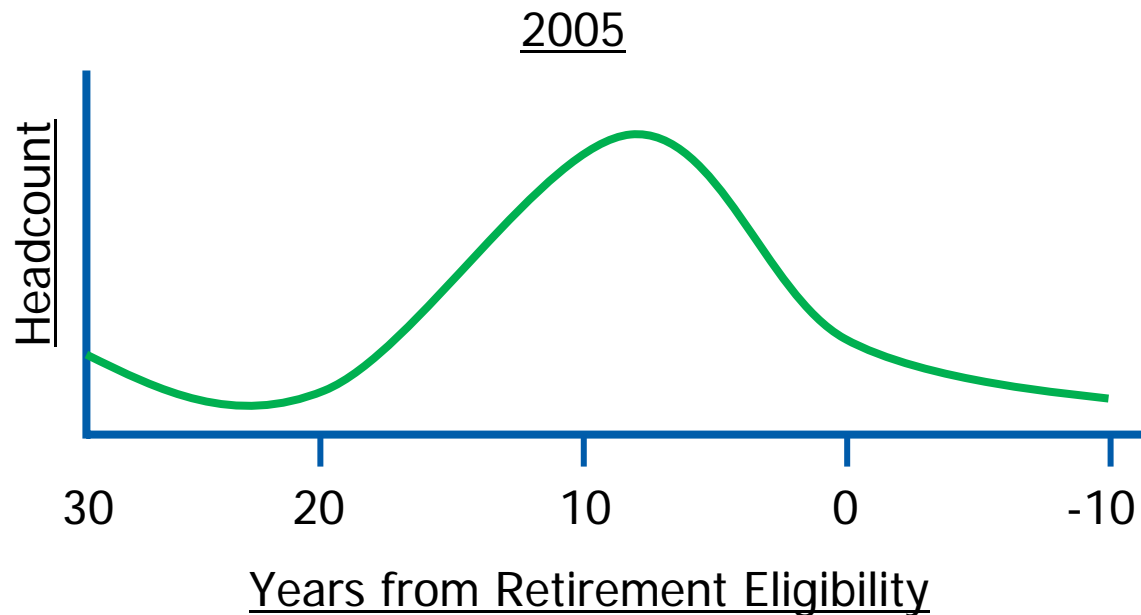
- Recognizing the need for change
- Expectations of the new work force
- Organizational plan
- Implementation
- Sustainment and the future

Need for organizational change

- Existing workforce nearing retirement eligibility
- Difficulty in attracting new workforce applicants
- Management desire for:
 - Increased early strategic engagement to include E & P
 - Increased cost volume leadership
 - Increased use of Parametrics in the cost analysis prior to RFP release
 - Increased analysis of proposal and program risks prior to proposal submittal

