

As part of our continuing campaign on the importance of Compliance, I'd like to discuss a key area we all need to focus on Process.

Process is a part of everything we do at Electronic Systems. It is key to making the best products at the best price and it is critical to our ability to serve our customers. And every day, you make a difference in our processes and in our business. Here's how:

Northrop Grumman product quality relies on processes from the initial design all the way through after market support. Complying with these processes ensures that we make superior products each and every time. Compliance also allows us to efficiently make products that meet cost and schedule performance objectives. We are all responsible for knowing and thoroughly understanding the processes that define our jobs. Those processes must be documented so we, or others, can refer to them as needed.

Right now at NSD we are taking a close look at what we do and how we do it to ensure there is alignment between a written process and how, then it is applied.

This will make sure that we have identified and documented clear process-owner leadership and accountability. If we don't have well written and documented procedures that are followed by all of us, we can make serious mistakes that can effect our business and our fellow employees.

When we understand and comply with our procedures, we improve product performance. We reduce risk and we enhance operational effectiveness. This significantly strengthens our performance and our competitive edge.

So it is important that process be part of our daily conversation. If you don't know the process to follow - *please ask*. If you don't understand the process - *ask*. If you see risks in our processes or you see ways to improve them - tell your supervisor. If the error is not corrected, then call the Business Conduct Officer. The BCO's name and phone number are posted throughout the facility.

We can only fix things we know are wrong. Dr. Sugar says that good news should travel fast but bad news should travel faster. If you know of process mistakes, bring them forward immediately. We *will* listen to you. And as Jim Pitts said in a compliance video earlier this year, our policy is simple: absolutely no retribution for reporting non-compliance or for reporting acts which you believe would reflect poorly on our integrity.

You, in your everyday worklife, are responsible for our performance and the quality of our products. By understanding and adhering to the processes that govern your job, *YOU* will make Electronic Systems and Northrop Grumman a success.