

Lockheed Martin Supplier Diversity



*Thank you for the opportunity
to speak with you today supporting the
Congressman Bill Posey
Federal Contracting Conference*

Phyllis Grant 8-4-14

Supplier Diversity Senior Manager

Lockheed Martin Missiles and Fire Control

Lockheed Martin Supplier Diversity

Opening doors to small enterprises



Nancy H. Deskins
Director, Supplier Diversity
Lockheed Martin Corporation

Vision



**Lockheed Martin is the Leading
Global Security and Aerospace Company,
Solving our Customers' Most Difficult Problems
Through Our Employees' Innovation,
Performance and Unmatched Integrity.**

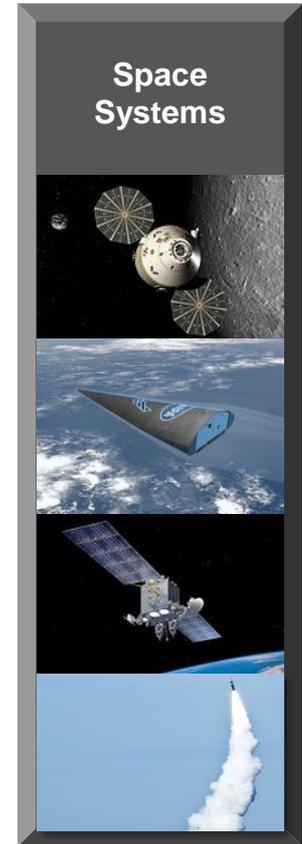
Customers



- **Departments of**
 - **Defense**
 - **Homeland Security**
 - **Commerce**
 - **Energy**
 - **Health & Human Services**
 - **Housing & Urban Development**
 - **Justice**
 - **State**
 - **Transportation**
- **NASA**
- **Social Security Administration**
- **Environmental Protection Agency**
- **U.S. Postal Service**
- **Intelligence Communities**
- **70 other Governments Worldwide**

We Never Forget Who We're Working For ®

Business Structure



Lockheed Martin Business Areas



- ### AERONAUTICS
- Tactical Fighters
 - Tactical /Strategic Airlift
 - Advanced Development
 - Global Sustainment



- ### MISSILES and FIRE CONTROL
- Air and Missile Defense
 - Tactical Missiles
 - Fire Control
 - Combat Maneuver Systems



- ### MISSION SYSTEMS & TRAINING
- Naval Combat Systems
 - Radar and Surveillance Systems
 - Aviation Systems
 - Training and Logistics Solutions



- ### SPACE SYSTEMS
- Surveillance and Navigation
 - Global Communications
 - Human Space Flight
 - Strategic and Defensive Systems



- ### INFORMATION SYSTEMS & GLOBAL SOLUTIONS
- Cyber Security
 - Information Technology
 - Strategic / Operational Command & Control Systems

Lockheed Martin's Commitment to Small Business



- Awarded \$5.8 billion total U.S. dollars to small businesses in GFY 2013
- Lockheed Martin actively seeks diverse suppliers
 - Bring agility & new perspectives
 - Provide innovative solutions to complex challenges

Small Business Receive >27% of LM's Subcontracts



The Defense Marketplace Reality



- Industry faced with volatile economic environment
 - 2011 Budget Control Act (10 years reduce spending by >\$480B)
 - Sequestration
- Customers requesting increased productivity & savings goals
- Focus on affordability to enhance performance, reduce costs & deliver optimum value

Contractors aim to trim the fat

TAGS: Pentagon, Boeing, Department Of Defense, Lockheed Martin, Northrop Grumman, Weapon Systems Acquisition Reform Act, Defense Spending

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By JEN DIMASCIO | 7/22/10 4:12 AM EDT



Many defense companies like Lockheed Martin are planning for future budget cuts, including reducing their presence at the Farnborough International Airshow. AP Photo

Facing up to a new period of Pentagon frugality and smaller bottom lines, the defense industry has begun repositioning itself in ways large and small — from looking harder for new customers overseas to pushing harder to diversify their businesses to offering executive buyouts.