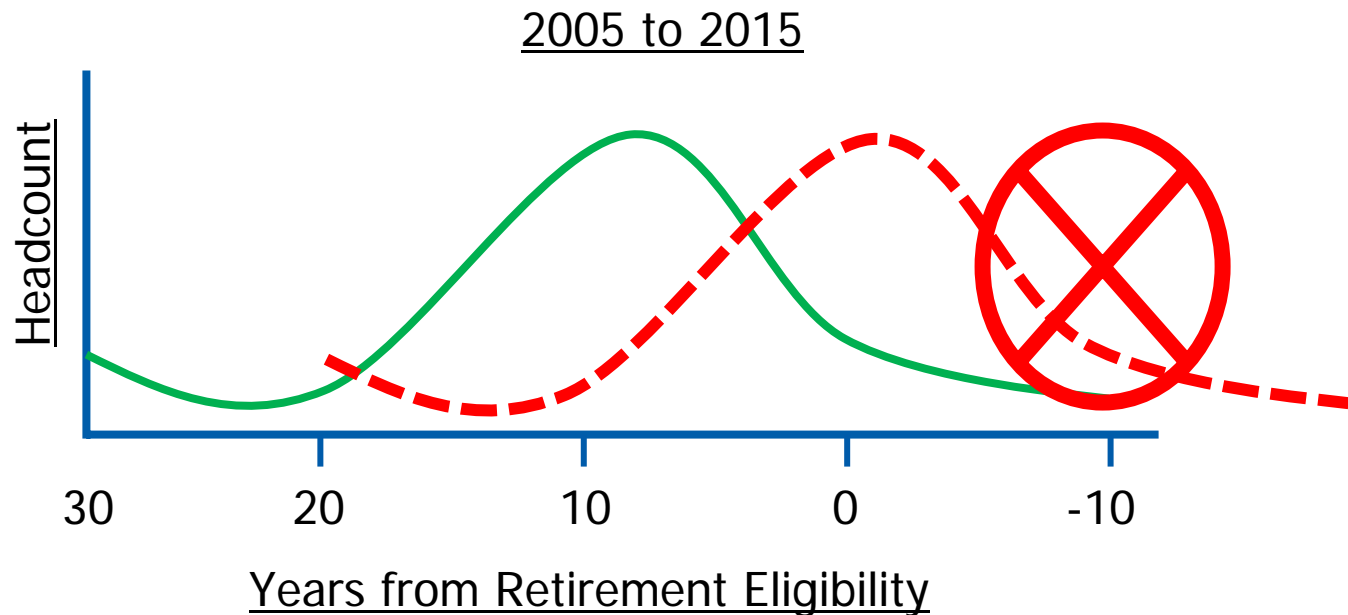
Organizational Challenge

- Existing workforce nearing retirement eligibility
- No one to pass skill base on to.....



Organizational Challenge

- Doing nothing was not really an option



Organizational Change Plan

- Re-focus the E & P organization to engage early in the proposal process
- Aggressively recruit focusing on the expectations of the new workforce
- Expand and standardize process and tools training
- Restructure the physical seating plan
- Institute quality of life team events

Expectations of the New Workforce

- Generations Defined

	<u>Year of Birth</u>
Generation Y	1980-1994
Generation X	1965-1979
Baby Boomers	1946-1964
“Mature”	1945 and earlier

New Work Force

Generation Y also know as the “Millennials”

Expectations of the New Workforce

- Quick track to management
- Short durations assignments
- Leadership experience
- Mentoring relationships



Expectations of the New Workforce

- Comparison of Traditional (Baby Boomers) vs. New (Gen X/Y)

Traditional Workplace

- Security from the institution
- Promotions based on longevity
 - Loyalty to the organization
 - Wait to be told what to do
- Respect based on position/title

New Generation Workplace

- Security from within
- Promotions based on performance
 - Loyalty to the team
 - Challenge authority
- You must earn respect

