



ORIGINAL EQUIPMENT MANUFACTURERS' COOPERATIVE OPPORTUNITIES GROUP

Presents

The Fourth Annual OEM Forum & Networking Event

May 11, 2026 2 – 5 PM
Norfolk, Virginia

Agenda

- Welcome and Introduction
- Topic for the Day: AI-enabled Cost Estimating and Analysis
 - Overview of OEM COG Research
 - AI 101 for Cost Analysts
 - General Findings from Research
- Deep Dive and Breakout Sessions
 - Topic 1 - Promising AI Use Cases for our Industry
 - Topic 2 - AI's Impact on the Workforce
- Wrap up & Call to Action
- Networking Social Activity



What is the OEM COG?

- ICEAA OEM cost community faces challenges that differ from government or other private sector organizations
 - COG formed to identify, acknowledge, and address these challenges
- The mission
 - Create a dialogue between ICEAA and our OEM members
 - Explore ways ICEAA can provide support tailored to our OEM community
 - Provide a forum where members from various OEM organizations can communicate and share best practices
- Since 2020
 - Multiple webinars, panel discussions and sharing of best practices
 - 2022 ICEAA Presentation & Panel Discussion
 - 2023 1st Annual OEM Forum & Networking Event - and every year since
 - 2025 Developed Additional CEBoK Training modules focused on OEMs



<https://www.iceaaonline.com/oemcog/>

- AI & ChatGPT
- Bridging Generational Gaps
- Production & Learning Curves
- Design to Cost
- 2nd Source Manufacturing
- Inflation & Escalation
- Story telling & Visualization
- Career
 - Digital Engineering Cost Impacts
 - Affordability Analysis
 - OEM Training needs
 - Talent Acquisition & Retention
 - Supply Chain Support
 - Knowledge Transfer in a Virtual environment
 - and more

Today's Goal: Bring together ICEAA members & workshop participants to address OEM interests & challenges

Trivia Question #1

What does “OEM COG” stand for?



Trivia Question #2

Where was the original precursor to the U.S Naval Academy?

Norfolk Navy Yard.

- The commander of the yard, Commodore Arthur Sinclair, established the “Nautical School” in 1821 and it ran through 1828
- The U.S. Naval Academy in Annapolis, Maryland wasn’t opened until 1845

Introductions



OEM COG Steering Committee



Brent Johnstone
LM Fellow
F-35 Estimating & Pricing
Lockheed Martin Aeronautics



Hunter Smith
Cost Estimating Analyst
Defense Sector
Northrop Grumman Corp



Javier Provencio
Principal
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Kevin Hewitt
Manager
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Steve Glogoza
Sr Manager
Data, Tools, & Methods
The Boeing Co

Past contributors



Brian Beyer
Tech Fellow
Systems Engineering
The Boeing Co



Chuck Kurtz
Retired /
Director of Pricing
BAE Systems, Inc



John Deem
BD
Value Engineer
Lockheed Martin
Aeronautics



Justin Knowles
Director - Strategy
& Analytics
Northrop
Grumman Corp



Rich Hoy
Sr Manager
Systems Engineering
RTX



Sandy Burney
Sr Consultant
ProjStream
(Former NGC)



Justin Karen Kevin Brent Chuck Sandy
2024 ICEAA Association Service Award Recipient

OEM Companies at the ICEAA Annual this year

- BAE Systems
- Bechtel Plant Machinery
- The Boeing Company
- Curtiss-Wright
- Delta Steel Technologies
- General Atomics
- HII (Huntington Ingalls Industries)
- L3-Harris (Aerojet Rocketdyne)
- Lockheed Martin Aeronautics
- Millennium Space Systems
- Northrop Grumman Corporation
- Otto Aerospace
- Sierra Nevada Corporation
- X-Bow Systems

AI-enabled Cost Analysis Research Overview



AI-enabled Cost Analysis Research Objective

- Understand impact of emergent AI technology on the (OEM) cost community
 - What can AI do? What are the most promising use cases for our industry?
 - How much will it cost? What challenges will there be?
 - What role do humans have in an AI-driven workplace? How do we get ready?
 - Ultimately, separate the hype from reality
 - Gain a ground-truth view of how AI is being adopted in our community
 - Translate and share expert insights from our community
 - Provide practical guidance and recommendations to the OEM cost community and beyond
- 

“AI is a tool, you cannot turn your brain off.”