The contractors are responding not so much in anticipation of one massive budget cut but, rather, to a series of efficiency initiatives, including the Weapon Systems Acquisition Reform Act and pressure from Defense Secretary Robert Gates, as well as increasing rhetoric on Capitol Hill about the potential for actual cuts to the Pentagon's \$700 billion-a-year budget.

Greater Focus on Supply Chain Efficiency Opportunities

Information Security In Real Life



SHOW ME: Economy Markets Consumer news Autos Personal Finance

RETAIL
Target says hackers stole credentials from vendor

Target says hackers stole credentials from vendor

Reuters

Jan. 29, 2014 at 6:04 PM ET

CHRYSLER-JEEP
Ford, GM sales dropped, Chrysler's rose in January

MANUFACTURING
US manufacturing, construction spending slows

FEDERAL-RESERVE
Yellen sworn in as Fed chair as Bernanke heads to Brookings

EGREETINGS
Our condolences: Dot.com veteran



FREDERIC J. BROWN / AFP - Getty Images

“Target said Wednesday that the cyber criminals who breached its system used credentials they stole from one of the retailer's vendors.”

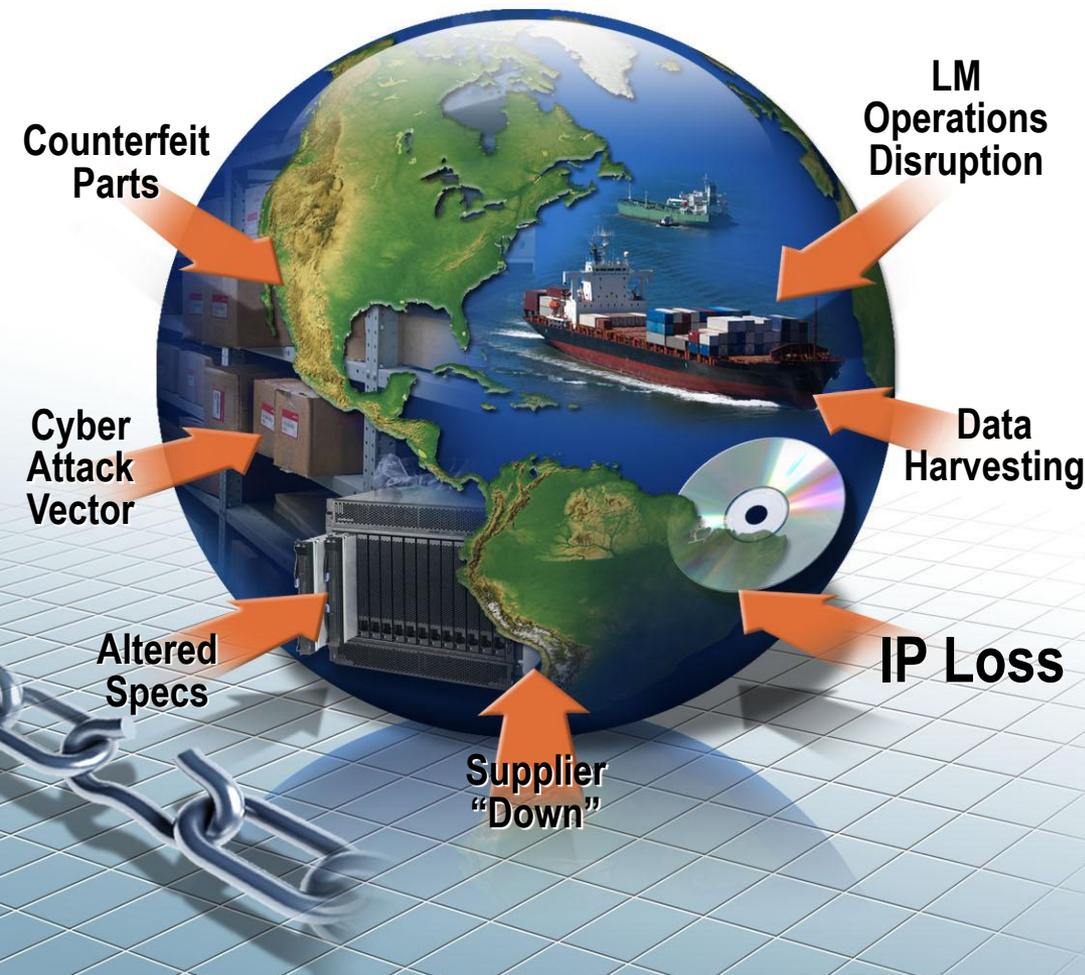
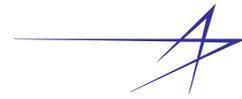


