

Customer Keynote



Warren Fox

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During his twenty one years with Northrop Grumman, Warren has been responsible for Procurement at the Space Systems Division. Prior to the merger with Northrop Grumman, Warren led the TRW Corporate Agreements team leveraging TRW's global spend with its supply base. Warren was also a former member of the Aerospace Industries Association's (AIA) Electronic Commerce Working Group and a representative to the AIA Supplier Management Council. He is also a Past President of the Institute for Supply Management's LA affiliate (ISMLA).



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SEA Presentation Aerospace Systems Procurement

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Who Moved My Customer?

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Who Moved My Customer? The Changing Prime/Supplier Paradigm

Old	New
<ul style="list-style-type: none"> • Hard to Delegate • Not Invented Here • Internal Focus • Tactical Thinker • Quid Pro Quo • Resource Limited • Cautious 	<ul style="list-style-type: none"> • Cooperative • Delegates • Benchmarks • External Awareness • Strategic Thinker • Expands Business & Capability • Leverages Resources/Information • Benchmarking • Strategic Thinking • Investment



Who Moved My Customer?

F-35 - A Changed Prime/Supplier Relationship

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- **Program Overview:**

- The F-35 Lightning II is a stealthy, supersonic, multi-role fighter
- Northrop Grumman is a principal subcontractor on an F-35 industry team led by Lockheed Martin Aeronautics, Fort Worth, Texas
- The accomplishment of the program's hallmarks - affordability, survivability, sustainability and lethality are directly dependent upon its suppliers embracing the new relationship paradigm



Who Moved My Customer?

F-35 - A Changed Prime/Supplier Relationship

- Financing and Business Arrangements
 - Subcontractor Investment
 - Long Term Pricing Agreements
 - Teaming Agreements
 - Foreign Share Participation
- Security
 - ITAR Compliance
 - Proprietary Rights Agreements
- Costs
 - Downward Pricing Pressure
 - Competition Threats

“Be ready to change quickly, again and again.”

Who Moved My Customer?

F-35 - A Changed Prime/Supplier Relationship

- Quality
 - Zero Defects
 - Closer Tolerances
 - 3rd Tier Processor Approval
- Delivery
 - Not Late /Not Early
 - Frequent Schedule Changes
- Communication
 - Net Meeting
 - WEB Portal Communication
 - Instant Email Response
 - Money Wire Transfers

“If you do not change, you can become extinct.”

Who am I? What do I do?

Global Supply Chain Procurement

- Procures all Goods & Services sans PME
- Sets Procurement Policy
- Promulgates Procurements Procedures
- Responsible for CPSR Certification
- Leans Out Procurement Operating Costs
- Trains Workforce

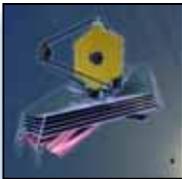
Who am I? What do I do?

Supported Programs

Production:



Global Hawk



JWST



F/A-18



NPOESS



E-2D



AEHF

SDD:



F-35 JSF



EA-18G

DEV:



JUCAS



ALMDS



Fire Scout

Post Production:



Joint STARS



EA-6B

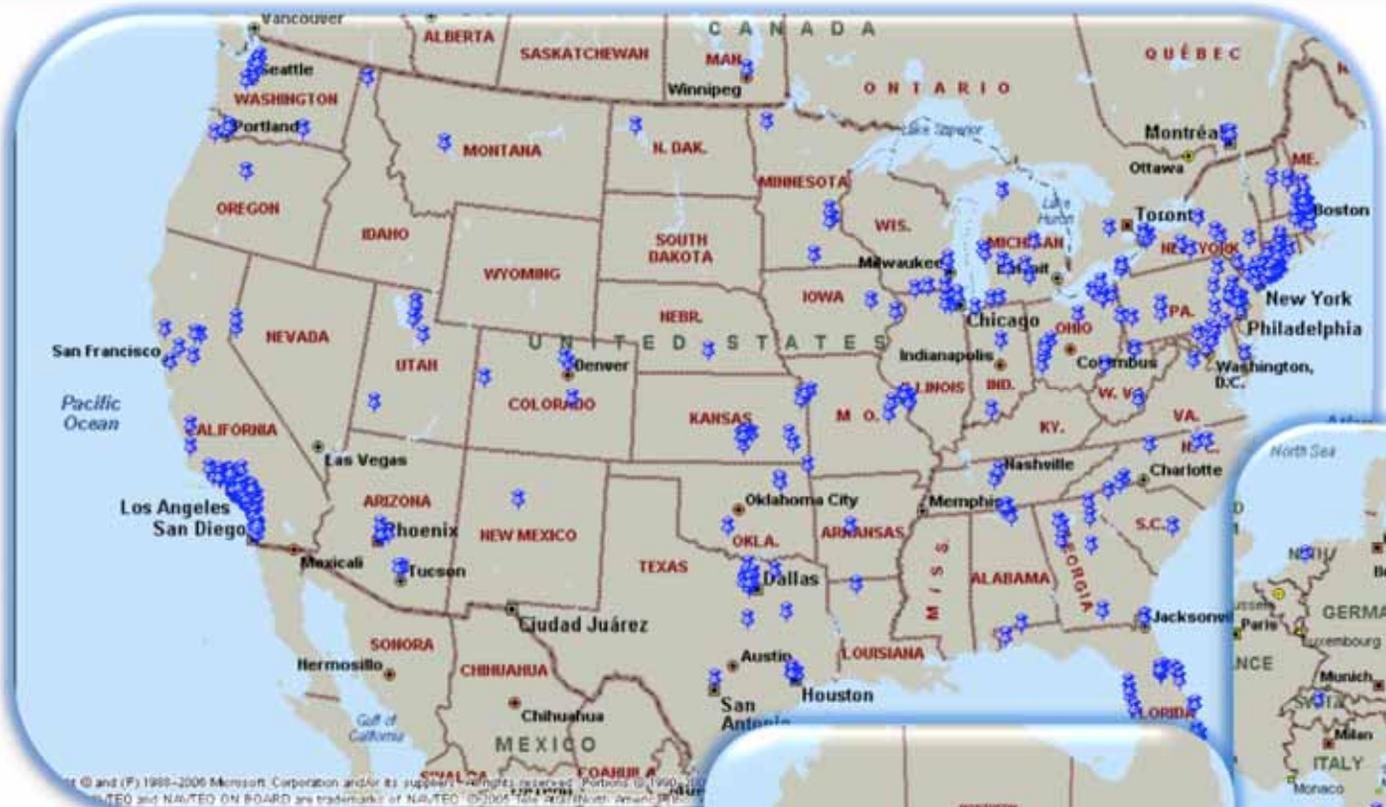


A-10



T-38

Who am I? What do I do?



Supplier Locations



A Final Thought...

“Life is no straight and easy corridor along which we travel free and unhampered, but a maze of passages, through which we must seek our way, lost and confused, now and again checked in a blind alley.

But always, if we have faith, a door will open for us, not perhaps one that we ourselves would have thought of, but one that will ultimately prove good for us.” - A. J. Cronin

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