



2009 Goals – J.F. Pitts, ES President [video transcript]

Happy New Year! I sincerely hope that everyone had an enjoyable holiday filled with family and friends. I also hope you were able to get some much needed rest because 2009 is going to be another exciting year at Electronic Systems. But first, let me begin by thanking each and everyone of you for your contributions in 2008. We had a landmark year. We reached an unprecedented sales goal, we overcame several very complex technical challenges and we won over 78 percent of our competitive bids last year. Needless to say, it is going to be difficult to exceed those successes, but I challenge you to do so.

I look at 2009 as the year of engagement, execution and continued growth; engagement between managers and employees, engagement among peers, engagement with our suppliers, with our customers and in our local communities. The list goes on. We have established a tremendous foundation through our four imperatives -- Leadership and People, Teamwork and Collaboration, Continuous Improvement and Strategic Thinking for Growth. It is now time to re-double our efforts on program execution to hold on to the hard earned backlog we now have and to continue to accelerate our growth that has been achieved to date.

When we look at **Leadership and People**, it is obvious that we have made great strides through our training programs such as LeadES, the establishment of the ERGs and the implementation of 9/80. But some of the most difficult work remains and that involves changing behaviors, improving communications, becoming more engaged and becoming champions of diversity and inclusion - - all very complex things to measure and even more difficult to realize. Human Resources will continue to provide platforms to help us achieve these goals, but I challenge each of you to treat others like you would like to be treated, say what you mean and understand the importance of clarity and try to gain a better balance between accountability and caring. Everyone at Electronic Systems is a contributor to the success of the enterprise. As the saying goes, "none of us is as smart as all of us."

While I truly believe that **Teamwork and Collaboration** is the price of admission, it is also so much more. Teamwork and Collaboration are an important growth enabler for the sector. If we want to migrate to adjacent markets, it is imperative that we look beyond the technologies and solutions within the sector and realize the benefits of One Northrop Grumman. The power of this tremendous enterprise will improve our competitive position if we continue to work together. A great way to do this is through the campaigns where we look at an entire market space, and identify how we can assist our customers through integrated systems and solutions. Keep working together, across the divisions and across the sectors. It is making a difference.

The term **Continuous Improvement** is often associated with six sigma and pareto charts, and while excellence in metrics and process improvement is crucial to our success, we also need to focus on the importance of customer satisfaction and compliance. One of the greatest contributors to winning a program is the confidence our customers have in our products and our people. Providing what our customers need – on cost – on schedule – every time – is critical to our future success – it is also the right thing to do. And in doing so, we must always act with integrity and understand that compliance must never be compromised. Our reputation and success depend on it. The end of 2008 brought about several changes on our staff due to a re-alignment of several functions. These changes will afford us the opportunity to target continuous improvements in such areas as supply chain, strategic sourcing, product ownership, program performance and the disciplined adherence to processes.

Strategic Thinking for Growth has been one of the key enablers of our current success and sustaining that momentum is what will take us to the next level. Through our campaigns, innovative technology and discriminating capabilities, we have an excellent opportunity to grow the business. We need to continue to expand our core market positions domestically, break into new international markets and migrate into adjacencies that complement our current portfolio. Maintaining the energy that has become the signature of Electronic Systems over the past three years will ensure our future success and I am confident that together we can accomplish these goals.

Again, thank you for a great 2008. Let's make 2009 the year of engagement, execution, and continued growth.

Thank you.