Keep Your Information Secure



Keep Our Network and Information Secure

A Strong Focus on Supply Chain Security



Problem Statement

As Lockheed Martin has Enhanced its Cyber Security Defenses, Threats Have Expanded Across the Entire Supply Base. Supplier Capabilities Vary in Ability to Effectively Address These Threats and Protect Sensitive Program Information.

Every Supplier 2FA Secure

Secure the Information Shared Between Supplier and Lockheed Martin.

Cyber Security Threats Expand Across the Entire Supply Base. The Supplier Link Is Critical Because of the Opportunity It Presents to Those With Malicious Intent.

Visit www.myexostar.com/lm2fa for a copy of this presentation

Emerging Supply Chain Issues



DEPARTMENT OF THE AIR FORCE
ARLINGTON, VA 22203-3333

Office of the Deputy General Counsel

VIA FEDERAL EXPRESS

SAF/OCR
1235 S. Clark St.
Suite 301
Arlington, VA 22202

Global IC Traffic
Attention: Lori L. ...
24006 Eaton Lane
Laguna Niguel, CA

DEPARTMENT OF THE AIR FORCE
ATTENTION: LORI L. ...
1100 WOODHUTCH DR.
WASHINGTON, DC

OFFICE OF THE ASSISTANT SECRETARY
SAF/AAC
1000 Air Force Postage Washington, DC 20330-1000

Dear Ms. Leroy:

You are in compliance with the provisions of the Federal Acquisition Regulation (FAR) Subpart 9.106-7, which requires that you submit a copy of your contract to the Department of Defense (DoD) for review and approval. If you do not have regulations, please refer to the FAR Subpart 9.106-7. The suspension of the FAR Subpart 9.106-7 is in effect until the end of the period of suspension.

1. The FAR Subpart 9.106-7 is available at: <http://www.far.gov>. The FAR Subpart 9.106-7 contains the name of the FAR Subpart 9.106-7 and the executive branch program.

Please contact my office at 703/368-7025 if you have any questions.

Sincerely,
ROCKY S. COOPER
Deputy Assistant Secretary
Charlie Williams

DEFENSE CONTRACT MANAGEMENT AGENCY
3901 A AVENUE, BUILDING 10000
FORT LEE, VIRGINIA 22051-1800

February 2, 2012

Mr. Steven L. Hill
Vice President, Quality Operations & Program Management
Lockheed Martin Corporation
6801 Rockledge Drive
Bethesda, Maryland 20817

Dear Mr. Hill:

The recent highlights in respect to your company's impact on the supply chain are as follows:

To protect the integrity of the supply chain and to ensure the quality of the products and services provided to the Department of Defense, we are implementing a new transparency requirement for all new contracts and amendments.

In order to ensure the integrity of the supply chain, we are implementing a new transparency requirement for all new contracts and amendments. This requirement is designed to ensure that all new contracts and amendments are subject to the same level of oversight and scrutiny as existing contracts and amendments.

1. What is the purpose of the new transparency requirement?

2. How will the new transparency requirement be implemented?

3. What are the consequences of non-compliance with the new transparency requirement?

On December 1, 2011, the Department of Defense issued a new transparency requirement for all new contracts and amendments. This requirement is designed to ensure that all new contracts and amendments are subject to the same level of oversight and scrutiny as existing contracts and amendments.