AI-enabled Cost Analysis Research Approach

- OEM COG conducted structured interviews with AI experts within the ICEAA community
 - ICEAA Sponsors, Tool providers, SETA contractors, Individual practitioners & frequent presenters on AI
 - Companies: Galorath, Herren Associates, LogApps, ProjStream, Quantech Services, ScopeMaster, Sirius Analysis, Technomics, Unison Cost Engineering
 - Individual subject matter experts: Carol Dekkers, Conner Lawston, Dan French, Dan Harper
 - Topics included Use Cases & Applications, Technical Challenges, Costs associated with AI, Workforce Perceptions, Skillsets, Future Trends
- Analysis approach: Combined Manual effort supported by AI
 - Manual analysis of the raw data
 - AI summaries and key points
 - Ultimate results based on human oversight



Overview of AI by guest speaker



ICEAA OEM COG Forum:

AI 101 for Cost Analysts

What It Is, What It Can Do, and Why It Matters

Patrick Casey
Senior Cost Analyst
Quantech Services Inc.

What Do We Mean by “AI”?

Artificial Intelligence is a broad term.

It refers to computer systems capable of performing tasks that typically require human intelligence.

AI can help generate:

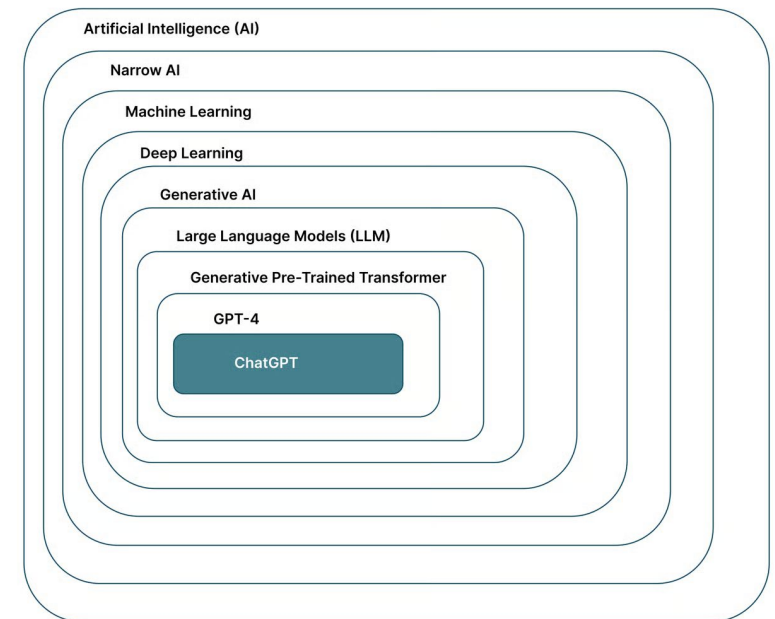
- **Predictions | Recommendations | Decisions | Content**

AI is bigger than ChatGPT.

One simple way to think about it:

- **AI** = the big umbrella
- **Machine Learning** = systems that learn patterns from data
- **Generative AI** = systems that create new content
- **LLMs / Chatbots** = one type of Generative AI focused on language

Artificial Intelligence Taxonomy



What Can AI Actually Do?

AI is useful because it can perform various tasks:



Predict - Forecast likely outcomes. Spot patterns humans may miss.



Recommend - Suggest next steps, options, or likely matches. Prioritize information for a user.



Decide - Trigger actions based on rules or model outputs. Route items for review or approval.



Generate - Create text, images, code, audio, or summaries. Turn prompts into draft outputs.

Everyday Examples of AI

Most of us already interact with AI every day.

Predictions

- Fraud alerts on credit cards
- Traffic and ETA estimates
- Email spam filtering



Recommendations

- Netflix or Spotify suggestions
- Online shopping recommendations
- Search result ranking



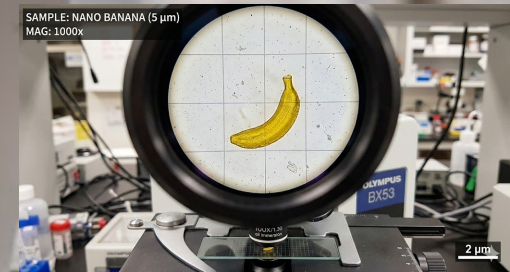
Decisions / Automation

- Flagging suspicious transactions
- Routing customer service tickets
- Screening or prioritizing large volumes of data