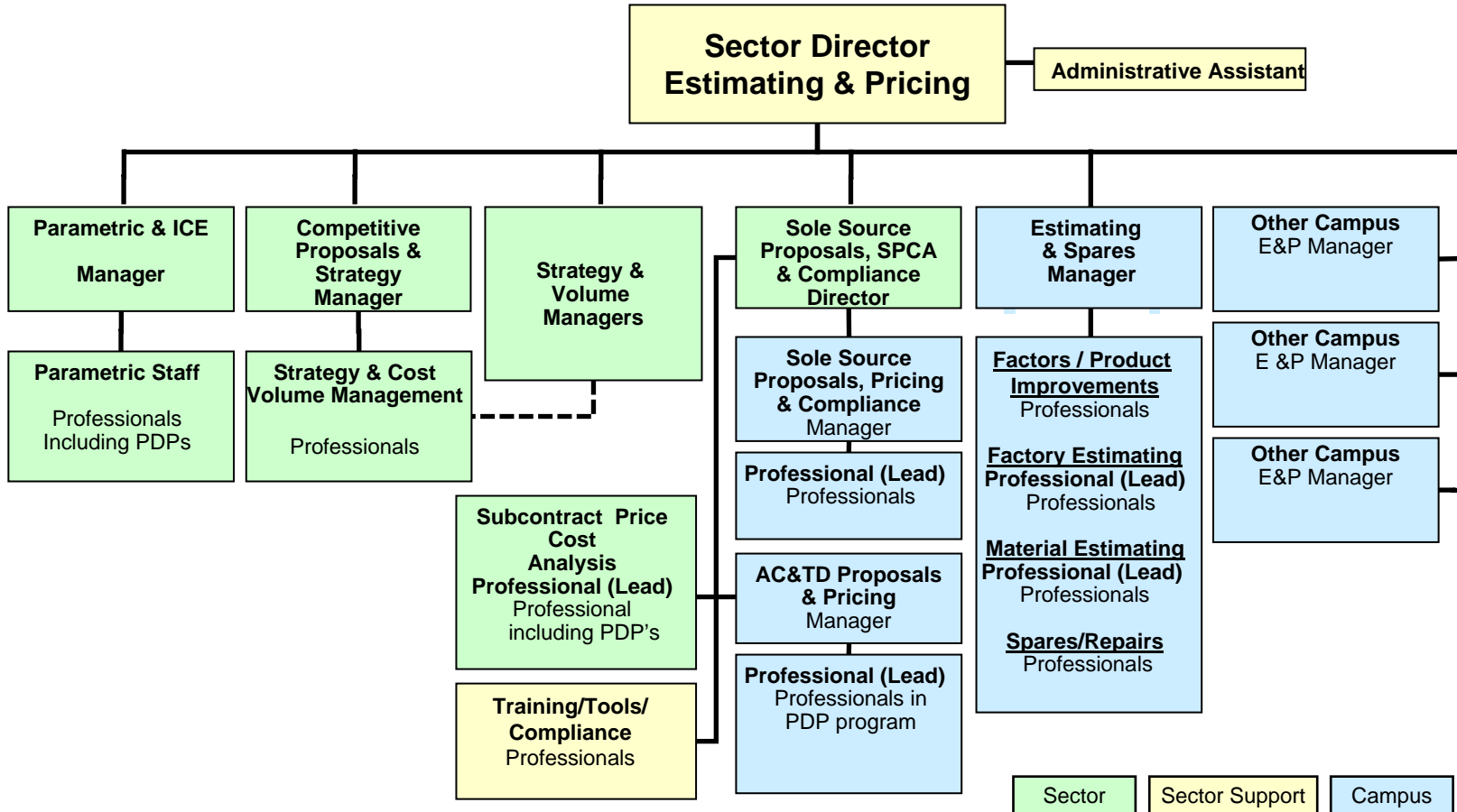


Executing Transformational Change

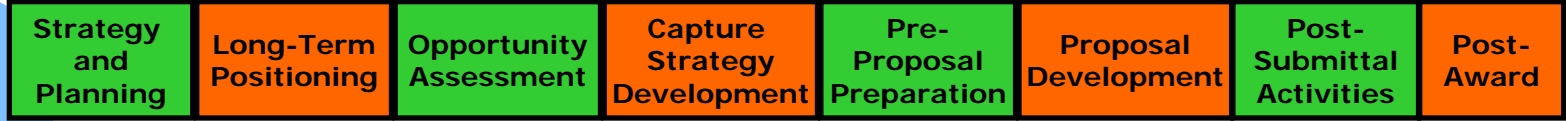
- Developed Strategic Engagement model for E & P – Collaborating with Business Development
- Briefed and obtained support from executive management
- Approved redesign of office space
- Formed E & P quality of life team
- Began training program and communicated new role to E & P professionals