LOS ANGELES

Daily Journal

MONDAY, JANUARY 2, 2012

CORPORATE

Compliance deadline looms for new Transparency in Supply Chains Act

By Peter M. Menard

On Jan. 1, 2012, the California Transparency in Supply Chains Act of 2010 (SB 673) will become effective. The legislation will require large manufacturers and retailers to disclose the absence of human rights abuses, child labor, and slavery in their supply chains. The law also requires companies to disclose the steps they are taking to address these issues.

The Act also requires companies to disclose the steps they are taking to address these issues. This includes information on the company's policies, procedures, and practices related to human rights, labor, and slavery. The Act also requires companies to disclose the steps they are taking to address these issues.

CONGRESS OF THE UNITED STATES
House of Representatives
Washington, DC 20515-8006

February 2, 2012

President Barack Obama
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Obama:

We are writing in response to your statements regarding our trade relations with China during your recent State of the Union address. We appreciate your focus on this issue, and specifically request you ensure your Administration follows up on a particular area of grave concern in our trade with China: rare earth minerals.

Rare earth minerals are critical to the American economy and our national security. These materials are necessary for our national security, the development of new technology, the renewable energy sector, and securing economic growth in high-tech industries.

This is particularly timely. As you know, on July 5, 2011, the World Trade Organization (WTO) issued a ruling on a petition brought by the U.S., Europe, and Mexico regarding China's restrictions on the export of various rare materials. The WTO found China was in violation of its commitment to free trade policies, and just this week, on January 30, 2012, the appellate panel of the World Trade Organization ruled that China must dismantle its system of export taxes and quotas for nine widely used industrial materials.

The similarity between Chinese rare material exports and rare earth exports suggests that rectifying the rare earth situation should be among the first efforts undertaken in any new focus on trade equality. We urge you to join the new Trade Enforcement Unit at the various restrictions, quotas and de facto embargoes used by China in the rare earth market.

Many of us have also urged a WTO case against China due to their rare earth practices, and we reiterate that request with you as well.

China's rare earth policies defy global trade laws to create supply scarcity and price inflation in the global market while ensuring surplus and lower prices in domestic markets. This unjust manipulation of the global trade market compels companies to relocate to China, bringing jobs, capital and intellectual property with them. The United States must respond vigorously.

We look forward to hearing from you on this matter and stand ready to assist you in any way.

Sincerely,

- Dodd-Frank Conflict Minerals
- Human Rights (CA Supply Chain Transparency Act)
- Rare Earth Chinese Export Restrictions
- Sector by Sector / Tier by Tier (S2T2)
- Counterfeit Parts
- Cyber Security

Emerging Issue Leadership and Collaboration Across the Enterprise

Lockheed Martin's Procurement Outlook



- Opportunities exist, but will be very competitive
- Customers expect competition to ensure best value
- Concern when engaging new suppliers: RISK
 - Financial stability
 - Past, relevant performance
 - Ability to be viable in the long term
 - Security & Integrity
- Suppliers need to think globally

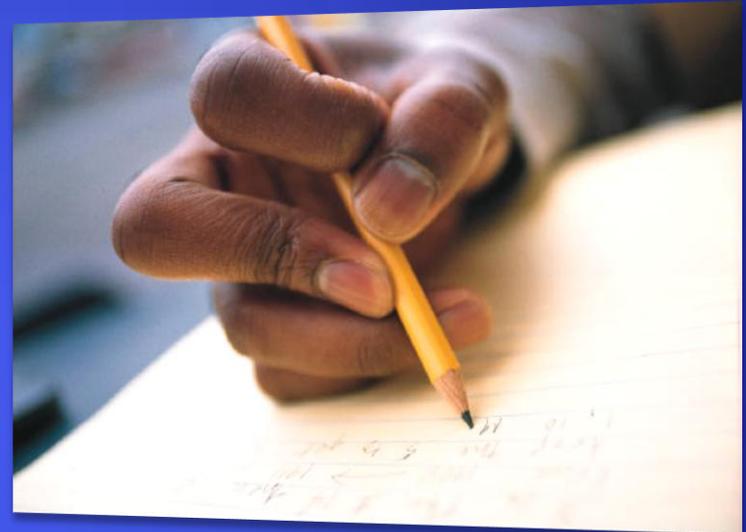
Qualities We Look for in a New Supplier...