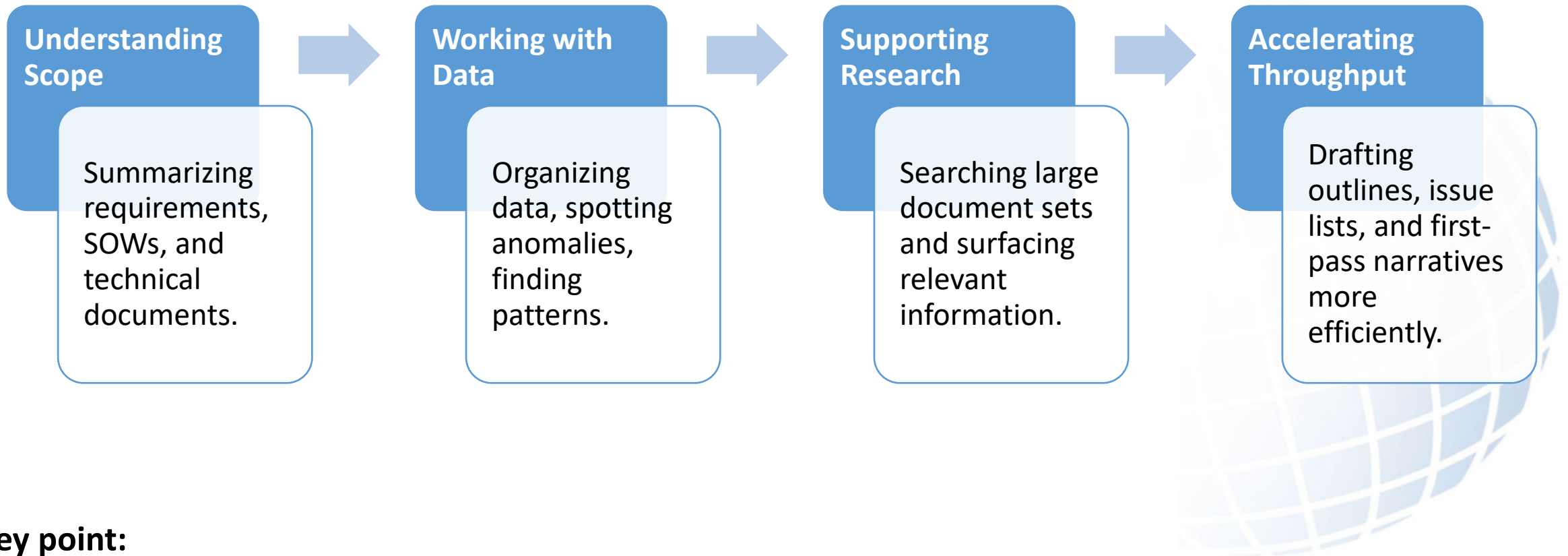
Generative AI

- Drafting text
- Creating images
- Summarizing documents
- Producing code or audio



So Where Could AI Show Up in Cost Analysis?

Potential touchpoints in the cost-analysis workflow:



Key point:

AI may help with the **work around the estimate** even before it helps with the estimate itself.

OEM COG Findings & Additional Topics

As you listen to the OEM COG discussion, consider five key areas:

1. Highest-value Use Cases
2. Biggest Implementation Barriers
3. What Builds Trust
4. Workforce Implications
5. What The Next 5 Years May Bring

Goal:

Move from “AI as a buzzword” to “AI as specific capabilities, for specific tasks, under specific controls.”

These slides just scratch the surface of AI.

Additional topics not covered here include:

- Transformer Math ([Backup Slide](#))
- Prompt Engineering ([Backup Slide](#))
- Agentic AI
- AI Agents
- Human-in-the-Loop Governance

Want to discuss AI or any of these topics further?

I'd be happy to chat at the **Monday Meetup Mixer at 5 PM** or anytime during the workshop!

OEM COG Research General Findings



Five Key Takeaways

1. AI's Immediate Value is in Automation, Not Replacement

- Focus on repetitive, labor-intensive tasks: BOE drafting, data cleaning/normalization, extracting requirements
- Start small and demonstrate measurable ROI before scaling

2. AI as Accelerator and Assistant, Not a Substitute for Humans

- Human review and approval of AI inputs and outputs is critical ... AI cannot be trusted to operate independently
- Foundational skills must be preserved ... Otherwise, risk of overreliance and blind acceptance of AI results

3. Reliability & Availability of Data Is Central Challenge

- Data cleansing, standardization and labeling of data so it is usable was identified as largest cost of AI
- Classification and security regulations often impact volume and availability of data, limiting the value of AI