Organizational Structure

Estimating and Pricing Organization



Strategic Engagement Model



Maintain Awareness of Sector Strategic Opportunities

Partner in Development of Strategy

Produce Initial Cost Estimates

Begin Independent Cost Evaluation

Produce Parametric Cost-Estimates using Parametric Modeling

Support Program Position Assessments

Establish Cost Targets with Functional Buy In

Assess and Quantify Risks

Outline Overarching Cost Strategy



RFP Received

Review RFP

Coordinate Estimate Development

Support Review and Approval Process

Prepare Cost-Volume

Independent Cost Evaluation

Support Negotiations

Lessons Learned/Metrics

Strategic Engagement

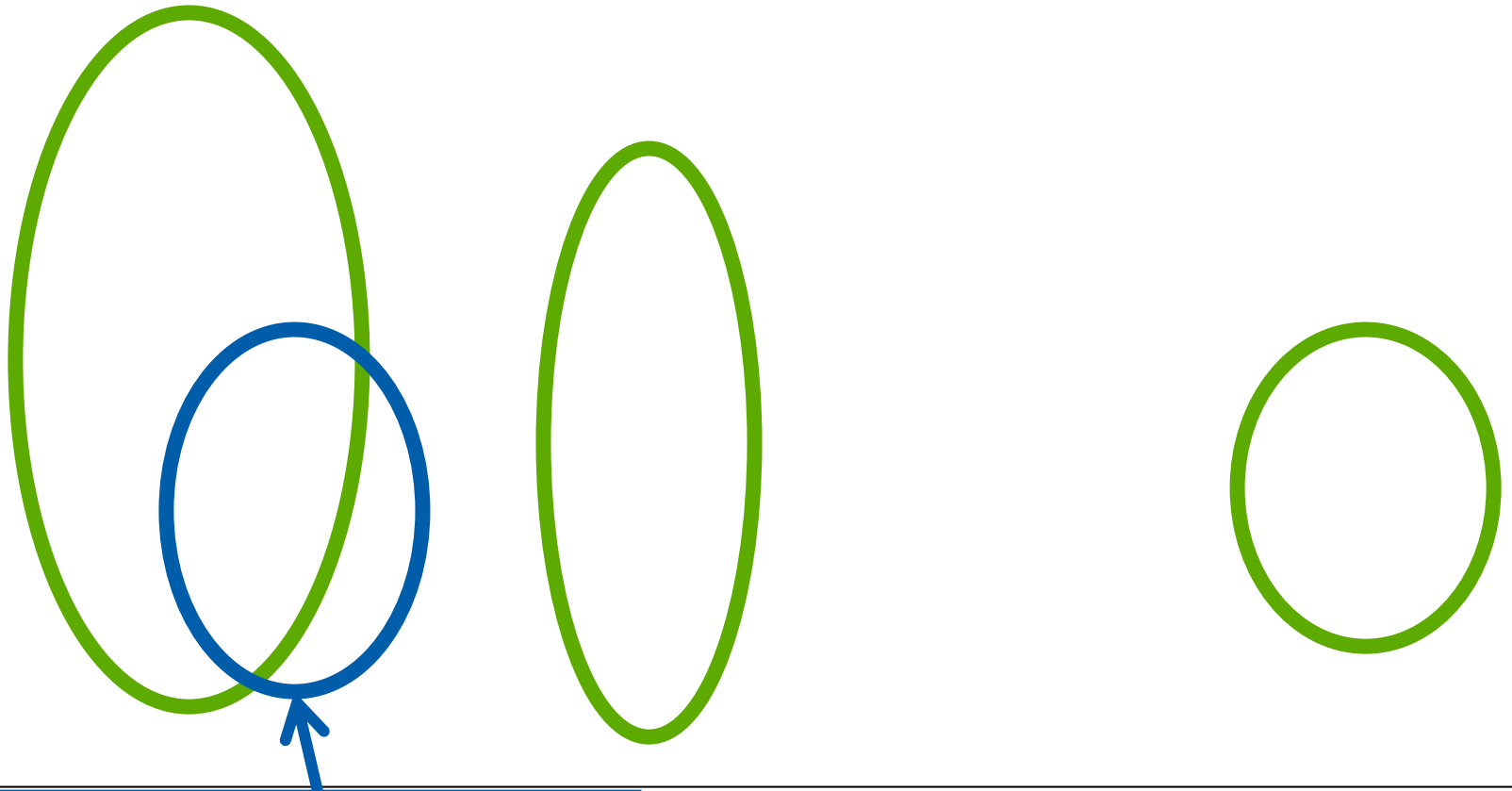
Cost-Volume Development



Benefits of Strategic Engagement

- Creates leadership and ownership within E & P for the entire proposal process
- Increases exposure and knowledge of the technical and programmatic aspects of the program to E & P personnel
- Briefings develop skills and visibility opportunities
- Strategy and Planning process with functional teams provides networking opportunities
- Facilitates departmental manpower planning
- Reduces the number of “surprise” proposals

Strategic Floor Plan



Converted to Double Cubicles

Professional Development Program

- New Graduate Rotational Assignment Program
- Highly Competitive
- 6 Month rotations across business management
- Assigned management mentor
- Diversification of Assignments

Professional Development Program Testimonials



Management has the ability to get to know you on a personal level by assigning mentors to each Business Management PDP to help answer questions and share their extensive experience.