- **Socio-economic status**
- **Past performance with federal customer**
- **Experience with Lockheed Martin or Prime Contractor**
- **Experience in one of our industries**
- **Quality certifications**
- **Security clearances**
- **Location**
- **Past participation in Mentor Protégé program**
- **Technology unique to their company, patented**
- **Differentiating factors**
- **Supplier of needed services**

Do Your Homework

- Study our website & programs:
www.lockheedmartin.com
- Identify a few target businesses or programs
- Register
 - See link under “Suppliers” tab entitled “Doing Business with Lockheed Martin”
- Send a capabilities statement to:
supplier.communications@lmco.com



Utilize the SBLO



- **Small Business Liaison Officer (SBLO)**
supplier.communications@lmco.com
- **Your Point of Entry & Advocate**
- **A Business Partner**
 - Knows ALL key programs in their area
 - Aware of requirements
 - Integrated with BD & Contracts
 - Email is the preferred initial contact method
 - Include your website
- Understand that the SBLO may need to refer you further
- Mind your business ethics...gifts & gratuities, etc.

Make Initial Contact



- Present a brief & concise “Elevator Speech”
- Focus on your company’s uniqueness & differentiators
- Past performance (quality & delivery)
- Share success stories
- Offer solutions to problems

**Every Business Professional Needs a Memorable
Answer to the Question "What do you do?"
Lorraine Howell, Author, Give Your Elevator Speech A Lift!**

Business Card Tips



– FRONT OF CARD

- Supplier Name
- Address
- Email
- URL
- Phone number
- Socio-economic status
- Key descriptive words



– BACK OF CARD

- NAICS/descriptions
- DUNS & CAGE Code

Seek Strategic Partnerships



- Value-added small business partners at same pricing as large business
- Small-Small & Small-Large businesses teaming for competitiveness
- Small as prime with large as subcontractor in restricted competitions
- Participate in Government Outreach Programs

Respond to a RFQ

- Be responsive...submit no-bid response if you choose not to compete
- Read and understand every element of request:
 - Terms & Conditions
 - Quality & Delivery Requirements
- Ask for clarification or an extension if necessary
- Always return calls promptly



Perform



- **Cost – Quote full costs**
- **Quality – 100% in everything you do!**
- **Delivery – On time, every time**



Always Meet Commitments

Supplier Wire

A dedicated resource for small enterprises looking to do business with Lockheed Martin and the industry in general

Free webinars & live chats

Educational videos

Supplier testimonials

Immediate needs bulletins

Directories

Partnership pursuits

Veteran's corner

Lockheedmartin.com / Suppliers / Supplier Wire

LOCKHEED MARTIN



OPENING DOORS TO OPPORTUNITY AND INNOVATION



Get Connected

Attend a webinar, chat with Lockheed Martin representatives, seek proposal partners and more. [LEARN MORE.](#)



Doorway to Innovation

Share an innovation or partner with us on a Small Business Innovation Research Program project. [READ MORE.](#)



Who's Knocking

When we say 'Who's Knocking' we mean diverse suppliers who deliver high quality and innovative solutions. [READ MORE.](#)



Opportunity Knocks

Learn what we buy, procurement opportunities available and where we'll be throughout the year. [LEARN MORE.](#)



eTraining & Video Center

Visit our eTraining & Video Center, a collection of educational resources for small businesses. [LEARN MORE.](#)



Veterans Corner

We're committed to providing veterans with business and training opportunities when they no longer wear the uniform. [LEARN MORE.](#)

In Summary



- **It's a competitive landscape -- need to differentiate yourself**
- **Think global**
- **Understand the security requirements**
- **Seek strategic partnerships for to maximize competitiveness**
- **Perform**
 - **Quality – 100% in everything you do**
 - **Delivery – On time, every time**