4. Traceability and Defensibility are Non-Negotiable

- AI-generated estimates must meet same audit standards as traditional estimates

5. Workforce Resistance is Real

- Aligned people development & AI implementation strategies are critical for acceptance and success
- Culture shift and education is critical; the True Cost of AI is People-related, Not Technology

Ten Recommendations for OEM Leadership

Data & Infrastructure:

1. Invest early in data standardization and cleaning
2. Ensure AI operates only within approved, bounded data
3. Address cybersecurity and classification architecture early

Implementation & Governance:

4. Establish governance, model validation, and review processes
5. Adopt AI incrementally through small pilots demonstrating measurable value
6. Require full traceability: AI outputs must cite sources
7. Set realistic expectations. Focus on high-value use cases first

Human Capital:

8. Use AI to accelerate analysis, not replace judgment
9. Train analysts to evaluate, validate, and challenge AI outputs
10. Protect and cultivate core estimating skills



Deep Dive in Breakout Sessions

- Each breakout session follows this format
 - Introduction, Overall findings, and Conversation Starter
 - Breakout Discussion Groups
 - Move to numbered tables based on your color card
 - Each group has moderator & note-taker (to be assigned)
 - Discuss suggested questions or others of interest related to the topic
 - Group Outbriefs
 - Each group shares top 3 insights



Move to your breakout group



Topic #1

Use Cases



Five Most Promising AI Use Cases

- **BOE Drafting / Narrative Generation (Most cited)**
- **Data Cleaning, Mapping, Normalization**
- **RFP Analysis & Compliance Matrices**
- **Machine Learning (ML) Generated CERs**
- **Historical Data / Cost Trend Analysis**



Topic 1: Use Cases - Discussion Questions

1. Which AI use case(s) would provide the MOST value to your organization? And why?
 - BOE drafting and narrative generation
 - Data cleaning, mapping, and normalization
 - RFP analysis and compliance matrices
 - Machine learning generated CERs
 - Historical data and cost trend analysis
2. What other use cases related to our profession might AI help with?
3. What would prevent you from implementing your top use case in the next 6 months?
4. Has anyone seen AI-assisted cost estimates submitted to customers? What was the reaction?

Capture your group's top 3 insights to share

Move to Breakout Group 2



Topic #2

Workforce Impact



Workforce Impact: Challenges & Skills

Workforce Resistance is Real

- Job loss and displacement fears
- Distrust of AI reliability and transparency

Strategic people development critical

- New skills Required
- Foundational skills must be preserved

Strategic AI implementation critical

- AI as an Accelerator & Assistant, not as a human substitute
- Human oversight essential

“The best analysts will outperform general AI because they bring nuance, domain expertise, and psychological insight that LLMs lack” – Survey participant

Topic 2: Workforce Impact - Discussion Questions

1. Honest check-in (scale 1-10):
 - How excited are you about AI in cost estimating?
 - How concerned about AI's impact on your career?
2. What resistance to AI are you seeing in your organization?
 - Analysts? Leadership? Customers?
 - Mitigation strategies for resistance?
3. What's the biggest skill gap YOU feel regarding AI?
 - Prompt engineering? Output validation? Data literacy? Other?
4. What estimating skills must NEVER be lost to automation?

Capture your group's top 3 insights to share



Wrap up & Call to Action



What can YOU do next?

- Learn more about AI related to Cost Analysis – and share with the community
 - Experiment with ONE AI tool for a low-risk task
 - Take an online course on AI fundamentals
 - Share what you learned today with your team
- Get more involved with the OEM COG!
 - Join the Steering Committee
 - Volunteer to speak at a webinar or panel
 - Suggest projects, research, outreach
 - Share your concerns, wishes, and ideas



Thank you to Paper Authors & Contributors

Authors (in alphabetical order by first name)

- Brent M. Johnstone – Lockheed Martin Aeronautics Company
- Hunter Smith – Northrop Grumman Corporation
- Javier Provencio – Otto Aerospace
- Karen Mourikas – Northrop Grumman Corporation
- Kevin Hewitt – Huntington Ingalls Industries
- Steve Glogoza – The Boeing Company

Special thanks to the companies and individuals who participated in our interviews

Full Paper is available at the ICEAA Annual Workshop Listings

- 'Benefits, Barriers, and Best Practices for AI Cost Estimation: A Survey for OEMs'
- Overall Results Presentation on Thursday, May 14 at 11:15 in Hampton 4

Thank you for attending today!

Two Reminders:

- 1) Join us at the Mixer at 5 PM
in Hampton 4
- 2) Fill out the survey on the app