H.W. | [Read More](#)



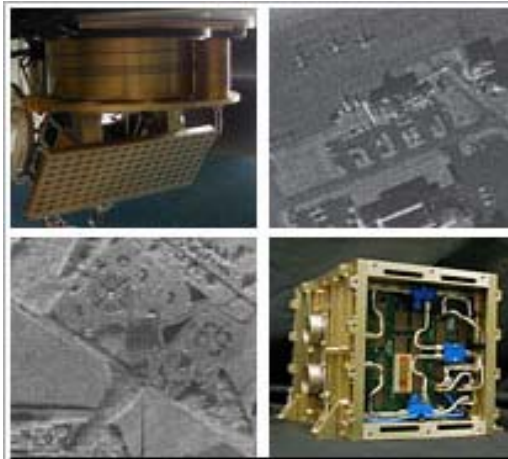
I really enjoy what I do because I get to interact with a wide variety of organizations. I work on a regular basis with not only the program office but also the technical leads, Business Development, Export Management and Security.

- S.B. | [Read More](#)

Establish E&P as a “Rotation of Choice”

Recruitment of New Workforce

- Attract PDP Employees
 - Highly capable employees
 - Importance of informal networking
 - Transition to permanent positions
- Advanced Concepts & Technologies Division (AC&TD)
 - ES advanced research division
 - High volume, low dollar proposals
 - Easy integration of new workforce to pricing fundamentals



Sustainment of New Workforce

- Consolidation of employees by age demographic
 - Encourages Peer to Peer development
 - Attractive retention technique



- Informal Mentoring Relationship
 - Retention of key knowledge experts
 - Encouragement of knowledge transfer
 - Assignment of “Lead” professionals

Sustainment of New Workforce

- Opportunity for Visibility
 - Recurring schedule of management proposal reviews
 - Attendance at executive briefings



Opportunity for Promotion

- Management promotions within the department

Quality of Life

- Quality of Life (QOL) Committee Formed
- Lunchtime & after work recreational activities
- Departmental unity & team building
- Merged with ES Workforce Engagement Initiatives

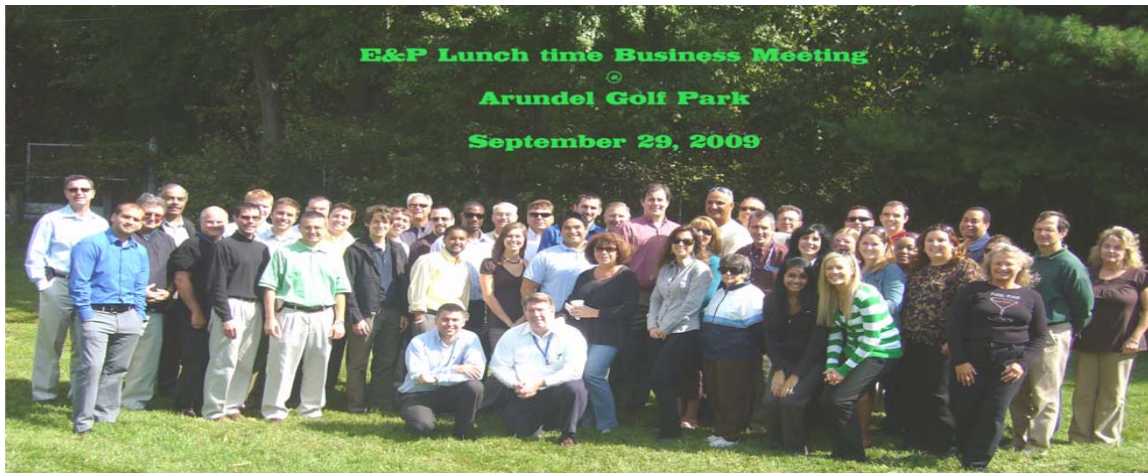


Kickball- E&P vs. Accounting



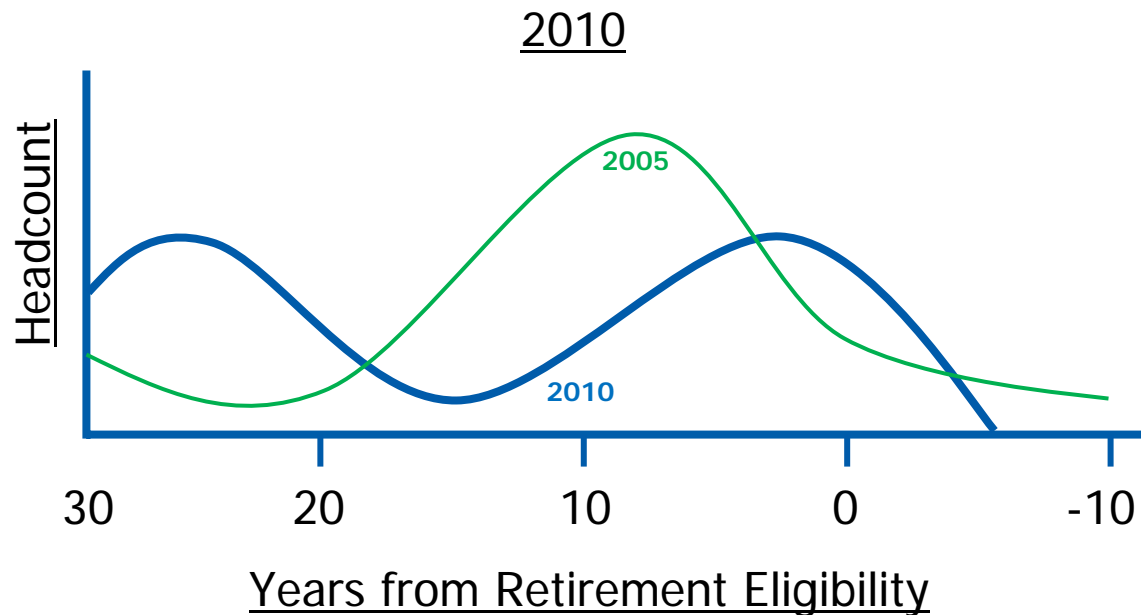
E&P Holiday Party

E&P Lunch time Business Meeting
©
Arundel Golf Park
September 29, 2009



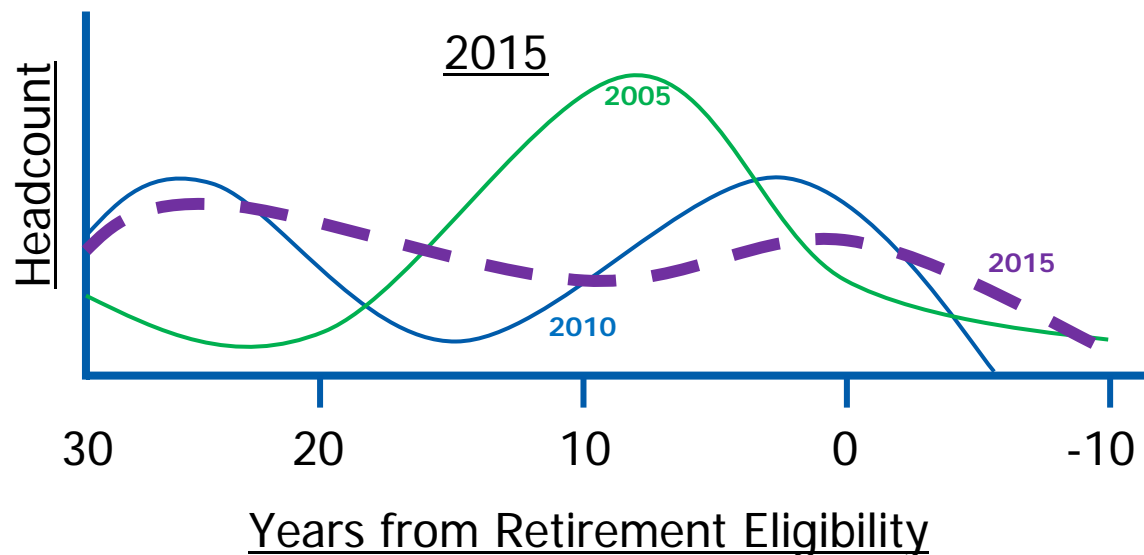
Demographic Current State

- Ability to attract new workforce
- Improved job satisfaction for experienced workforce through mentoring



Desired Future State

- Skill and Knowledge retention and transfer to the future workforce
- Leveraging different skills to increase departmental capabilities
- Effective mentoring
- Continued strategic hiring and retention



E & P
The Department
Of Choice

NORTHROP GRUMMAN

The logo for Northrop Grumman, featuring the company name in a bold, italicized, blue sans-serif font. Below the text is a thick, blue, curved line that starts under the 'N' and ends under the 'M', arching upwards in the middle.